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## 2016 SECURITY ELECTRONICS CONTRACTORS REPORT



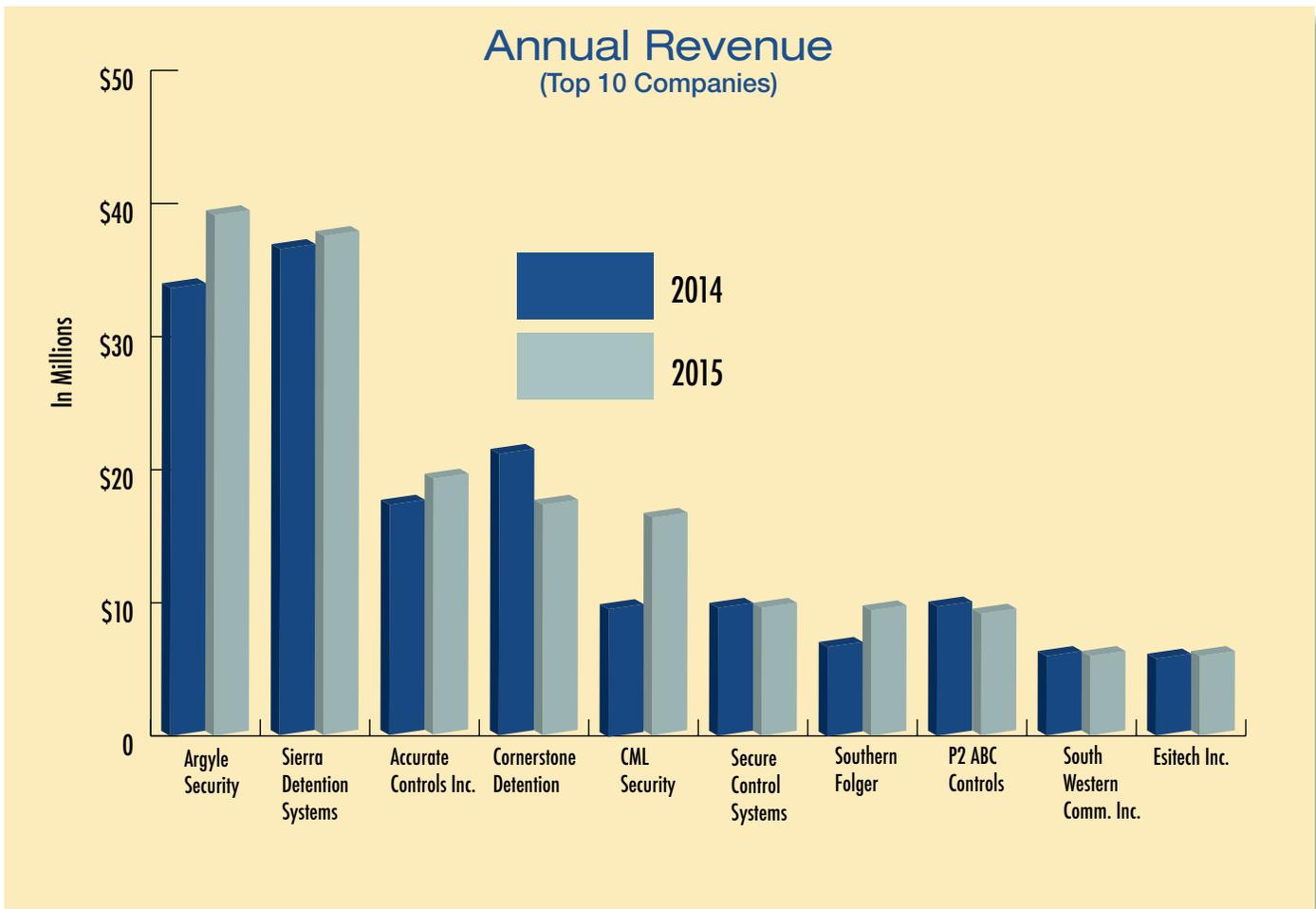
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# ANNUAL SECURITY ELECTRONICS CONTRACTORS LIST

