



chair **John Chiang**
member **Jerome E. Horton**
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State of California
Franchise Tax Board

07.31.12

To: Selvi Stanislaus

From: Jeanne Harriman

Subject: Board Approval for Contracts Exceeding \$1 Million – Security Guard Services

Memorandum

This memorandum provides information for your notification to the Board pursuant to the Board's resolution requiring approval for contracts exceeding \$1 million.

Security Guard Services

This contract is a multi-year agreement replacing an expiring contract for un-armed security guard services for the FTB Central Office Campus. The contract services will protect the department's employees, assets, data and property. Every three years, the California Highway Patrol (CHP) conducts a competitive bid with the intent of establishing a Master Service Agreement (MSA) for security guard services. The CHP anticipates that a new MSA will be executed before the end of 2012, which FTB intends to use to contract for our un-armed security guard services. The estimated cost for the three-year contract is \$9.3 million (\$3.1 million annually). This contract will be funded from the existing budgeted funds for security.

The term of this agreement will be January 1, 2013 through December 31, 2015.

If you have any questions regarding any of the above items, please contact me at 845-6431.

Jeanne Harriman

Director
Financial Management Bureau