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DETENTION EQUIPMENT CONTRACTORS REPORT 2011

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2011 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	Norment Security Group Inc. Montgomery, AL www.normentsecurity.com	Ken Northcutt 334-281-8440	U.S., International	\$50,174,000	79	\$11,800,000	\$142,451,000	\$34,880,000
	ISI Detention San Antonio, TX www.isidet.com	Mike Peterson 210-495-5245	International	\$46,000,000	100	N/A	\$126,000,000	\$35,000,000
	Cornerstone Detention Products Inc. Tanner, AL www.cornerstonedetention.com	Shannon Claborn 256-355-2396	North America	\$45,000,000	50	\$21,500,000	\$70,000,000	\$35,000,000
	Sierra Detention Systems Brighton, CO www.sierradetentionsystems.com	Brandon Borgmann 303-278-6879	U.S.	\$31,700,000	88	\$4,200,000	\$92,400,000	\$59,000,000
	Pauly Jail Building Company Inc. Noblesville, IN www.paulyjail.com	Joseph Pauly Pohrer III 317-580-0833	East, Southeast, Midwest, Western U.S.	\$30,000,000	24	\$9,000,000	N/A	N/A
	CCC Group Inc. San Antonio, TX www.cccgroupinc.com	Randy DeMent 210-661-4251	U.S., International	\$20,000,000	36	\$6,900,000	\$49,600,000	\$18,300,000
	Maximum Security Products Corp. Waterford, NY www.maximumsecuritycorp.com	Thomas Townson 518-233-1800	Northeastern U.S., International	\$15,900,000	50	\$5,400,000	\$18,500,000	14,000,000
	CML Specialties Inc. Coeur d'Alene, ID www.cmlspecialties.com	Mike Langersmith 208-765-2415	Western North America	\$14,000,000	32	\$12,300,000	\$28,000,000	\$11,000,000
	Southern Folger Detention Equipment Company San Antonio, TX www.southernfolger.com	Jim Brown 210-533-1231	International	\$13,000,000	97	N/A	\$32,900,000	\$12,500,000
	Secure Control Systems San Antonio, TX www.securecontrolsystems.com	Brian Mikiten 210-530-5245	North America	\$10,000,000	20+	\$5,500,000	N/A	N/A
	Legg Inc. Livermore, CA www.legginc.com	Bob Legg/ Skip D'Orazio 925-605-4515	Western U.S.	\$10,000,000	15	\$5,000,000	\$20,000,000	\$15,000,000
	Sweeper Metal Fabricators Corp. Drumright, OK www.sweepermetal.com	Chris Gillespie 918-352-2133	U.S.	\$9,600,000	59	\$2,500,000	\$9,100,000	\$4,300,000
	United Prison Equipment Green Lane, PA www.unitedprison.com	Marc Smith 215-234-4633	U.S.	\$9,500,000	14	\$1,500,000	\$24,000,000	\$7,000,000
	Florida Detention Systems Inc. Melrose, FL www.floridadetentionsystemsinc.com	George Stewart 352-475-5391	Eastern U.S.	\$8,000,000	20	\$3,614,000	\$19,000,000	\$9,000,000
	American Jail Products LLC Troy, NY www.americanjailproducts.com	George Kaldas 518-271-6560	Northeastern U.S.	\$6,000,000	20-30	\$3,500,000	\$9,000,000	\$7,000,000
	US Security Systems Inc. Montgomery, AL ussecuritysystems.com	Ronald Clifford 334-273-8778	Midwest, Southeastern U.S.	\$5,500,000	4	\$2,600,000	\$9,000,000	\$4,500,000
	JAILS Correctional Products Minster, OH www.fabcor.com	Kim Razor 419-628-3891	Midwest	\$5,500,000	20	\$2,240,000	\$5,988,000	\$2,400,000
	WDSI Inc. Cedarburg, WI www.wdsi-online.com	Andrea Ward 262-377-7621	U.S.	\$5,000,000	10	\$2,279,000	\$7,500,000	\$4,800,000
	George A. Keene Inc. Clarence Center, NY www.keenejailquip.com	Paul Nyznyk 716-406-2091	Mid-Atlantic, Southeast,	\$4,500,000	8	\$1,900,000	\$7,500,000	\$2,500,000
	The G-S Company Baltimore, MD www.g-sco.com	Don Bohn 410-284-9549	Northeast, Midwest U.S.	\$3,600,000	27	\$9,444	\$7,400,000	\$3,800,000
	Detention Equipment Service Inc. Landenberg, PA N/A	Michael Harris 610-255-4209	Mid-Atlantic, Southeast	\$3,500,000	N/A	\$728,000	\$2,700,000	\$2,036,000
	Forderer Cornice Works Hayward, CA www.fordererdoors.com	Mark Koeppen 510-783-4200	U.S.	\$3,000,000	5	\$241,000	\$1,400,000	\$1,300,000
	Stronghold Industries Inc. Racine, WI www.strongholdind.com	Tom Ackley 262-886-1077	Midwest U.S.	\$1,500,000	10	\$475,000	\$2,500,000	\$1,000,000
	Jailcraft Inc. Stevensville, MD www.jailcraftinc.com	Ronald Mullar 410-643-1771	Eastern U.S.	\$1,000,000	6	\$151,000	\$450,000	\$275,000
	Architectural Building Supply Salt Lake City, UT www.absdoors.com	Brent Gruffman 801-486-3481	Mountain Western U.S.	N/A	13	N/A	\$1,900,000	N/A
	Unique Security Inc. Montgomery, AL www.uniquesecurityinc.com	Gary Hart 334-239-8343	U.S.	N/A	N/A	N/A	\$9,000,000	N/A
	W Lewis Frame n Door Inc. Willow Grove, PA www.lewisdoor.com	Roslyn Shender AHC, CDC, CSI 215-830-8781	N/A	N/A	N/A	N/A	N/A	N/A
REVENUES \$5 MILLION AND UNDER								REVENUES \$5 MILLION AND UNDER