	Company	Contact	Geographic Area Covered	Annual Revenue	Largest Contract in Past Year	Value of Jobs Under Contract	Completed Projects in Past Year	Number of Employees	
REVENUES ABOVE \$15 MILLION	<b>Argyle Security (MCS and Comtec)</b> San Antonio, Texas <a href="http://www.argylesecurity.com">www.argylesecurity.com</a>	Buddy Johns 210.495.5245	U.S.	\$40.7 million	\$4.1 million	\$27.2 million	114	228	REVENUES ABOVE \$15 MILLION
	<b>Sierra Detention Systems</b> Brighton, Colo. <a href="http://www.sierracompanies.com">www.sierracompanies.com</a>	Bryan Trojan 720.881.6753	U.S.	\$39 million	\$3.4 million	\$44 million	33	122	
	<b>Accurate Controls</b> Ripon, Wis. <a href="http://www.accuratecontrols.com">www.accuratecontrols.com</a>	TJ Rogers 920.748.6603	U.S.	\$20 million	\$6 million	\$35 million	73	71	
	<b>Cornerstone Detention</b> Montgomery, Ala. <a href="http://www.cornerstonedetention.com">www.cornerstonedetention.com</a>	Ken Fuller 334.286.4278	U.S. & International	\$18 million	\$4.3 million	\$25 million	32	65	
	<b>CML Security</b> Erie, Colo. <a href="http://www.cmlsecurity.us">www.cmlsecurity.us</a>	J.J. Ramsey 303.704.6036	U.S. & International	\$17 million	\$6.5 million	\$45 million	12	30	
REVENUES \$5 MILLION TO \$10 MILLION	<b>Secure Control Systems</b> San Antonio, Texas <a href="http://www.securecontrolsystems.com">www.securecontrolsystems.com</a>	Brian Mikiten 210.530.5245	U.S., Mexico, and Canada	\$10 million	\$4.5 million	N/A	N/A	23	REVENUES \$5 MILLION TO \$10 MILLION
	<b>Southern Folger Detention Equipment Company</b> San Antonio, Texas <a href="http://www.southernfolger.com">www.southernfolger.com</a>	Michael Chike 210.533.1231	U.S.	\$9.8 million	\$1.8 million	\$9 million	27	21	
	<b>P2 Controls</b> Malvern, Pa <a href="http://www.p2controls.com">www.p2controls.com</a>	Nicholas Carman 610.644.8300	U.S. & International	\$9.5 million	\$1.4 million	\$3.95 million	18	19	
	<b>South Western Communications Inc. (SWC)</b> Decatur, Ala. <a href="http://www.swc.net">www.swc.net</a>	Rick Holmes 256.351.2445	U.S.	\$6.2 million	\$1.06 million	\$4.6 million	30	30	
	<b>Esitech Inc.</b> Richmond, Va. <a href="http://www.esitechinc.com">www.esitechinc.com</a>	Jeff Power 804.672.3223	Continental U.S.	\$6 million	\$2.6 million	\$3 million	6	20	
REVENUES LESS THAN \$5 MILLION	<b>CCC Group</b> San Antonio, Texas <a href="http://www.cccgroup.com">www.cccgroup.com</a>	David Beeler 210.662.1666	U.S.	\$3.7 million	\$1.25 million	\$4 million	8	9	REVENUES LESS THAN \$5 MILLION
	<b>Justice Systems Corp.</b> Kent, Wash. <a href="http://www.justicesys.com">www.justicesys.com</a>	Paul Alyn 425.392.2328	Western U.S., Pacific Coast	\$3 million	\$5 million	\$6 million	12	12	
	<b>Sweeper Metal Fabricators Corp.</b> Drumright, Okla. <a href="http://www.sweepermetal.com">www.sweepermetal.com</a>	John Schiffmacher 918.352.2133	U.S.	\$2.9 million	\$1.1 million	\$3.3 million	8	7	
	<b>Easter-Owens</b> Arvada, Colo. <a href="http://www.easter-owens.com">www.easter-owens.com</a>	Erica Easter 303.431.0111	North America	\$1.9 million	\$500,000	\$300,000	20	80	
	<b>Unique Security Inc.</b> Montgomery, Ala. <a href="http://www.uniquesecurityinc.com">www.uniquesecurityinc.com</a>	Gary Hart 334-239-8343	Midwest to East Coast U.S., International	N/A	\$475,000	\$1.8 million	4	8	
	<b>Simpson Security Systems Inc.</b> Alexandria, La. <a href="http://www.SimpsonSecurity.com">www.SimpsonSecurity.com</a>	Keith Simpson 318.443.3391	U.S.	N/A	N/A	N/A	4	50	

\*Bulk of data for 2016 SEC List is based on information collected from 2015 records.

