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A photograph of a prison facility. In the foreground, there is a chain-link fence with several strands of barbed wire on top. A metal gate is open, leading to a concrete walkway. In the background, there is a multi-story building with blue-tinted windows and a security camera mounted on a pole. The sky is overcast.

DETENTION EQUIPMENT CONTRACTORS REPORT 2012

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2012 ANNUAL DETENTION EQUIPMENT CONTRACTORS LIST

	Company	Contact	Geographic Area Covered	Annual Revenue	Number of Employees	Largest Contract in Past Year	Value of Jobs Under Contract	Value of Backlog	
REVENUES \$21 MILLION AND ABOVE	ISI Detention Contracting Group Inc. San Antonio, TX www.isidet.com	Sam Youngblood 210-495-5245	North America	\$70,000,000	110	\$57,000,000	\$132,000,000	\$62,000,000	REVENUES \$21 MILLION AND ABOVE
	Cornerstone Detention Products Inc. Tanner, AL www.cornerstonedetention.com	Shannon Claborn 256-355-2396	North America	\$50,000,000	40	\$9,400,000	\$79,000,000	\$35,000,000	
	Sierra Detention Systems Brighton, CO www.sierradetentionsystems.com	Meredith Berman 303-278-6879	National	\$35,000,000	85	\$28,300,000	\$120,000,000	\$67,000,000	
	Norment Security Group Inc. Montgomery, AL www.normentsecurity.com	Charles Veniez 334-281-8440	U.S., International	\$32,320,000	52	\$6,601,000	\$132,633,000	\$23,457,000	
	Pauly Jail Company Noblesville, IN www.paulyjail.com	Joseph Pohrer III 317-580-0833	East, Southeast, Midwest	\$30,000,000	25	\$14,900,000	N/A	N/A	
REVENUES \$5 MILLION-\$20 MILLION	CCC Group Inc. San Antonio, TX www.cccgroupinc.com	Randy DeMent 210-661-4251	U.S., International	\$20,000,000	30	\$11,600,000	\$51,000,000	\$25,000,000	REVENUES \$5 MILLION-\$20 MILLION
	Secure Control Systems San Antonio, TX www.securecontrolsystems.com	Brian Mikiten 210-530-5245	North America	\$20,000,000	20-40	\$25,000,000	\$30,000,000	\$30,000,000	
	Legg Inc. Livermore, CA www.legginc.com	Bob Legg/ Skip D'Orazio 925-605-450	International	\$16,000,000	20	\$12,400,000	\$35,000,000	\$35,000,000	
	Maximum Security Products Corp. Waterford, NY www.maximumsecuritycorp.com	Thomas Townson 518-233-1800	Northeast U.S., International	\$14,200,000	45	\$2,500,000	\$16,500,000	\$15,000,000	
	Southern Folger Detention Equipment Company San Antonio, TX www.southernfolger.com	Jim Brown 210-531-4150	International	\$13,000,000	162	\$7,397,000	\$30,000,000	\$16,000,000	
	CML Specialties Inc. Coeur D Alene, ID www.cmlspecialties.com	Mike Langersmith 208-765-2415	Western North America	\$11,000,000	32	\$7,500,000	\$18,000,000	\$9,000,000	
	Florida Detention Systems Inc. Melrose, FL www.floridadetention.com	George Stewart 352-475-5391	Southeast, Northeast, Central	\$10,000,000	35	\$7,805,000	\$25,411,000	\$9,150,000	
	United Prison Equipment Green Lane, PA www.unitedprison.com	Marc Smith 215-234-4633	U.S.	\$10,000,000	10	\$4,700,000	\$15,000,000	\$7,000,000	
	Sweeper Metal Fabricators Corp. Drumright, OK www.sweepermetal.com	John Schiffmacher 918-352-2133	U.S., International	\$8,200,000	51	\$3,300,000	\$6,100,000	\$4,900,000	
	American Jail Products LLC Troy, NY www.americanjailproducts.com	George Kaldas 518-271-6560	Northeast	\$8,000,000	25-30	\$3,500,000	\$12,000,000	\$8,000,000	
	The G-S Company Baltimore, MD www.g-sco.com	Don Bohn 410-284-9549	Continental U.S.	\$5,000,000	20	\$850,000	\$5,000,000	\$2,000,000	
REVENUES \$5 MILLION AND UNDER	US Security Systems Inc. Montgomery, AL www.ussecuritysystems.com	Ron Clifford 334-273-8778	Midwest, Southeast	\$5,000,000	3	\$2,600,000	\$11,000,000	\$2,500,000	REVENUES \$5 MILLION AND UNDER
	WDSI Inc. Cedarburg, WI www.wdsi-online.com	Andrea Ward 262-377-7621	Midwest	\$5,000,000	10	\$2,280,000	\$7,500,000	\$4,800,000	
	George A. Keene Inc. Clarence Center, NY www.keenejailquip.com	Paul Nyznk 716-406-209	Northeast	\$4,500,000	10	\$1,431,000	\$5,700,000	\$3,000,000	
	JAILS Correctional Products Minster, OH www.fabcor.com	Jon G. Hoying 419-628-3891	Continental U.S.	\$3,800,000	18	\$285,000	\$4,100,000	\$1,100,000	
	Detention Equipment Services International Newark, DE N/A	Mike Harris 302-379-2800	Mid Atlantic, Southeast	\$3,000,000	8	\$503,000	\$3,025,000	\$1,300,000	
	Unique Security Inc. Montgomery, AL www.uniquesecurityinc.com	Gary Hart 334-239-8343	U.S., International	\$2,500,000	7	\$700,000	\$1,200,000	\$1,000,000	
	Forderer Cornice Works Hayward, CA www.fordererdoers.com	Mark Koeppen 510-783-4200	West Coast	\$2,000,000	5	N/A	\$3,800,000	\$1,200,000	
	Jailcraft Inc. Stevensville, MD www.jailcraftinc.com	Ronald Mullar 410-643-1771	Central East Coast	\$1,000,000	4	\$177,000	\$510,000	\$375,000	
	Stronghold Industries Inc. Racine, WI www.strongholdind.com	Tom Ackley 262-886-1077	Midwest	\$1,000,000	7	\$340,000	\$1,500,000	\$750,000	
	W Lewis Frame n Door Inc. Willow Grove, PA www.wlewisdoor.com	Roslyn Shender 215-830-8781	International	\$600,000	12	\$45,000	\$75,000	\$160,000	
	Architectural Building Supply Salt Lake City, UT N/A	Brent Gruvman 208-523-6484	Mountain Western	N/A	13	N/A	\$1,900,000	N/A	

