

To: Finance Committee

From: Stephanie Sinnott, Commissioner, Finance Services,  
Finance Services

Report Number: FIN-20-22

Date of Report: March 4, 2020

Date of Meeting: March 9, 2020

Subject: Request for Proposal C2018-105 Corporate Security Services  
Contract Renewal (FIN-19-19)

File: C-5400

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## **1.0 Purpose**

The purpose of this report is to provide Council with information regarding the Corporate Security Services Contract with G4S Secure Solutions (Canada) Ltd.

This report responds to March 18, 2019 Council's direction regarding Report FIN-19-19, Attachment 1, amended Part 2 which states "That the Manager, Purchasing Services prepare an information report on the first year of service with a recommendation to extend or not the contract."

## **2.0 Recommendation**

That the Finance Committee recommend to City Council:

1. That the Manager, Purchasing Services be authorized to extend a one year contract as detailed in Report FIN-20-22 dated March 4, 2020 to G4S Secure Solutions (Canada) Ltd. for the provision of corporate security services; and
2. That the Manager, Purchasing Services be authorized to extend the contract for an additional three, one-year terms, subject to favorable service and pricing.

## **3.0 Executive Summary**

Not Applicable

## **4.0 Input From Other Sources**

Commissioner, Corporate Services

Municipal Law Enforcement and Licensing Services

Facilities Management Services

## **5.0 Analysis**

### **5.1 Background**

The City currently contracts corporate security services to help protect the City's physical assets, staff and customers.

Corporate security aids in reducing property damage (e.g. vehicle vandalism in parking garages), minimizing the loss of City assets and personal belongings, and protecting against threats or assaults through video surveillance monitoring and mobile patrols.

Purchasing Services issued an R.F.P. to known companies providing corporate security services. G4S Secure Solutions (Canada) Ltd. best satisfied the City's requirements and was the highest ranked and recommended proponent. On March 4, 2019 report FIN-19-19 was considered by the Finance Committee. The original recommendation in FIN-19-19 was:

That the Finance Committee recommend to City Council:

1. That the Manager, Purchasing Services be authorized to negotiate a contract as detailed in Report FIN-19-19 dated February 27, 2019 to G4S Secure Solutions (Canada) Ltd. for the provision of corporate security services, in the amount of \$1,136,400 excluding all taxes being the highest ranked proposal received; and
2. That the Manager, Purchasing Services be authorized to extend the contract for an additional four, one-year terms, subject to favorable service and pricing.

Part 2 of the recommendation was amended by the Finance Committee to "That the Manager, Purchasing Services prepare an information report on the first year of service with a recommendation to extend or not the contract."

On March 18, 2019, Council approved awarding of the Corporate Security Services contract to G4S Secure Solutions (Canada) Ltd. as detailed in Report FIN-19-19, as amended, Request for Proposal C2018-105 Corporate Security Services.

G4S presently deploys 11 security guards and one supervisor to provide security to over 40 facilities, 24/7, 365 days per year. Security shifts are organized into day shifts (7:00 a.m. to 3:00 p.m.), afternoon shifts (3:00 p.m. to 7:00 p.m.), and night shifts (7:00 p.m. to 7:00 a.m.).

There are three to four security guards and one supervisor providing security guard services at any point in time to perform various duties including but not limited to:

- monitoring approximately 400 surveillance cameras including regular review to ensure ongoing functionality
- monitoring card access activities, alerts, and fire alarms,

- providing mobile guard services for patrols of approximately 40 City facilities (mobile and foot patrols of buildings and property)
- receiving urgent after-hours calls and dispatching to various City departments as appropriate
  - providing additional guard services for Special events, Committee/Council meetings and By-law Screenings and Hearings
- securing of fire scenes while awaiting the Ontario Fire Marshal's arrival on site
- coordinate with emergency services as required in response to incidents
- enforcing hours of park operations
- respond to intercoms located in City elevators and parking garages
- document incidents including response and resolution and advising facility operators as appropriate

## **5.2 On-going Evaluation and Key Performance Indicators**

City staff and G4S Management and Supervisors meet regularly to discuss services provided, new and upcoming issues and opportunities for improvement. These discussions include monthly evaluations of key performance indicators including:

- Ability to provide services on the dates and times requested whether regularly scheduled or on an ad-hoc basis
- Accuracy and completion of incident reports
- Compliance with required training components
- Availability of vehicles as required
- Staff turnover

KPMG also undertook a review of physical security processes and activities, specifically focusing on mobile guard patrols, incident responding, CCTV and access control monitoring and reporting. The KPMG Physical Security Audit and recommendations were outlined in Report CORP-19-87 and endorsed by Council on December 2, 2019 as the general basis for implementing improvements to physical security.

Based on regular discussions with G4S Management and the implementation of the KPMG audit recommendations for improvement, staff have determined that G4S has provided satisfactory services for the first year of the contract and are recommending renewal.

## **5.3 Renewal**

### **5.3.1 Advantages of Renewing**

The advantage to renewing the corporate security services contract with G4S are:

- G4S is providing favourable services, is responsive to the City's requests, and is meeting the requirements of the contract
- The City has fixed pricing for each contract year, which supports budget stability.
- Creating long-term contracts are a standard practice and fosters confidence
- Creates a stable environment for the security company's staff

- G4S understands the City's environment, is familiar with the City's facilities and any issues each may encounter
- G4S is knowledgeable about the City's technology infrastructure

### **5.3.2 Disadvantages of Terminating**

The disadvantages of terminating the corporate security services contract after year one are:

- Staff will need to issue another R.F.P. including a time-consuming bid process
- There is a learning curve for the successful bidders and their staff
- Cost of change i.e. potential change in supplier means employees have to re-train to their new company standards and practices; switching supplier takes four weeks to implement, as there is a lot of transferring of information
- Potential lack of competition due to short-term contract and perceived uncertainty.
- Potential increased costs
- Unsettling work environment for the employees; employees transfer from one employer to another in a short period of time
- Potential lack of future competition due to bidder perceived uncertainty.

