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Item No. 11.1.3
Halifax Regional Council
July 29, 2014

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original signed by 

Richard Butts, Chief Administrative Officer

Original Signed by Director

Kathleen Llewellyn-Thomas, A/Director, Transportation and Public Works

DATE: June 30, 2014

SUBJECT: **Award – RFP # P13-330, Municipal Security Services**

ORIGIN

The requirement for a comprehensive and identifiable security presence on HRM properties.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79, Halifax Regional Council may expend money for municipal purposes. Administrative Order #35, the Procurement Policy, requires Council to approve the award of contracts for sole sources exceeding \$50,000 or \$500,000 for Tenders and RFPs.

The following report conforms to the above Policy and Charter.

RECOMMENDATION

It is recommended that Halifax Regional Council award RFP # P13-330, Municipal Security Services, to the highest scoring proponent, Securitas, for a period of three (3) years with an option for an additional two years, for a Total Price of \$733,127.83 with funding as outlined in the Financial Implications section of this report.

BACKGROUND:

This report addresses the need to centralize security guard services/requirements within Transportation and Public Works (TPW), Community and Recreation Services (CRS) and Fire Services.

HRM currently has multiple agreements for security guard services, including full-time on-site security at various HRM facilities, as well as on-going security checks at several Works Depots, Municipal Parks and surplus properties. As required, security services are also enlisted for fire scenes, seasonal park and facility requirements, as well as civic events.

Currently, security contracts are negotiated by business units within HRM on an “as needed” basis with multiple vendors providing guarding services to HRM. Contract supervision and management processes are not as clear as they should be and accountability for decision-making and oversight is unclear. The estimated average yearly cost is \$1.0M.

Strict standards/qualifications for guard personnel have not been established, nor have site standing orders been clearly articulated/enforced. Current levels of services are inconsistent across facilities and business units and are not directly correlated with threat assessments. In addition, under the current situation, it is difficult to determine whether HRM is obtaining value for money; at some sites, security guards are performing little more than a reception-related function.

DISCUSSION

THE PROPOSED AWARD OF A CONSOLIDATED SECURITY CONTRACT IS THE FIRST STEP OF A LONGER TERM PLAN TO MODERNIZE OUR CORPORATE SECURITY APPROACH.

Security Services has been consolidated within TPW and is now called “Corporate Security”. This report recommends consolidating all the security guard service agreements into one performance-based contract managed by Corporate Security and supported by a defined site standing orders programme and a threat assessment process that ensures security at each municipal facility is commensurate with risk. This is the first step in a longer-term strategy to create a pro-active, integrated, streamlined, cost effective security system that meets approved levels of service at all HRM properties and manages risk by improving safety and security for visitors, clients and employees of HRM. The longer-term strategy includes a 5-year plan to develop a fully functional 24/7 security operations centre that is responsible for monitoring all HRM security systems. The following steps need to be taken in order to achieve this goal, and will be subject to annual business planning and budget approval by Regional Council:

- i. implementation of a comprehensive policy on closed circuit television (CCTV)
- ii. implementation of standards for security equipment deployed throughout HRM facilities
- iii. upgrades/modifications to dated intrusion alarm systems at various HRM properties
- iv. consolidation of alarm monitoring contracts
- v. integration of video and alarm systems to provide real time situational awareness during a security incident
- vi. modifications to existing IT infrastructure to ensure the integrity of the CCTV system.

Consolidating existing contracts at this time will improve oversight and provide HRM with:

- i. security commensurate with threat/risk assessment, thereby demonstrating appropriate risk management for HRM
- ii. consistent understanding and implementation of HRM security protocols
- iii. improved cost management and fiscal accountability through better mechanisms and single point of accountability to track security related expenditures
- iv. an identifiable uniformed security guard presence, increasing the level of customer service and public confidence in HRM security

- v. better overall value for money

NEW TECHNOLOGY, CCTV CAMERAS AND MOBILE PATROLS WILL PROVIDE APPROPRIATE SECURITY AT A COST PREMIUM OF UNDER 25%.

