

The Honorable Robert J. Bryan

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

CHAO CHEN, individually and on behalf
of all those similarly situated.

Plaintiff,

v.

THE GEO GROUP, INC.,

Defendant.

Case No. 3:17-cv-05769

**DECLARATION DAVID VENTURELLA
IN SUPPORT OF GEO'S MOTION TO
FILE LIMITED REDACTED PAGES IN
CAMERA AND UNDER SEAL**

1 I, David Venturella, pursuant to 28 U.S.C. § 1746, declare, under penalty of perjury, as
2 follows:

3 1. I am the Senior Vice President, Business Development of The GEO Group, Inc. (“GEO”).

4 My duties include responsibility for leading GEO’s business development and proposal
5 efforts in response to Requests for Proposal (“RFP”) for GEO’s Contract Detention
6 Facilities (“CDFs”), which includes RFPs from Immigration Customs Enforcement
7 (“ICE”), Federal Bureau of Prisons (“BOP”), U.S. Marshals Service (“USMS”) and several
8 state correctional clients and various county and city jurisdictions. This declaration is based
9 on my personal knowledge in my capacity as the person responsible for proposals at GEO
10 and as described herein.

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13 2. I have been at GEO since 2012 and previously was employed at ICE for 22 years, where I
14 held various positions, including ones in Secure Communities and Enforcement and
15 Removal Operations, among other departments.

16 3. Since the 1980s, ICE has adopted the detention standards of the American Correctional
17 Association (“ACA”). This necessitated the construction of new facilities that met those
18 standards and were located in areas of the country that were important to ICE enforcement
19 and detention planning. With the new ICE/ACA detention standards in place, ICE began
20 issuing new RFPs which applied the new standards and resulted in capital-intensive
21 investments by the proposer entities.

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24 4. Today, there are over 200 public and private detention facilities that provide contract
25 detention services for approximately 39,000 ICE detainees.

- 1 5. GEO currently operates 13 detention facilities of different types for ICE. GEO provides
2 detention services for ICE as prime contractor at several CDFs, which are operated directly
3 for ICE, including the Northwest Detention Center.
4
- 5 6. Historically, there has always been active competition between detention service providers
6 for CDF contracts. This competition between providers dates back to the first such CDF
7 RFP in 1983/1984 for a 300 bed secure residential care facility in the Houston, Texas area
8 which cost several millions of dollars. ICE currently has CDFs with GEO and CoreCivic
9 (formerly known as Corrections Corporation of America). Each of these facilities is
10 operated under a contract that contains an established end or termination date. Assuming it
11 still has the need, ICE will re-compete (*i.e.*, re-bid) the facility when each contract ends.
12
- 13 7. In recent years, ICE changed its procurement approach for re-competing the facilities when
14 the incumbent's contract ends. In order to increase competition, ICE has moved forward
15 the procurement process for the replacement contract well in advance of the termination of
16 the incumbent's contract to allow offerors, other than the incumbent, to compete for new or
17 re-competed CDF contracts, including proposing a new facility. An offeror wishing to
18 compete against the incumbent can propose new construction or an existing facility as the
19 CDF facility and will have sufficient time to make appropriate arrangements and be
20 prepared to perform under a new or re-competed contract if successful. This change in
21 ICE's procurement approach to competition for CDF detention service contracts thus
22 appears to have already stimulated greater competition. ICE has re-competed the NWDC
23 contract in the past.
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- 1 8. In addition to GEO and CoreCivic there are six other active private competitors in the ICE
2 and Bureau of Prisons contract detention facility market, namely: Management and
3 Training Corporation, Community Education Centers, Emerald Correctional Management,
4 LaSalle, and MVM Inc. While GEO and CCA currently have a strong position in the ICE
5 CDF market, both companies compete with these smaller companies on a regular basis for
6 contracts, including with other agencies. ICE, BOP and USMS do not identify the
7 competing companies related to any particular solicitation. Only the successful bidder is
8 identified.
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11 9. Solicitations by ICE and other agencies for contract detention services typically require
12 bidders to submit a comprehensive Technical Response (to include Operational Procedures
13 and Policies, detailed Staffing Plans, Facility Design Plans and Physical Plant
14 Descriptions), detailed Pricing/Cost information, and Past Performance information. When
15 all other factors are more or less equal, the government will base the award on the overall
16 cost. The winning proposal in almost every federal procurement competition in the
17 detention or prison contracting area is awarded to the lowest bidder, unless that bidder has
18 an unsatisfactory performance record.
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21 10. Each company that responds to these solicitations has its proprietary approach to staffing
22 and pricing based upon its analysis of the RFP Work Statement requirements published by
23 ICE or another soliciting agency, along with company philosophy and operational policies.
24 GEO and other companies endeavor to keep this proprietary information confidential as
25 protected trade secrets.
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1 11. If a contractor is successful in obtaining a contract, the unit pricing contained in the
2 contractor's proposal or bid are typically incorporated into the final contract, unless they
3 are revised as a result of subsequent negotiations with ICE. Over the duration of the
4 contract, there are often minor modifications that may adjust the bed-day rate and overall
5 contract pricing.
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7 12. I am familiar with the contract between ICE and GEO, for the operation of the NWDC.
8 The contract is a typical CDF detention service contract providing a 1-year base term plus
9 1-year options (nine in total), effective on September 28, 2015, with options running into
10 2025.
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12 13. I have reviewed the redacted copy of the contract submitted to the Court. There are two
13 types of information redacted from the copy of the contract that was submitted in these
14 court proceedings: (1) bank routing information; and (2) confidential and competition-
15 sensitive unit pricing information. The redacted pricing information typically consists of
16 units (figured in various measures, such as beds, hours, or months), and prices-per-unit.
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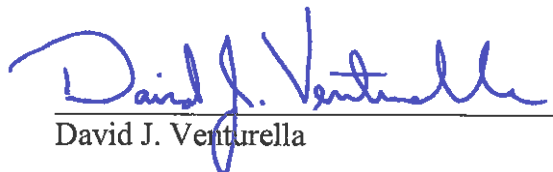
18 14. This redacted pricing or payment information is regarded as confidential trade secret
19 material by GEO. ICE, the Department of Homeland Security, and federal agencies that
20 enter into detention contracts typically redact this pricing or payment information when
21 they provides copies of contracts pursuant to requests under the Freedom of Information
22 Act or when copies of contracts are posted on publicly available websites.
23