## **6.0 Financial Implications**

The estimated annual costs for corporate security services approved in the City's 2020 annual operating budgets are \$173,300 for the Municipal Parking System and \$985,000 for all other corporate services.

## **7.0 Relationship to the Oshawa Strategic Plan**

This report meets the Oshawa Strategic Plan objective of Accountable Leadership by ensuring respect, responsiveness and transparency.



Stephanie Sinnott, Commissioner, Finance Services,  
Finance Services



## Public Report

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To: Finance Committee

From: Stephanie Sinnott, Commissioner, Finance Services,  
Finance Services

Report Number: FIN-19-19

Date of Report: February 27, 2019

Date of Meeting: March 4, 2019

Subject: Request for Proposal C2018-105 Corporate Security Services

File: C-5400

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### **1.0 Purpose**

The purpose of this report is to recommend a contract award for the provision of corporate security services to the highest ranked bidder for a period of one year with an option of extending this contract for four additional one-year terms, subject to favourable pricing and service in accordance with the Purchasing By-Law.

### **2.0 Recommendation**

That the Finance Committee recommend to City Council:

1. That the Manager, Purchasing Services be authorized to negotiate a contract as detailed in Report FIN-19-19 dated February 27, 2019 to G4S Secure Solutions (Canada) Ltd. for the provision of corporate security services, in the amount of \$1,136,400 excluding all taxes being the highest ranked proposal received; and
2. That the Manager, Purchasing Services be authorized to extend the contract for an additional four, one-year terms, subject to favorable service and pricing.

### **3.0 Executive Summary**

Not Applicable.

### **4.0 Input From Other Sources**

Corporate Services, Municipal Law Enforcement and Licensing Service staff have reviewed this report and concur with the recommendations.

## **5.0 Analysis**

### **5.1 Background**

The City currently contracts corporate security services. Guards are deployed at City Hall and provide mobile patrol throughout the City.

The City requires security guard services to protect the City's physical assets, staff, and customers. Security aids in reducing property damage (vandalism), minimizing the loss of City assets and personal belongings, and protecting against threats or assaults. The security provider is also responsible for monitoring surveillance cameras and panic/intrusion/fire alarms, undertaking mobile patrols of other City facilities, securing building access, and for responding to after-hours calls for service that may necessitate calling out City staff.

This report includes the work outlined in CORP-19-12 Corporate Security at City Facilities and Security Incidents as approved by Council.

### **5.2 Request for Proposal Process and Bid Results**

Municipal Law Enforcement and Licensing Services provided the terms of reference and Purchasing Services issued a Request for Proposal (R.F.P.) to secure corporate security services.

Purchasing Services issued an R.F.P. to known companies providing these goods and services as well as those companies known to be capable of providing the level of service required. To increase competition, an advertisement for the R.F.P. was placed on the Ontario Public Buyers Association and City of Oshawa websites.

A total of nine (9) responses were received and opened by the Manager, Purchasing Services on November 22, 2018. Upon review of the proposal submitted, eight (8) responses were deemed compliant with the requirements of the R.F.P. The response received from 1008880 Ontario Ltd. was deemed incomplete and rejected in accordance with the Purchasing By-Law.

The following is a tabulation of the bids received.

Ranking	Bidder	Bid Compliance
1	<b>G4S Secure Solutions (Canada) Ltd.</b>	<b>Yes</b>
2	Garda Canada Security Corporation	Yes
3	Paladin Security Group	Yes
4	Paragon Protection Ltd.	Yes
5	Neptune Security Services Inc.	Yes
6	Knights on Guard Security	Yes
7	Orion Security & Investigation Services	Yes
8	Active Security Enterprises	Yes
9	1008880 Ontario Ltd.	No

Proposals were evaluated on the criteria as outlined in the R.F.P., including qualifications, experience, quality of proposal (responsiveness and completeness), deliverables and cost. References were checked and proved favourable.

Through the evaluation process, the team unanimously agreed that the proposal submitted by G4S Secure Solutions (Canada) Ltd. was comprehensive, thorough, and addressed all requirements of the R.F.P; was the highest ranking proponent and best satisfied the City's requirements.

## 6.0 Financial Implications

The following chart outlines the contract cost. The estimated annual costs for 2019 was approved by Council in the City's 2019 operating budget.

	Estimated Annual Cost	Estimated 5-Year Cost
Corporate Security Services	\$1,136,400	\$5,913,871
Plus H.S.T.	\$147,732	\$768,803
Sub-Total	\$1,284,132	\$6,682,674
Less H.S.T. Rebate	(\$127,732)	(\$664,719)
Estimated Total Cost	\$1,156,400	\$6,017,955

The contract is fixed price for the 5 years and will be adjusted according to the Proponent's submission and not to exceed their maximum annual increase of approximately 2%.

## **7.0 Relationship to the Oshawa Strategic Plan**

This report meets the Oshawa Strategic Plan objective of Accountable Leadership by ensuring respect, responsiveness and transparency.

A handwritten signature in black ink, appearing to read 'S. Sinnott', written in a cursive style.

Stephanie Sinnott, Commissioner, Finance Services,  
Finance Services