Value of Current Jobs Under Contract		Completed Projects in Past Year			
1	CML Security	\$45 million	1	Argyle Security	114
2	Sierra Detention Systems	\$44 million	2	Accurate Controls	73
3	Accurate Controls	\$35 million	3	Sierra Detention	33
4	Argyle Security	\$27.2 million	4	Cornerstone Detention	32
5	Cornerstone Detention	\$25 million	5	South Western Communications	30



\*Bulk of data for 2016 SEC List is based on information collected from 2015 records.

# SEC Technology and Trends

By Lindsey Coulter

Security electronics contractors (SECs) work hard to keep their fingers on the pulse of the correctional and justice industry — anticipating safety and security trends and adapting to changing needs and regulations. Correctional News spoke with representatives of three leading SEC firms to get their perspectives on the evolution of the industry.

David Beeler, security electronics manager for CCC Group of San Antonio, Texas; Chris White, vice president of security electronics for CML Security of Erie, Colo.; and Jason Loewe, director of operations, Accurate Controls Inc. of Ripon, Wis., shared their thoughts on technology trends and the pros and cons of proprietary and nonproprietary solutions.

**Q:** *In the SEC arena, does new and emerging technology push SEC firms forward, or do SECs serve as the real technology drivers?*

**Beeler:** As much as security integrators want to believe we lead technology, we do not. As proof, MIT does not teach classes on correctional security control systems. The manufacturers are responsible for the technological innovations and are the real technology drivers in our industry. Video analytics, facial recognition, networking, high-resolution cameras, computer-operating systems and staff/inmate tracking are constantly changing and improving. The manufacturers are the ones spending the [research and development] money to implement these products. Additionally, the corrections industry is not their only market sector. These technologies are predominantly designed for government, defense and high-end commercial applications, which then filter down to our industry.

That said, we don't want to discredit the corrections industry in any way, nor do we want to downplay the role of the electronic security architects, security consultants, manufacturers and integrators. We are the ones who take these available industry technologies and allow them to operate as one user-friendly electronic security control system even though they are separate and independent technologies. Furthermore, architects and security consultants play an important role in vetting new control system product reliability and cost/benefit ratio as they apply to the corrections industry.

**White:** It's a mix of several entities — customers, consultants and [SECs]. As technology becomes more prevalent in [customers'] daily operations and more mainstream, we see them begin to adopt more technology. Customers become more comfortable using more advanced equipment. As technologies, evolve we see [SEC consultants] expanding their

specs and requiring more and more functionality. As this functionality grows, the requirement for more technology also must expand. SECs are continually working towards improving systems as a whole, establishing relationships with consultants to open dialogs in some of the issues we encounter as well as explaining benefits of the enhancements. Detention facilities have historically been slow to evolve due to the nature of what they do; however, as older technologies become obsolete, the industry is forced to follow suit.

**Loewe:** It has a lot to do with how involved an SEC firm is in providing design assistance for the architects and engineers (A&Es). Our company is heavily involved in this arena with A&Es relying on our professional opinion to provide the best technology to the end user. Manufacturers are also pushing the emerging technology directly to A&Es and end users, but it is the SEC's responsibility to research, deploy and support the new technology. At the end of the day, the SEC is responsible for driving the technology.

“As technology becomes more prevalent in [customers'] daily operations and more mainstream, we see them begin to adopt more technology,” said White.

**Q:** *What burgeoning technology will have the greatest impact on SEC firms and operations in the next several years?*

**Beeler:** SEC firms can add network and system security. Programmable logic controllers (PLCs) and touchscreen computers were never designed with network security in mind. The controllers came from the factory floor, where there was no security requirements. Our industry, one that has not had a documented electronic security breach, is on borrowed time. The current cyber security daily challenges our country faces increases the risk of a security breach. Many industry integrators leave their system plugged into the Internet “outside world” for troubleshooting and remote access; some owners are aware of this and some are not. The practice of leaving a



Beeler



White



Loewe

system plugged in is an easy backdoor for system monitoring and troubleshooting during punch-list and warranty periods. Unfortunately, it also can be used for nefarious or unintended reasons, which seem to be more prevalent in today's world. Therefore, having direct access to a secure network without going through system security measures is a current industry concern. It would be helpful for owners, architects, security consultants and leading SECs to have a roundtable/panel discussion to develop industry best practices and technology standards to aid in overcoming our current industry network and system security concerns.