24 15. ICE redacts this information because FOIA's exemptions were designed to protect
25 confidential and trade secret information provided by contractors to the government, and
26 because the federal agencies are aware that if such pricing information were made
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1 available, it would harm the competitors for its contracts. Those competing service
2 providers develop their proprietary staffing and pricing models in a manner to gain an
3 advantage in the marketplace. Knowing pricing and payment information that competitors
4 do not know provides a competitive advantage that is lost when the pricing and payment
5 terms are disclosed. Furthermore, disclosing such trade secrets would undermine a
6 primary purpose of the federal contract bidding structure: to push companies to innovate
7 and provide the best product and the best price.
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10 16. If the Court orders the publication of the redacted material containing GEO's pricing
11 information as the State requests, other CDF operators such as CCA would have access to
12 this proprietary information and cause GEO to lose its competitive advantage that is gained
13 from its knowledge of that pricing and payments. If a competitor obtained GEO's unit
14 pricing, it could quickly discern much about the GEO pricing models that resulted in a
15 successful contract bid. Knowing this information could enable a competitor to develop a
16 cost model that provides similar or identical items, but undercut the pricing of particular
17 items in subsequent bids. Without access to similar confidential information from other
18 CDF operators, GEO would be placed at a competitive disadvantage, and cause financial
19 harm by causing GEO to lose current contracts when they are re-bid, or to lose bids on new
20 contracts.
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23 Dated: December 1, 2017
24 Boca Raton, Florida

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26 David J. Venturella

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28 CHAO CHEN V. GEO GROUP
ECF CASE NO. 3-17-cv-05769-RJB
DECLARATION OF DAVID VENTURELLA - 5

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CERTIFICATE OF SERVICE

I, Joseph Fonseca, hereby certify as follows:

I am over the age of 18, a resident of Pierce County, and not a party to the above action. On December 1, 2017, I electronically filed the above Declaration of David Venturella In Support of GEO's Motion to File Limited Redacted Pages In Camera and Under Seal, with the Clerk of the Court using the CM/ECF system and served via Email to the following:

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I certify under penalty of perjury under the laws of the State of Washington that the above information is true and correct.

DATED this 1st day of December, 2017 at Fircrest, Washington.



Joseph Fonseca, Paralegal