In addition to consolidating existing contracts, the RFP scope of services included the provision of a mobile patrol unit to reduce overtime calls and false alarm tickets, and 24/7 monitoring of CCTV camera coverage. Evolving security technology allows HRM Corporate Security to implement integrated security systems that allow security personnel to triage events and calls based on threat assessments. Intelligent video analytics combined with event based video will result in a dynamic, proactive security system that ensures HRM meets its obligation to citizens to provide safe and secure facilities.

PROCUREMENT PROCESS

Request for Proposals P13-330, Municipal Security Services, was publicly advertised on the Nova Scotia Public Tenders website on November 1, 2013, and closed on December 4, 2013.

Eleven (11) proposals were received as follows:

- Neptune Security
- Paladin Security
- Independent Security
- Sagittarius Security
- Bourque Security
- Commissionaires Nova Scotia
- GardaWorld
- Source Security
- Northeastern Protection
- Securitas
- Shadow Security

The RFP was scored using a two-envelope process. Envelope one was the technical component of the RFP and Envelope two consisted of the financial elements of the proposals. The proposals from Neptune Security, Sagittarius Security, Bourque Security, Commissionaires Nova Scotia, GardaWorld, Source Security, and Shadow Security did not achieve the minimum of 75% of technical score and their cost proposal will be returned unopened. Detailed scoring results for the remaining proponents, as shown in Appendix A – RFP Evaluation Criteria, are summarized as follows:

| <u>Proponent</u> | <u>Score</u> |
|-------------------------|--------------|
| Securitas | 92 |
| Independent Security | 89 |
| Northeastern Protection | 88 |
| Paladin Security | 86 |

Securitas Canada received higher points partly because they have a post-management system called Securitas Vision that provides their guards with advanced, smart tour verification technology, the ability to record events electronically, reference procedural information while in-field, schedule reminders of events and develop statistical summaries for each location where the system has been installed. Securitas Vision provides real-time visibility to the key performance areas of their service and confirms that agreed to standards have been fulfilled. One of the features of Securitas Vision is “Smart Tours” which will enable Corporate Security to get immediate notifications of any irregular findings. It will also allow us to see if a tour (location) has been missed on the Securitas Connect, a web-based dashboard interface that will be available to HRM.

The RFP requested weekly rates for each component of on-site and a fixed hourly rate for “as required” services. Costs were evaluated based on the annual cost of on-site exclusive of the hourly rate for as required/on-call services. Cost increases in years two and three are limited to the Nova Scotia CPI for those years.

The Securitas proposal included a well-thought response to HRM’s requirements and indicated an understanding of the demands of public-facing security in a municipal context.

FINANCIAL IMPLICATIONS

The highest scoring proponent’s first year cost (excluding “on-call” services) is \$676,278.64 plus net HST of \$28,985.30, for a total of \$705,263.94. Funding for fiscal year 2014/15, including the expanded services, will be accommodated in Cost Centres R102 (Integrated Security Management), W169 (Transitional Properties) and W203 (Alderney Gate Facility Management). Subsequent funding for the additional services will be included in future operating budgets for R102 (Integrated Security Management).

The above cost includes \$169,602 for Mobile Security and \$120,025 for the expanded service at Eric Spicer. These costs will be incurred to ensure HRM meets its obligations to citizens and employees through the service and process improvements noted in the Discussion section above. “On-call” services are fluid and these additional services have not been included for financial analysis purposes

It is anticipated that, long term, HRM will realize savings on future, expanded security requirements, overtime costs and reduced administration costs. As an example, by consolidating security contracts under one umbrella, HRM will immediately realize a savings of approximately \$50,372 per year on existing security requirements for MacKintosh Depot, Alderney Gate and the Emera Oval.