DEC LIST

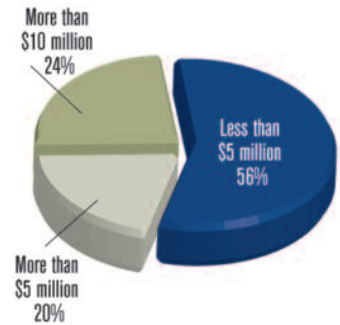
Value of Largest Contract Awarded in the Past Year

1	ISI Detention Contracting Group Inc.	\$57,000,000
2	Sierra Detention Systems	\$28,300,000
3	Secure Control Systems	\$25,000,000
4	Pauly Jail Company	\$14,900,000
5	Legg Inc.	\$12,400,000
6	CCC Group Inc.	\$11,600,000
7	Cornerstone Detention Products Inc.	\$9,400,000
8	Florida Detention Systems Inc.	\$7,805,000
9	CML Specialties Inc.	\$7,500,000
10	Southern Folger Detention Equipment Company	\$7,397,000

Current Bonding Capacity

1	CCC Group Inc.	\$400,000,000
2	Cornerstone Detention Products Inc.	\$100,000,000
3	Sierra Detention Systems	\$100,000,000
4	Southern Folger Detention Equipment Company	\$100,000,000
5	Norment Security Group Inc.	\$80,000,000
6	Legg Inc.	\$50,000,000
7	Pauly Jail Company	\$30,000,000
8	American Jail Products LLC	\$25,000,000
9	CML Specialties Inc.	\$20,000,000
10	Sweeper Metal Fabricators Corp.	\$20,000,000
11	The G-S Company	\$20,000,000
12	United Prison Equipment	\$20,000,000

Value of Largest Contract in Past Year (all DEC's)