DEC LIST

Value of Largest Contract Awarded in the Past Year

1	Cornerstone Detention Products Inc.	\$21,500,000
2	CML Specialties Inc.	\$12,300,000
3	Norment Security Group Inc.	\$11,800,000
4	Pauly Jail Building Company Inc.	\$9,000,000
5	CCC Group Inc.	\$6,900,000
6	Secure Control Systems	\$5,500,000
7	Maximum Security Products Corp.	\$5,400,000
8	Legg Inc.	\$5,000,000
9	Sierra Detention Systems	\$4,200,000
10	Florida Detention Systems Inc.	\$3,614,000
11	American Jail Products LLC	\$3,500,000

Current Bonding Capacity

1	CCC Group Inc.	\$400,000,000
2	Cornerstone Detention Products Inc.	\$105,000,000
3	Sierra Detention Systems	\$100,000,000
4	Southern Folger Detention Equipment Company	\$100,000,000
5	Norment Security Group Inc.	\$100,000,000+
6	Pauly Jail Building Company Inc.	\$50,000,000
7	American Jail Products LLC	\$25,000,000
8	Legg Inc.	\$25,000,000
9	The G-S Company	\$20,000,000
10	Sweeper Metal Fabricators Corp.	\$20,000,000
11	CML Specialties Inc.	\$20,000,000
12	Maximum Security Products Corp.	\$20,000,000

Value of Largest Contract in Past Year (all DECs)



