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# Questions to ask when procuring the services of a professional security company

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## Why contract out security services?

I can immediately think of five reasons. First is the increased value an outsourced company brings to the table because of its professional staff and experience in the security industry. This depth and breadth of experience and knowledge is offered because of relationships with other clients that have faced the same or different challenges. The second

reason is the cost. Simply put, because of the expertise and experience that the vendor brings, the financial weight of training, recruiting, hiring and providing benefits for the employees is considerably less to the client than administering these programs in-house. Third is the transfer of liability from the client to the security company. The security company bears the legal load and ramifications of particular incidents that could occur on your property. Lastly, and in my opinion, most importantly is the peace of mind an effective security company can provide so you the client can focus on the everyday business that defines you as a company.

## Why Change Security Vendors?

Change vendors when the value is gone, plain and simple, but you have

to know what's valuable to you as an individual client. If you have a small budget and need a low bill rate, know that's what you value. If it's superior management and executive accessibility, than know that's what you value. If it's a vendor that can accommodate a client on a national basis, than know that's what you value. When value isn't there anymore and when your vendor's program no longer represents you as a client anymore, it's time to change vendors. However, certain values have repercussions. Low bill rates will produce low wages. National vendors might not give you specific attention on a local level. And having a phenomenal program with high-end personnel combined with strong management will cost you more. You just have to know what

you value the most and work off of that.

## What are important things to include in an RFP?

First things first, an RFP must be designed to allow you to compare "apples to apples". This is especially important when it comes to the financial proposal from each potential vendor. To achieve this, the pricing structure must include the itemized list of costs to include wages, bill rate, necessary insurance coverage, employee benefits costs, as well as vendor overhead and supervision structure. A well defined scope of work included in the RFP will allow the vendor to completely understand the "job" requirements and price accordingly. When preparing the RFP, remember the more you specify; the more

accurate and comparable the respective bids will be.

## What comprises the cost of security services?

The cost of security is found in the difference between the client's hourly bill rate and the guard's hourly pay rate. That difference between bill rate and pay rate is the result of an equation based on the value of particular line items, which vary company to company. Examples of these variable items are liability insurance because it fluctuates due to claims against the individual company. Another is worker's compensation insurance which fluctuates in suit. Corporate and branch salaries, marketing, cost of bidding projects, and rent are examples of general administrative expenses that differ. Paid holidays, paid sick time, medical and dental benefits, and more are also factors. Therefore, it's important to know what the benefits are and how much they cost per individual per month in order for you to make a fair comparison of one company to another. Lastly is profit which will vary depending on the company's prerogative. Whether it's low, high or normal, it is a direct example of their business model. Security is an industry where the quality of service should dictate the cost of the program. Never should the cost of security dictate the quality of service.

## What are good questions to ask security companies and why?

Four questions that quickly come to mind are the following: First, Who are your competitors? This is important because you want to know what niche a company serves. This will help you gauge whether they are the correct fit for you and your property. Second, what are the responsibilities of the salesman and his guidelines for selling work? This is important because it will reveal management structure and should address a well designed business model. You want to be treated as an appreciated client and not as a number of hours. Third, how many hours are assigned to the area manager? This question will give you an idea of attention you'll be receiving and how loud you'll have to shout to be heard. Finally, how many accounts has a company lost in the past year? This general question might be the tip of the iceberg in regards to attrition rates, wages, performance, and client satisfaction. The commitment to understanding your needs, defining them in the RFP, and asking quality questions of your vendor to produce a perfect fit is the difference between a long term value-based relationship and starting the process over and over again.

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