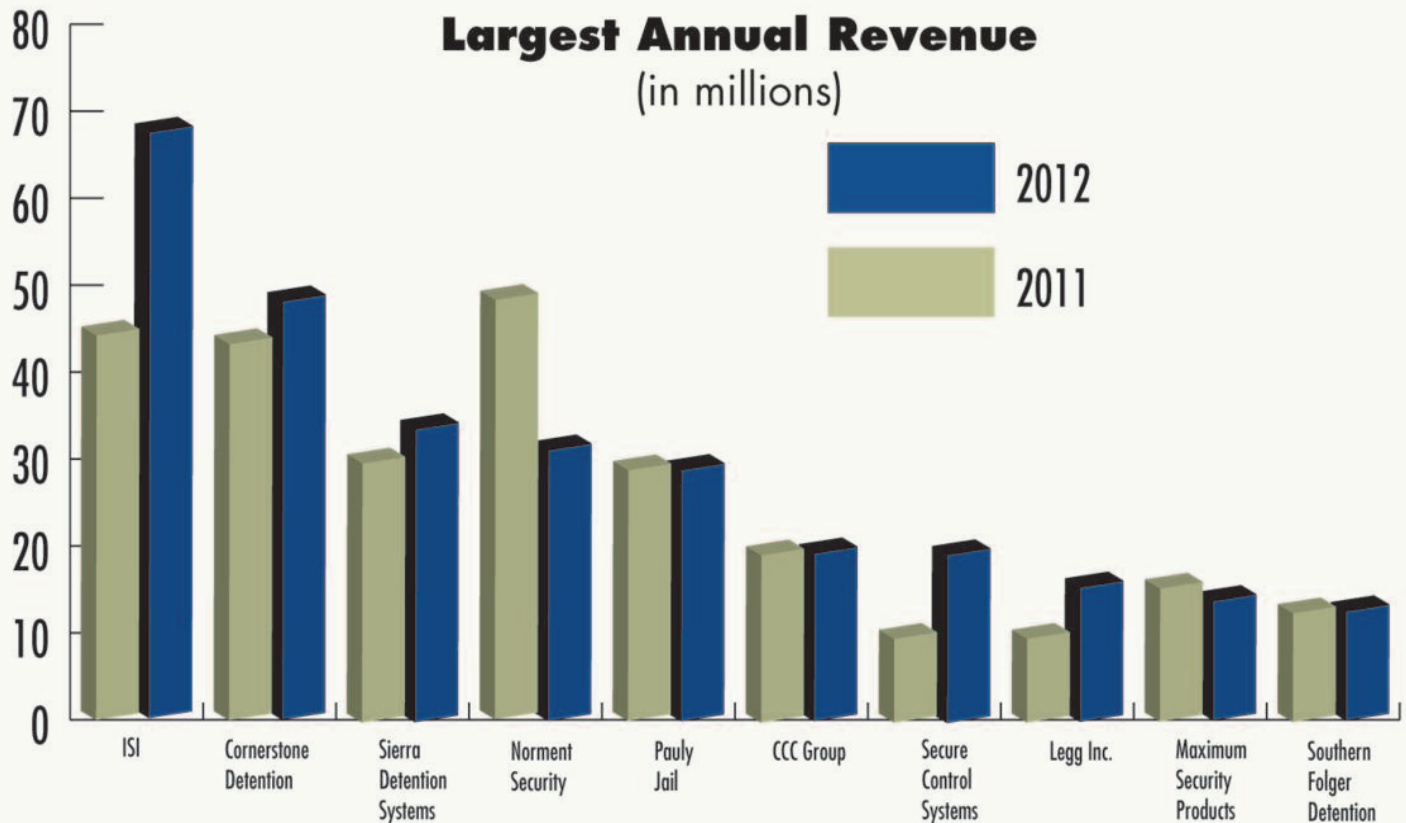
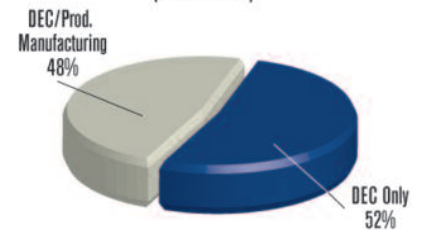
DEC's With the Greatest Number of Employees