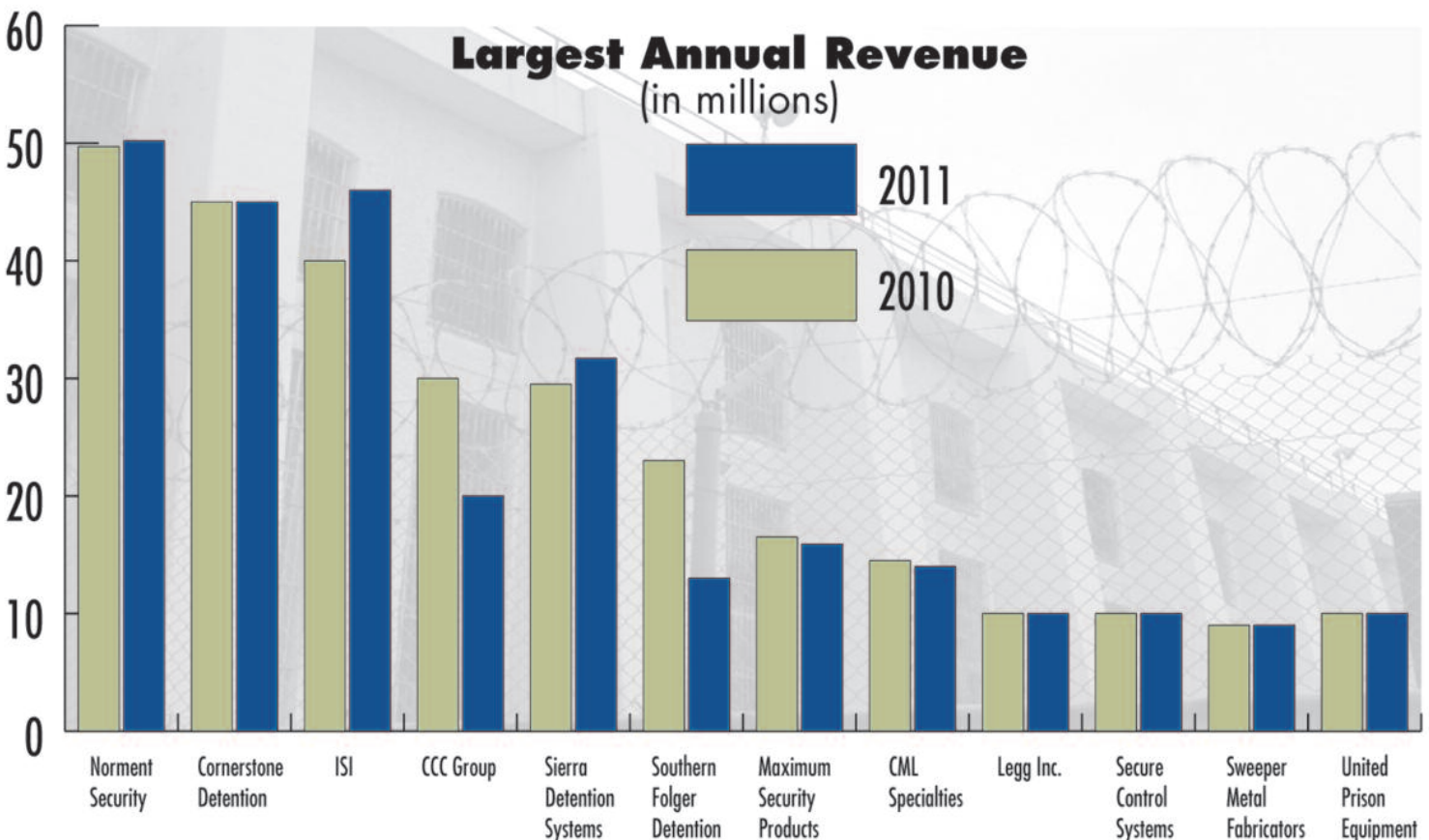
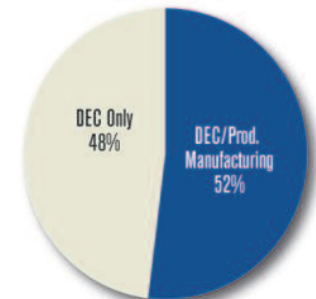
DEC's With the Greatest Number of Employees