**White:** Internet Protocol (IP) integrations of ancillary system that typically weren't integrated over IP such as lighting, water control, etc. Over the past 10 years, more and more equipment has become "intelligent" and capable of integrations. Not too long ago IP communications of control systems was not the standard for the system backbone; now, it's the norm in most mainstream situations. We have also seen an increase in the requirement for Java Message Service (JMS) integrations in systems. These heavier integrations have taxed the backbone and put more emphasis on the network, requiring integrators to become savvier in their networking expertise. Plug-and-play CCTV systems are also becoming a thing of the past, many analog systems are aging and storage requirements have been a driving factor. We have seen many projects in which one year of retention has been the requirement. Luckily, as those storage requirements have grown, storage costs have decreased and have been optimized.

**Loewe:** IP video surveillance continues to be the most dynamic technology. There will be continual enhancements to IP cameras and video management software providing more features and better video quality for the end user. The market has many video management systems and IP camera providers already, with new manufacturers popping up daily. It is important that SEC firms do their due diligence and thorough testing of the systems prior to project installation to assure the end user receives a quality system.

**Q:** Does your firm use proprietary or non-proprietary components in its systems and solutions?

**Beeler:** We have focused on nonproprietary hardware and software for our systems. We believe the ability for owners to purchase third party hardware in maintaining their systems today, tomorrow and in the future is paramount to the continued success of our industry. To note, nonproprietary hardware is currently required by most specifications. On the other hand, software has been less understood within our industry. However, just like hardware, SECs should use a commercially available

software development platform, so it can be upgraded and maintained by third parties. The current industry misconception is "others" can edit or add to another company's software — one of the industry's biggest false truths. On the surface, it sounds like a viable solution; however, reality has proven that it is very cumbersome and risky to access someone's software to make a system modification. Moreover, there is little to no confidence that, when making the requested modification, it does not impact the remaining system software. Therefore, added liabilities and warranty cancellations have become the reality in our industry.

From an owner's standpoint, if system integrator No. 2 incorporates modifications to security system software in which system integrator No. 1 installed, one could ask for the entire system to be completely revalidated. This revalidation effort, although costly, is justified to reaffirm the security system software operates as modified. This could be a potential solution to allow industry system integrators to implement system software modifications.

Thus, depending on your viewpoint, software developed using "off the shelf" components and development packages could — by some — be construed as proprietary software. What makes it nonproprietary is the upgrade capability, which becomes paramount as new operating systems and computer technologies continue to change. Upgrade capability can be questioned with "proprietary" software.

**White:** We choose to go the nonproprietary route. This helps to keep engineering costs lower, which can be passed onto the customer, and allows customers to exercise their rights to seek alternative suppliers, thus passing that savings on ultimately to the taxpayers. Most SEC consultants require that SEC integrators utilize non-proprietary components so that the end user doesn't get locked into one supplier. With proprietary components, there is always the possibility that any given company could go out of business, resulting in those components becoming unavailable. We have seen many

facilities with proprietary components in which we remove and replace with off-the-shelf components.

**Loewe:** Our firm has standardized all nonproprietary components to allow the end user flexibility and to lower long-term maintenance costs. This has been our approach since inception, and it has proven to be successful. Despite our nonproprietary approach and our customer's ability to look elsewhere for support, the majority of our end users sign up for and renew one of our selection of service/maintenance agreement offerings. Many of our competitors use a proprietary ap-

proach, forcing their customers to sign high-cost maintenance agreements or refuse to take their service calls. This has led to many unhappy customers calling us for help. Unfortunately, sometimes we cannot help them without replacing some or all of their systems.

commissioning of a lethal fence system. The Kern County project is a collaborative, design-build project with many entities. This project exemplifies our commitment to the client while developing a custom security electronics and detention equipment design that best serves the operational needs of our client.

**Loewe:** Externally, we have a good mix of new projects — both design-build and bid spec work. We also have a number of security electronic systems upgrade projects. Internally, we are working hard to manage our growth effectively. In 2016, we have expanded our customer

are very similar and ultimately the end users experience no real tangible difference. There are of course certain cases when an owner/architect/consultant has valid reasons for specifying a particular product or vendor. This is understandable and most integrators have the ability to adapt to these products. Overall when the integrator is able to use its "standard" set of products the system has been proven and tested much more thoroughly giving everyone the best value and end result.