1	Southern Folger Detention Equipment Company	162
2	ISI Detention Contracting Group Inc.	110
3	Sierra Detention Systems	85
4	Norment Security Group Inc.	52
5	Sweeper Metal Fabricators Corp.	51
6	Maximum Security Products Corp.	45
7	Cornerstone Detention Products Inc.	40
8	Secure Control Systems	40
9	Florida Detention Systems Inc.	35
10	CML Specialties Inc.	32

Value of Current Jobs Under Contract

1	Norment Security Group Inc.	\$132,633,000
2	ISI Detention Contracting Group Inc.	\$132,000,000
3	Sierra Detention Systems	\$120,000,000
4	Cornerstone Detention Products Inc.	\$79,000,000
5	CCC Group Inc.	\$51,000,000
6	Legg Inc.	\$35,000,000
7	Secure Control Systems	\$30,000,000
8	Southern Folger Detention Equipment Company	\$30,000,000
9	Florida Detention Systems Inc.	\$25,411,000
10	CML Specialties Inc.	\$18,000,000

Services Provided (all DEC's)



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The Evolving DEC

By Meredith Berman

“Never waste a good recession” — perhaps the banner phrase for the last several years and the dip taken in the detention market. As the economy slowed and its downstream effects finally reached corrections, many companies in the industry grew at an opposing pace from the economy. This was not growth in new revenues and higher backlogs, but rather, growth in their involvement.

The downturn in the economy did in fact bring hardships to many DEC's. It brought layoffs, slashed margins and invited more risk. Until something happened: some DEC's realized that resources to combat a difficult economy were closer than they were far. We see the picture coming together in two major ways. Mutual success could be realized both within their

walls and working in conjunction with their competitors. Along with owners, the DEC community began asking themselves how they could do more with less. Next, they consolidated services within their own organizations.

For the first time in recent history, this segment of the industry (relatively unchanging in its business strategies) realized that consolidating services through mutual cooperation provides a more competitive price for the owner. The savvy companies broadened their capabilities and reinvented their best business practices in order to meet the new competitor: budget.

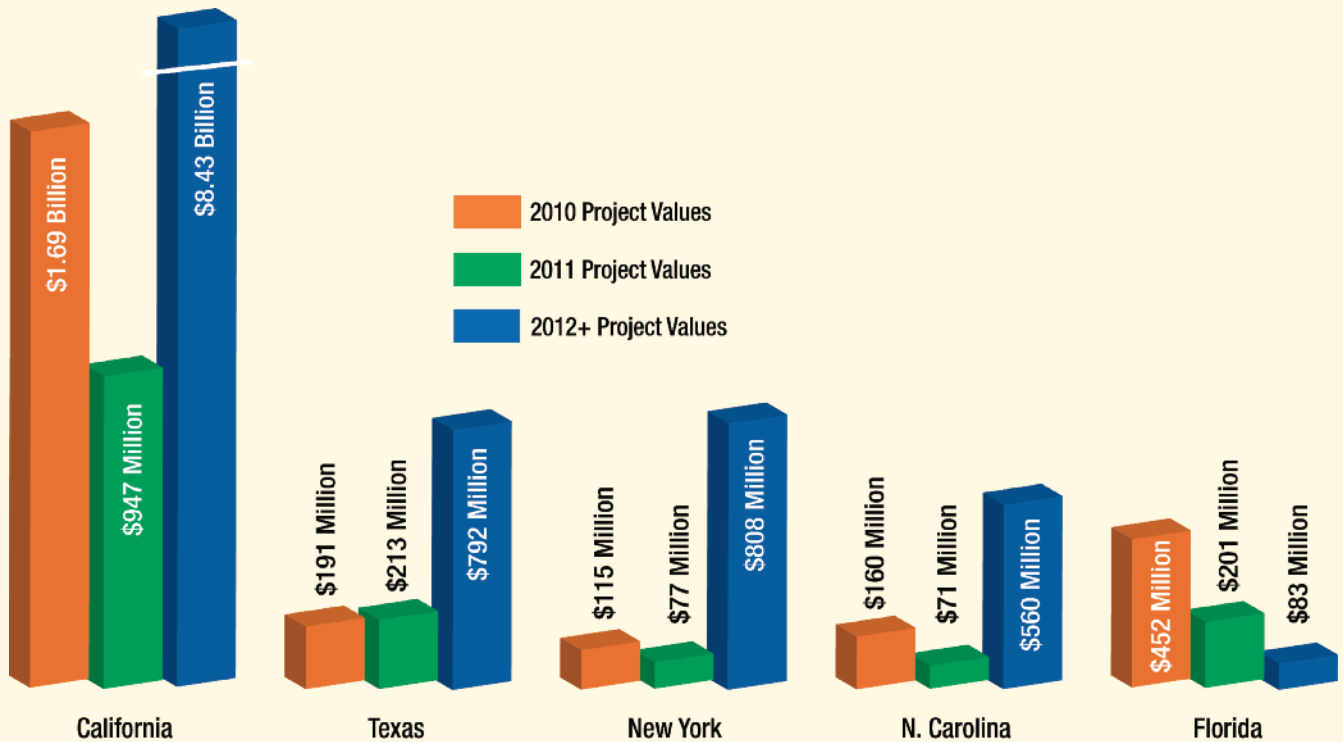
More often, it is the DEC or SEC with the ability to execute both packages that wins the job. The properly priced and executed project that embodies both detention equipment and security electronic packages encourages the owner, general contractor and CM to consolidate risks. We have noticed that this is especially true when providing a single performance bond for both scopes, and self-performed