1	ISI Detention	100
2	Southern Folger Detention Equipment Company	97
3	Sierra Detention Systems	88
4	Norment Security Group Inc.	79
5	Sweeper Metal Fabricators Corp.	59
6	Cornerstone Detention Products Inc.	50
7	Maximum Security Products Corp.	50
8	CCC Group Inc.	36
9	CML Specialties Inc.	32
10	The G-S Company	27

Value of Current Jobs Under Contract

1	Norment Security Group Inc.	\$142,451,000
2	ISI Detention	\$126,000,000
3	Sierra Detention Systems	\$92,400,000
4	Cornerstone Detention Products Inc.	\$70,000,000
5	CCC Group Inc.	\$49,600,000
6	Southern Folger Detention Equipment Company	\$32,900,000
7	CML Specialties Inc.	\$28,000,000
8	United Prison Equipment	\$24,000,000
9	Legg Inc.	\$20,000,000
10	Florida Detention Systems Inc.	\$19,000,000

Services Provided (all DECs)



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Detention Equipment Trends

From Modular Steel Panels and Sophisticated Electronic Systems to Color and Design

By Lisa Kopochinski

It is often said that the wheels of justice move slowly. The same can be said for equipment trends in the correctional industry. With the recession and lack of funding, the economy has reduced tax revenue and the flow of new correctional facility construction, while current facilities are cut or slow down their expenses.

Ironically, while this same downturn has created a shrinking pool of projects for contractors to pursue, it has also made it a strong buyer's market for those owners who can solve their funding issues. For end users who are buying, there is some very competitive pricing available and a demand for faster delivery.

Jim Brown, director, sales and marketing for Southern Folger, which is based in San Antonio, Texas, says the newest trend in detention equipment is modular steel wall panel systems and cells, and how quickly they have captured an increasing market share.

"This has caused a big shift in the size of detention equipment packages as the cell construction was dominated by precast concrete and masonry for years that were independent of the detention package," he says. "The manufacturing methods for wall panels and modular steel cells have improved drastically and erased the stigma of the old plate steel cells, that would rust and deteriorate in a few short years."

Brown adds that precast concrete dominated correctional facilities in the 1980s, 1990s, and first part of the new millennium. But due to the tremendous cost of modifying the forms for precast modules, they were very inflexible.

"Steel wall panels have offered nearly unlimited flexibility of size and configuration of cells and offer designers the ability to offer combinations of product selection, such as concrete divider walls with metal wall panel cell fronts or metal cell fronts and divider walls and concrete or precast

DESIGN AND COLOR PLAY A LARGER ROLE IN CORRECTIONS

Due to the harsh reality of budget cutbacks, states and counties continue to search for effective ways to manage their inmate populations at a lower cost. For facilities such as halfway houses, community corrections centers, and work release housing, there has been a trend in recent years toward using materials in furniture, such as steel, plastics, and wood, but finished in a manner to look more "humanized."

"Generally, the higher the security level demands using harder materials, like steel," says Sandy Heitman, project manager at Norix Group, a firm based in Chicago, Ill., that has specialized in designing furniture for correctional and healthcare facilities for more than 25 years.

"However, mid to lower security areas can use softer materials such as plastics and wood. All of these material decisions rest with the owner and the design team on how to best utilize these available furniture products in these multiple materials to safely and securely outfit their facility."

Norix has also developed innovative products in materials not previously found in a detention environment, such as seating with rounded edges made from durable, high-impact polymers, which can withstand the daily demands found in correctional environments.

"These polymer materials can be manufactured in different colors, shaped for safety, and have structural durability," says Heitman. "The introduction of these new products manufactured out of these polymer materials creates a less institutional look, which help in the overall management of the inmates."

The use of color in correctional settings cannot be underestimated either. Over the past couple of years, prisons are moving away from monochromatic and drab hues to colors found in nature in an effort to decrease anxiety levels and increase safety.

In 2009, Norix created a new color palette for its products and worked with Atlanta, Ga., design consultant Tara Rae Hill of LittleFISH Think Tank, who is recognized for her work in the use of color in institutional settings.