**Loewe:** Typically low tech and/or low cost security devices are used to reduce the cost of the security electronics systems,

"It is important that SEC firms do their due diligence and thorough testing of the systems prior to project installation to assure the end user receives a quality system," said Loewe.

**Q:** What project (or projects) is your firm focused on at the moment?

**White:** We are currently in the final stages on the San Mateo County Jail project and the RJ Donovan Complex, and are beginning to shift our focus on the Kern County project, all in California. Each of these projects contained unique challenges. San Mateo [required] integrations of substantial lighting controls as well as one of the first integrations of networked water control. RJ Donovan posed the challenge of design/engineering, installation and

support department to keep up with the demand for systems support and routine maintenance. We are receiving calls daily from facilities that cannot get quality support from their original security electronics installer.

**Q:** What low-tech or low cost security devices or design considerations can improve the effectiveness of today's security electronics?

**White:** Allowing flexibility in the integrators ability to utilize "or equal" products greatly improves overall system integrations from an integrators perspective. Most integrators have a certain products that they understand well and prefer; each for their own reasons. This allows the integrator to minimize "unknown's" when new or different product/components are sole specified. In a lot of cases these products

while maintaining the effectiveness of the system. If you consider end user ease of use, improving the effectiveness of the system, you could use the example of the TimeKeeping Systems PIPE watch tour system. This system has great features and functions designed specifically for the corrections industry, but it is also a competitively priced approach for facility wellness checks and also very user friendly.

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# SEC Peak Performance

By David Swies

Since working on the Orleans Parish project for three years from 2012 to 2015 and after joining CCC Group in July 2015, I have learned that owners, architects/consultants and general contractors continue to search for SEC companies that deliver on their commitments to be peak performers. Peak performance requires SEC companies to deliver on consistent SEC system manufacturing, integration installations, training and warranty/service success. Peak performance has and continues to be impacted by several key factors.

First, the current contract documents typically require Division 26 be responsible for the SEC raceway, while Division 28 be responsible for the SEC system manufacturing and integration installations. For those not familiar, Division 26 is the electrical industry specification section on almost every building construction project throughout the U.S., while Division 28 covers the electronic security and safety specifications. This separation of critical SEC scope has afforded a current industry dynamic that typically pairs an electrical subcontractor with an SEC system manufacturer (parts and smarts) and SEC integration installer. Sometimes, the SEC integration installer is yet a separate entity from the SEC system manufacturer. This allows, on certain projects, for three separate companies to perform one of the most critical corrections scopes of work. And more often than not, only two of the three subcontracted entities are contracted with one another to allow for adequate communication, collaboration and transparency ownership, and accountability when it comes to delivering on project milestone commitments.

Second, the current corrections landscape provides for less-qualified SEC companies than in years past. Whether SEC companies or SEC divisions within a larger organization are downsizing or re-structuring their business models, respectively, the current SEC market has been impacted by this change. Current overall project schedules — most importantly the SEC system schedules and milestones — are suffering from these company downturns. This is leaving current owners, architects/consultants and general contractors scrambling to develop strategies to minimize and eventually eliminate the impact(s) to their projects.

Third, owners are struggling to maintain qualified staff due to state, local and federal budget cuts. Although SEC systems are becoming more and more user-friendly with technologically savvy features to complement the younger owner staff generations, the inability for owners to retain staff and implement evidenced-based training programs will continue to negatively impact the SEC industry. It should be noted, however, that current industry SEC companies are going above and beyond in some



*The new 433,409-square-foot Orleans Parish Sheriff's Office in New Orleans opened in 2015, with the SEC work completed by CCC Group.*

project cases to offer owner retraining at their own cost in an effort to do right by the owner to ensure the staff, facility clients and public are kept safe at all times. Thank you to these SEC companies for going above and beyond the call of duty.

## Contract Documents

Let's focus on the first impact factor — the contract — as this tends to be where a project is won or lost, in turn, allowing the SEC system scope and overall project to start off down the right path.