value added manufacturing.

Concurrently, as in any industry, experiential wisdom is gained over the decades; now, the full-service DEC's are earning their seats at the design-build table. This requires the DEC to successfully adopt more responsibilities than before: engineering; consulting services to the level the architectural/consulting team needs or requires; and the ability to self-generate and coordinate schedules, drawings, details, and submittals for all products delivered.

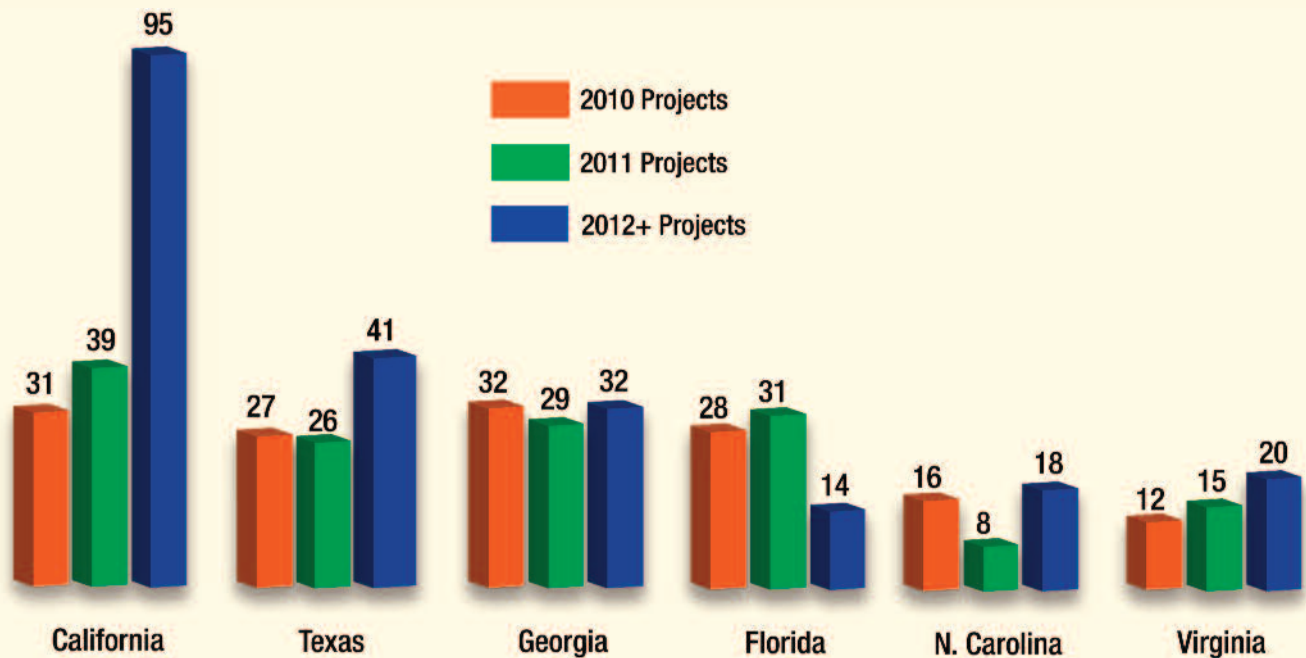
The emergence of the savvy DEC is not wholly new to the industry; in fact, private corrections companies have long required their DEC's to operate at more sophisticated levels than those traditionally required by publicly-bid work. Unencumbered by public bidding requirements and other entanglements, which deliver legendary “low-bid” performance, the private corrections company choice of delivery and product selection is limited only by the best long-term business decision. The prequalified ESS/DEC assumes pre-defined con-