"In environments with high tension, behavioral discord, and at times low morale and, therefore, heightened safety concerns, color should feel familiar, inspired from nature, visually interesting and regionally appropriate," explains Hill. "Particularly in corrections, color should also not be controversial. For example, no sports or gang affiliation colors."

The "Natural Collection" color palette that Norix and LittleFISH chose is inspired by nature and designed to be appropriate for all regions, ages, and gender types, with options for both minimum- and maximum-security facilities. The palette contains hues that are not saturated and not overly bright but warm up an otherwise sterile, lackluster environment.

"In corrections, this can equate to safer staff conditions and increased staff retention," says Hill. "We believe that particularly in times with crowded inmate populations and strained financial resources, color is the most effective way — with the least amount of expense — to achieve this from an aesthetic perspective."

back walls or completely metal cells."

Another advantage of metal wall panels is their lighter weight, which is even more pronounced in high-rise facilities.

"The weight of a grout-filled metal

wall panel is about equal to the weight of just the reinforcing steel in a precast concrete cell," Brown says. "The footprint of the wall panel is also an advantage [because] the two-inch wall panel means

you can fit eight metal wall panel cells in the same space as seven precast cells. Therefore, you can either reduce the size of building needed for the same number of cells, or you can increase the number of cells in the same building square footage.”

Kirk Cote, director of manufacturing for Sierra Detention Systems in Brighton, Colo., and the current chair of the Detention Equipment Manufacturers Association concurs. Twenty years ago, block wall construction was the standard in correctional facilities, but today, with the di-

Video Visitation Systems

Not to be outdone, the biggest trend in detention security equipment is the development of IP-based video-visitation systems, which permits more flexibility and control of the visitation process for owners. It can also drastically reduce labor requirements for visitation.

“This allows manpower to be used in the actual operation of the facility and increases security by the elimination of the need of inmate movement out of the housing unit and the elimination of the introduction of contraband from the visitation process,” ex-

visitation technology also enables visitors to talk to the incarcerated from other sites, such as their own home.

“We saw many years ago a market push — via the architectural community through their specifications — requiring a detention equipment contract (DEC) to subcontract a security electronics contractor (SEC) as a single-source responsibility for the general contractor.”

In recent years, however, he says this has changed, and the vast majority of projects his company sees do not require this type of arrangement.

The newest trend in detention equipment is modular steel wall panel systems and cells, and how quickly they have captured an increasing market share.

minishing number of qualified masons, new products have evolved. “We are seeing blends of CMU, precast walls and cells, metal wall panels, and prefabricated cells,” Cote says. “These innovations using existing materials have produced facilities that have a longer useful life expectancy and can be made more secure at a reduced expense to the owner.”

The smaller wall footprint, which allows for more space or more cells in the same area as CMU construction, makes it very appealing in the retrofit market. And with tighter construction schedules, wall panels can be constructed after the outside shell is built without weather being a factor.

“Steel wall panels also allow for direct furniture welding without the cost of embeds or steel blocks,” says Cote. “We have seen more wall panel projects in recent years for these and other reasons to resolve construction and design issues.”

plains Brown. “Also, the latest generation of systems allows for much more functionality of the visitation system, such as commissary interface, educational modules, and revenue-generating modules.”

Cote adds that with less expensive correctional supervision growing as an industry goal, the huge growth in the use of CCTV and video surveillance is forcing companies to adapt to the market or risk losing business.

“The trend is moving from visitation windows with speak-ports and phones toward cameras, monitors, microphones, and speakers in enclosures, cabinets, and booths. With tightened budgets, facilities have moved to updating or remodeling existing facilities, opening up the market for retrofitting doors, detention grills, crash gates, wall panels, showers, etc.”

David Tidwell, business development manager for Cornerstone Detention Products in San Antonio, Texas, says that video

“This is either dictated through the specifications as a stand-alone SEC or a SEC providing a ‘parts and smarts’ price to the electrical contractor or determined by the general contractor during bidding and their procurement process,” Tidwell adds.

What’s Next?