On most projects, the SEC raceway scope is handled in Division 26 with a separate electrical subcontractor. The specifications, as typically written, do a minimal job of requiring Division 26 and 28 communication, collaboration and coordination to eliminate scope creep, while at the same time allowing both trades to exchange the necessary information consistently, with general contractor participation to ensure a successful SEC system execution. Remember, the electrical and SEC subcontractors do not have a contractual relationship with one another, which adds an additional challenge when executing scope; one reason to address this challenge element in the contract documents is to eliminate unrealistic expectations and potential project delays.

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Thus, it seems one of the most popular questions in today's SEC market is whether architects/consultants should pull the SEC raceway from Division 26 and, instead, put it in Division 28. The response seems to be mixed about this subject matter with good reasons to move and not to move.

If left in Division 26, as we continue to see on smaller new construction and retrofit/renovation projects (most all North Dakota projects), then beefing up the specifications to require more communication and coordination to allow for full electrical and SEC subcontractor transparency seems to be a viable solution. If moved to Division 28, as we are seeing on larger new construction projects (Santa Barbara County Northern Branch Jail Phase I), then adding electrical licensing requirements for the raceway installation could help clarify a fully integrated SEC scope of work. Moving the SEC raceway to Division 28, although un-

Peak performance requires SEC companies to deliver on consistent SEC system manufacturing, integration installations, training and warranty/service success.

orthodox for our current industry, seems to be gaining popularity amongst owners and industry experts alike. Either decision is a sign of positive progress in eliminating one critical impact factor that currently challenges our SEC industry.

Furthermore, referencing the SEC system manufacturer and integrator installer dynamic, peak performance leadership and accountability relies on this company structure to allow successful project outcomes. When subcontracted to one company that properly manages and preferably self-performs the work, this critical SEC scope element allows for a successful project completion. When subcontracted to two or more companies, with the integrator installation labor subcontracted out and not properly managed, this critical SEC scope element does not allow for a successful project completion.

Thus, self-performing the SEC system integrator installation, although preferred by most industry experts and owners, has become a way of the past. Instead, more and more SEC companies are subcontracting out their SEC systems with limited field management oversight. The project outcomes have resulted in cost and schedule overruns and more often than not, litigation and claims that have yet to be resolved. Providing a one-stop shop approach to the SEC system scope of work, with or without the SEC raceway included, has become a lost art and a low priority within our corrections industry. In taking lessons learned from past projects such as Orleans Parish and looking at the current

corrections landscape, self-performing the SEC system scope of work is what the corrections industry desires.

Self-performing the SEC system scope of work also has its safety, quality and production project benefits. Properly managing and controlling these three critical project elements in this exact order has proven to lead to projects that come in under budget and within the scheduled duration. The self-performed approach then becomes a win-win strategy for all project team members — most importantly, the owner.

Unfortunately, the self-perform concept has not been that easy to accomplish and, thus, has not been the norm in the construction industry since the 2008 financial crash. Most subcontractors have elected to subcontract out critical scope labor sometimes two or three times, which has impacted the subcontractors' abilities to take ownership and hold themselves and their tiered subcontractors ultimately accountable. Because the SEC system scope is such a specialty trade scope of work, the risk when subcontracting out this work coupled with poor management oversight results in devastating project outcomes.

In an effort to regain the self-perform concept, a re-education of sorts is required in the SEC industry. Reviewing and revising specifications, if necessary, to re-introduce a more streamline product design and crafting training pre-qualifications and field-implementation processes should allow industry design professionals, owners and general contractors the benefit of better peak performance.

Furthermore, requiring an objective "level the playing field" bidding pre-qualification process for SEC companies, similar to what was required in the healthy 2004 to 2008 construction era, should hopefully eliminate the safety, quality, production and financial high-risk companies from having the opportunity to misrepresent themselves to the market while being afforded the opportunity to mismanage their projects to the point that the project owners pay the ultimate price.

Finally, it is all of our responsibility to properly educate and train owners on SEC system functionality. However, before we expect this from our owners, we need to first expect this education and training from ourselves. This will require for some SEC companies to engage in industry continuing education and retraining. Educating and training owners to operate and maintain their SEC systems, to the extent they are allowed, allows for a synergistic relationship with owners and their staffs. In our market today, some owners seem to have concerns with the SEC system functionality and ability to perform as designed. Investing in owner education and training allows the owner to gain this trusted comfort level and reciprocate by becoming a long-term SEC system supporter and hopeful future project team member.

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*David Swies is the division manager at CCC Group.*