TOP FIVE STATES WITH HIGHEST PROJECT VALUES



Note:
 Top 5 states are based on cumulative metrics for all states from 2002-2012+.
 The last three years of each state's project values are shown.
 Data Courtesy of The Rose Report

STATES WITH HIGHEST NUMBER OF PROJECTS



Note:

Top 5 states are based on cumulative metrics for all states from 2002-2012+.

The last three years of each state's project values are shown.

Data Courtesy of The Rose Report

sulting, design, build and maintenance roles. This firm must have financial depth, bonding and E & O insurance and full staffing to work at the required expedited delivery pace.

Geography

As has been trending for the past several years, the majority of new and retrofit work is in the population centers of California and Texas; followed by Georgia, Florida, North Carolina, Virginia and New York. According to information provided by the Rose Report for projections as recent as April 2012, the number of projects awarded will increase in 2012 from 2011, as will the cumulative value of projects by several billion dollars. Final numbers for the year will be calculated at year end.

Domestic Work

Many DEC's have used the services of small businesses to become more competitive in their bidding and to mentor a growing number of individuals who hold these

certifications. Though the use of a small, woman-owned, 8a/disadvantaged, disabled veteran, or HUB zone business can be the difference of winning or losing a job, the 2011 Small Business Goals Report, compiled by Set-Aside Alert in July 2012, reported that contract spending on small businesses has dropped by seven percent, the sixth year the goal was not met. Spending for 2011 across all governmental agencies was \$91.5 billion. Grades are awarded to each division at the conclusion of the year with the DOD earning a 'B,' Homeland Security earning an 'A' and the Justice department earning a 'C.' While dedicated use of small businesses has not met the full scope of its goals, the Obama administration has demonstrated a commitment to put our veterans back to work as quickly as possible after they return from war. In November 2011, the President signed into law two tax credits for hiring veterans and loaned over \$3 billion from 2009-2011 to over 12,000 small veteran and service-disabled veteran businesses. With this emphasis in

veteran success, we can expect to see more incentives for these businesses with the scheduled return of so many of our troops.

As an industry who works daily with those who protect us within our society and while recognizing our debt to our military men and women, it will be an honor to use these businesses as they flourish. It has not been an easy year for our country or our industry, but it has certainly been productive. As business models develop and delivery methods begin to rely more heavily on DEC expertise, the caliber of this industry sector advances to meet the new needs of this time. ■

Meredith Berman is the director of marketing at Sierra Detention Systems, in Brighton, Colo. She is also secretary for the Detention Equipment Contractors Association (DECA), an association created to further the improvement of detention contracting and its member companies.

Up in a Down Economy

Secure Control Systems Has Weathered This Tough Economy with Longevity and Ingenuity

By Lisa Kopochinski

Brian Mikiten is the owner of Secure Control Systems, a certified detention contractor in numerous states. With offices in San Antonio, Texas and San Ramon, Calif., the company has worked on a variety of detention projects of all sizes — from one-cell to 3,000-bed facilities.

With its years of expertise in the detention sector, SCS has experienced nearly all security configurations and clearly understands that precision and quality are essential to the specification, design and installation of a detention facility's security system. With its access to a multitude of first-line suppliers, the company manages all system components, ensuring that the right equipment is coordinated with the entire detention package and delivered on time to the site.

green-field building projects have such a large number of bidders and such low margins that they represent a major financial risk to not only the contractor, but also to the owner. There are too many jobs being awarded on bid day where the contractor is forced to accept a price that may be driven by others who simply did not do a good job bidding the project. This drives margins to near zero figures and trickles down to suppliers who must also accept a lower margin to get the work. This breeds an environment where everyone is looking for change orders just to break even. A job bid at five-percent margins with 10-percent retainage simply doesn't make sense. As a result, we focus on the specialty work that requires skills that we have developed over the years, including specialized retrofits and SEC/DEC single-source contracts.