As for the near future, Cote predicts that the industry will see an increase in the retrofit market, along with the remodeling of existing facilities versus new construction. And, with a continued growth in electronic technology, there will be an increase in home confinement rather than traditional incarceration facilities.

Adds Tidwell: “Our market is in desperate need of a fix — an infusion of capital. New construction will continue down a path of little to no growth, but we certainly see a growing market in renovations, especially for the security electronics end of the business.” ■

A Legg Up on the Competition

By Ahavah Revis

When it comes to business, it has been said the right people are everything, and that could not hold more true than when it comes to describing the owners and employees of Legg Inc. — a Detention Equipment Contractor firm founded in 1997 by Robert Legg with the objective of becoming the leader in building and supplying security/detention hardware to courthouses, jails and prisons. Legg, founder, CEO and president, and Skip D’Orazio, CFO, attribute their success during such a turbulent and difficult economy, to having the best team on-hand — be it the rehiring of a sub or a seasoned employee — and to the way they conduct their business.

Legg’s strong background in construction and civil engineering combined with CPA D’Orazio’s 25-plus years in finance, insurance and surety, complement one another well.

“As business owners we have the luxury of solving problems together,” said D’Orazio. Their combined strengths give Legg Inc., a unique presence in the detention specialty market as does its ownership in a disabled veterans business (DVB), which allows them to meet California, and other state’s, mandates head-on.

“I think for us on the west coast, in California, one of our strengths is that we are part owners of a disabled veterans business entity and that provides a lot of opportunity — particularly in these courthouses because it is a mandated requirement,” said Legg. “That’s another thing we bring to our customers.”

Although Legg is not grouped with the largest DEC’s in terms of its annual revenue, when it comes to its bonding capacity, they might as well be. “Some of our competitors like to think of us as the smaller guy, until I shoot over our bonding capacity,” noted Legg.

“I think that there are a lot of great companies out there. There are different sized companies, the bigger ones and the larger ones, and they do have more overhead and I would like to think that we fall more toward the larger, but still Skip and I



Robert Legg, founder, and Skip D’Orazio, CFO, teamed up together in August 2003 as co-owners of Legg Inc. It is during these past eight years the company cemented its place in the DEC arena.

run the operations. We make the decision and boom we move on.”

The company is well positioned, literally, when it comes to working with California’s Administrative Office of the Courts (AOC), and the 58 counties statewide who, as of Oct. 1, 2011, be them ready-or-not, are required to accept the influx of county inmates being transferred to them from the state’s 33 prisons, which are operated by the California Department of Corrections and Rehabilitation (CDCR).

Both co-owners are actively involved in every project, and when it comes to the western states, and in particular, California, they have a real advantage with their local proximity to many of the CDCR’s prisons and the sheriff-managed county jails.

Legg Inc. also offers contractors, the design team and the owners, not only the ability to meet DVB requirements but also, because of its proximity (50 miles) from Stockton, for example, where they were retained by ISI as a subcontractor to the DEC for a \$512 million medical facility — local business preference. Another requirement they meet for the CDCR, which specifies that 60 percent of every job be awarded to local businesses.

“I would like the design team to know we are here to offer — local business preference and the disabled veterans’ business preference. That goes too for every state building that is built.”

So in a time when, many DEC’s may be struggling to secure a contract, Legg is landing plenty of them. “It used to be we would bid a jail job once a month. Now, we are bidding stuff, four or five times a week,” said Legg.

Legg Inc. has been recognized as the “Fastest Growing Company” for five years in a row by the *San Francisco Business Times*.

“People say the market is down, I think the market has changed,” said Legg. “We have been very fortunate because we got the Mohave [County Adult Detention] project [in Kingman Ariz.], which was the largest panel job at the time on the west coast, but we also got Long Beach being the first large AOC off the ground.”

Territory

Legg’s territory may be thought of as the western states, but they were part of the DEC team, partnered with Sierra Detention Equipment, on Pennsylvania’s SCI

Phoenix because the customer liked both companies and asked them if they would mind teaming up. Although the stronghold is mostly western states, its reach has extended as far as Pennsylvania and the company has been asked to research jobs in Canada and the Southwestern United States as well.