In reference to “On Site – Spicer”, the Eric Spicer guard is currently cost-shared between Corporate Security (\$35,900) and the 311 Centre (\$104,600) at approximately \$140,500 per year. Eric Spicer is currently staffed 24/7 with one guard who performs a largely administrative/reception function. Under the new proposal, this facility will be transformed into a 24/7 Security Operations Centre with integrated security systems that is capable of responding to HRM’s expanding security requirements. As such, the RFP called for this site to be staffed by two full-time security guards who will work with the mobile patrol unit to ensure that HRM has an efficient response capability, that facility alarms are addressed in a timely manner and that camera feeds are routinely monitored for nefarious activity. Although an increased cost, security response throughout HRM will become more standardized and effective, greatly improving security at HRM facilities.

The budget availability has been confirmed by Finance.

Table 1: Financial Analysis

| | Proposed Yearly Cost (\$) | Existing Yearly Cost (\$) |
|--------------------------------|----------------------------------|----------------------------------|
| Mobile Security | (new service) 169,602 | 0 |
| On Site - Spicer | (expanded service) 260,507 | 140,482 |
| On Site - MacKintosh | 99,216 | 113,551 |
| On Site - Alderney | 130,254 | 157,286 |
| On Site - Emera Oval * | 16,699 | 23,634 |
| Annual Cost, excluding On Call | 676,278 | 434,953 |
| Net HST | 28,985 | 18,642 |
| Total Annual Cost * | \$705,263 | \$453,595 |

| | | |
|---------|--------------------|--------------------|
| On Call | 546,405 | 546,405 |
| TOTAL | \$1,251,668 | \$1,000,000 |

***Note:**

Although the total Tender Price is \$733,127.83, this includes 52 weeks of coverage at the Oval. The annual cost has been reduced to reflect 20 weeks of coverage only, as the Oval site will be put on the mobile patrol during the off season.

ENVIRONMENTAL IMPLICATIONS

There are no known environmental implications.

ALTERNATIVES

Council could choose not to award this RFP. This is not recommended by staff.

ATTACHMENTS

Appendix A – Evaluation Criteria

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Appendix A
Evaluation Criteria

| Criteria | Summary (considerations may include but are not limited to the following) | Max. | Securitas | North-Eastern | ISS | Paladin |
|---------------------------------------|--|-----------------|----------------------------|---------------------------|---------------------------|---------------------------|
| Communication Skills | Clarity and readability of written proposal | 5 | 5 | 5 | 5 | 5 |
| Team composition and experience | Sector specific experience of the Proponent Firm Experience of individual team members with projects of similar scope and size Team members' appropriate skills and education Demonstrated history of proposed team in successfully completing projects of a similar nature on time and on budget Balance of level of effort vs. team roles (project mgmt., technical, etc.) | 15 | 13 | 13 | 13 | 13 |
| Understanding of HRM needs | Understanding of the requirements of the scope of work and HRM organizational structure Acceptable proposed schedule and work plan Value added propositions and recommendations Attention to relevant challenges that the committee has not considered | 20 | 19 | 18 | 19 | 19 |
| Technical Solution | Solution addresses all technical aspects of the project as identified in the RFP Solution draws on proven methodology Solution is flexible and scalable Solution is cost and time effective | 25 | 20 | 19 | 20 | 20 |
| Project Management Methodology | Management structure within Proponents organization/ project team Proposed communication methods between proponent team and HRM Quality Assurance standards and practices | 5 | 5 | 5 | 5 | 5 |
| Subtotal (Technical Proposal) | | | 62 | 60 | 62 | 62 |
| Cost | ** Costs for first year of service including net HST as included in vendors' original response and includes 100% of the Eric Spicer security services. | 30 ** | 30 \$ 733,127.83 | 28 \$783,572.47 | 27 \$809,680.34 | 24 \$867,616.14 |
| Administrative and Legal Requirements | Based on level of risk identified in Stage 2 technical evaluation. | | | | | |
| | | 100 | 92 | 88 | 89 | 86 |