Mikiten

Q: *Do you install and manufacture detention equipment?*

A: We usually install, but purchase glass, hollow metal and locks as well as other related material from vendors. In some specialized cases, we will manufacture the equipment or modify existing equipment.

“We have found that the competition in the basic green-field building projects have such a large number of bidders and such low margins that they represent a major financial risk to not only the contractor, but also to the owner.”

Correctional News recently caught up with Mikiten to discuss how his company is remaining successful in this tough economy and the challenges faced by both detention equipment contractors and security electronics contractors.

Q: *What types of jobs is your company landing in this down economy?*

A: The jobs we win are generally much more complex and require a higher degree of expertise to complete. However, these jobs are often different in nature. We have found that the competition in the basic

Q: *Is the number of jobs greater or less than in previous years?*

A: The jobs are fewer and we are seeing many smaller budget jobs that are very limited in scope.

Q: *What percentage of your contracts is for jails, prisons or courthouses?*

A: Eighty percent are for jails and prisons and 20 percent for courthouses. We are seeing more courthouse work coming up in the future, but generally there is more local competition on this type of work.

Q: *What supplier firms do you look to for quality products that are tried-and-true in the corrections industry?*

A: Southern Steel, American Steel, Trussbilt, Global Security Glass, TyMetal, Slate Security, R R Brink and LCN. These manufacturers have been consistent in their quality and dedication to the industry.

Q: *Are some detention equipment contractors looking to be SECs (security electronics contractors) in order to have a “complete” package to offer an owner?*

Q&A

A: We are a complete SEC and DEC provider and have found that most clients want to have a single source for the services as they are connected in the success of the overall project. This approach leads to lower risk to the owner and a more efficient project. It is unfortunate that some firms that have traditionally been DECs have tried to start up their own SEC divisions and failed due to a lack of understanding of how complex an SEC job can be in design and execution. These ventures turn out to be poor exam-

getting specific areas of need.

Q: *What should California sheriffs consider to make sure their jail is secure enough for this new type of long-term inmate?*

A: Much of this has to do with the design of the jail and type of inmate being moved to the facility that may or may not have been designed to hold a higher-security inmate. Jail designs have changed over the years and, while the basic building shell may be suitable for this type of

your firm has been involved in.

A: We have done work internationally for a few years now and had the usual inquiries from people who say that they represent certain countries or agencies. However, for the longest time, it was a large waste of time, and money, chasing these leads.

A few years ago, we were approached to do work in Mexico and realized that with our in-house Texas border expertise, close proximity, and wealth of bilingual employees that it was worth looking at more seriously. We have completed several jobs in Mexico, at this point, and have another large one currently in process and a few others in the wings. We realized that the methods for doing business in Mexico are quite different as are the laws as they relate to business and construction. As a result, we formed Universal Secure Mexico, a Mexican corporation in Monterrey, with the full legal and accounting infrastructure required to do work within the country.

I don't think that I ever could have predicted how complex the process was going to be, but it was clearly necessary to our overall success. The clients can be very sophisticated and demanding at times, but just as is the case in the U.S. and Canada, each agency makes decisions based on the special needs of the facility being designed. We learned a few years ago that different isn't wrong — it is just different and often has rationale design backing it up. ■

“Many sheriffs [in California] will have to look at their existing doors, frames, and locks and ensure that they meet the needs of the long-term inmate.”

ples for what can be a very good project for an owner.

Q: *Any thoughts on where things will be headed — in terms of detention equipment in California — when thousands of prisoners are now mandated to serve the remainder of their sentences in county jails?*

A: We are seeing the growth in courthouses, but also in the retrofit of older or out-of-date facilities. Funding has been an issue for years, but it is slowly being released in a very methodical manner tar-

inating, the internal structure and security levels may not be. Many sheriffs will have to look at their existing doors, frames, and locks and ensure that they meet the needs of the long-term inmate. Fortunately, there are some very good ideas and sheriffs have done a good job taking stock of other work done across the country to ensure that they are providing the very best security on a cost-per-inmate basis.

Q: *Tell me about international projects*



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