"I am looking at a job in Florida right now," said Legg. "We're not like everyone else just chasing every job. However, if it makes sense, we'll go. If it is the right contract or the right architect, we will go elsewhere, again if it makes sense. We will follow a team if we think we have a good shot on it. I have been asked to go up into Canada for do researching and licensing."

The company's project list runs the gamut from retrofits at smaller municipalities to new prisons and courthouse facilities across the Western United States.

Both Legg and D'Orazio both agree that one of the reasons their model is so successful is its commitment to vendor support and the high level of professionalism among DEC firms, in general, which may be fostered further by the Detention Equipment Manufacturers Association providing a forum for shared best practices and dialogue. "There is this thing that I see in the market that some of these DECs, you look at them as competitors, but when you are working with them they are real good people.

"With AOC courthouses, they award them, they design them and they build them. Right now, there are three that we are involved with, just waiting on getting funded. On the county side, there are four or five counties that have all their designs done, and we are doing a job in Santa Clara, where they are putting people out to create space because they know they are going to get [transferred state prisoners]. And if you think about it, even though it is a \$7 billion, under AB 900 is another \$7 billion, which is not a lot of money considering the size of California." D'Orazio continued, "if the federal funds come in it could push stuff

TRADE FILES

Legg Inc.
Established: 1997
Headquarters: Livermore, Calif.
Number of Employees: 30
Licenses Held In: California, Colorado, Nevada, New Mexico, Arizona, New Mexico, Utah, Hawaii, Montana, Oregon, Washington and Idaho.
Founder, CEO and President: Robert P. Legg, 50 percent owner
CFO: Skip D'Orazio, 50 percent owner
Favorite Football Team (for both co-owners): Chicago Bears
www.legginc.com

through, and on one of them it the funds did come in.

"Office experience and field experience, creates value to the customer and the job goes smoother," said D'Orazio. "It is a model we have worked on, that now is coming into fruition. We have some younger men and women who are out there in the field, traveling around, working with their hands. The other end of the spectrum of work is Tom Gallagher who been a superintendent for 30 years, and joined us in the twilight of his career. He is a good person to have around. He has the combination of experience — and the field smarts — he has built jails and prisons all over the country."

D'Orazio explained: "One of the beauties of our model is that we do not sacrifice leadership and experience. We have done enough jobs — particularly in California, North and South — where we have a cadre of people behind them who do nothing but jails and prisons, particularly that last layer, when you need to add four or five guys at a time, and they come out of the trade union, but most of them have worked for us on another projects. We treat our people fairly and they want to come back to work for us, and we are trying to create more of the 'Tom Gallaghers' of the world; we are doing that with some of the younger guys so that they can come back and, in effect, start running projects."

Legg concurs, emphasizing that his employees are loyal — referring to Tom,

Jim, Mark as family, as his core guys. "We have the best team possible. We are really a team approach from top to bottom; we treat everyone as part of the team and, on the other hand, when a tough decision needs to be made I am right here. Skip is right here and people feel comfortable."

Union and Vendor Support

Legg is signatory to the union and offers strong vendor support. As a company, Legg explained, he gives his best number and the vendors and customers know it.

"We really go in and say 'you got our best number.' The other guys drive them nuts with all this bid chopping. We don't do it. The contractors know they are going to get our best price, in a timely fashion; our vendors know if they are low, they are going to get the job. Skip and I know it's a good model and we've stuck by it."

The DEC's fairness has paid off. "We don't throw out one number and cut it 20 percent an hour later after we've tested the waters," notes D'Orazio. "We are like Switzerland."

Legg elaborates, "If you give me bid and you are low, I am going to honor that. I am known for it; I never play games with it. I could have picked up a lot of money over the years and I never have. I think some vendors are sketchy at the beginning but I think everyone understands, if you bid to Legg you are not going to get chopped." ■