



STATE OF CALIFORNIA
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MEMORANDUM

To: Will Bush

Date: November 16, 2005

From: Mark Shijo

Subject: Board Approval for Contracts Exceeding \$1 Million

This memorandum provides information for your notification to the Board pursuant to the Board's resolution requiring approval for Contracts exceeding \$1 million. The following is the proposed Contract:

- **Security Services** – This is a new, multi-year contract replacing an expiring contract for un-armed security guard services for the FTB Central Office Campus (Phase I, II and III) and off-site California locations. The contract services will protect department property and employee safety. Every three years the California Highway Patrol conducts a competitive bid with the intent of establishing a Master Service Agreement (MSA) for security guard services. The Franchise Tax Board intends to use this MSA to contract for our un-armed security guard services. The estimated cost for the three-year contract is \$9.6 million (\$3.2 million annually.) This contract will be funded from the existing budgeted funds for security and an \$800,000 augmentation approved in a FY 2005/06 Finance Letter for Phase III.

If you have any questions, please contact me at 845-6782.

A handwritten signature in cursive script that reads "Mark Shijo".

Acting Director,
Financial Management Bureau

cc: Geoff Way
Titus Toyama