

Guidelines for Hiring a Security Contractor⁷

Once a decision is made that your institution has short- or long-term security needs, it should be determined whether limited or complex security requirements are necessary. ADL strongly recommends that each institution undertake security as a long-term, ongoing process. Depending on the nature and complexity of the institution, an assessment by security professionals might be required.

Short-Term Work

During holidays or special events where security guards may be required on a short-term basis, institutions should obtain competitive bids as soon as possible. It is essential to check with local law enforcement and other community agencies for recommendations. It is essential the institution clearly define the security contractor's scope of work. All of the following criteria should be met:

- A concise statement describing the security tasks to be performed, including the number of days and hours that security is needed. This information should be clearly outlined with the security contractor before security staff is assigned to the site.
- A detailed set of general and particular special instructions. The importance of these instructions cannot be overstated. The institution should not rely on the security contractor to provide them. These instructions should be discussed with and agreed upon between the decision-makers of the institution and the security firm. Contractors are to provide supplemental instructions to their personnel.
- Assignment of one person who will be the security guard's contact and will greet the security guard throughout the assignment. This liaison will greet the security guard upon arrival to ensure that the guard understands his/her role, and among other requirements, has a neat appearance and proper attitude.

Interactions with Security Guards

First impressions are important in determining how the security guard will perform. It is important to remember that the guard is present to deter and detect unusual or

⁷ Prepared by the San Diego Regional Office's Inter-Agency Security and Safety Committee.

suspicious activity as well as to safeguard property and people. The following are key points that the institution's contact person should discuss with the security guard:

- Requirements of the assignment.
- Purpose of security during the prescribed times.
- The security guard will be assessed during the shift for alertness.
- Rules of conduct that enhance effectiveness. For example, no smoking, practical joking, fraternizing, etc.
- The scope of work should be explained and written concise expectations presented as soon as the security guard arrives (keeping a copy for yourself):
- Institutional contact and how to immediately reach him/her.
- Layout of the facility.
- Facility security and/or fire regulations.
- Any vulnerable areas.
- Locations of telephones, fire-fighting equipment, fire alarms, emergency exits, etc.
- Location of stairways and doors.
- Clear operational guidelines to be used in the event of an emergency (fire, suspicious package, bomb threat, etc.)

Criteria for Security Contractor Selection

As soon as the need for a security firm has been determined on an immediate or long-term basis, a security contractor should be selected. Selecting a company that has valid, current state licenses is essential. You should be certain that a company is reliable and in good standing.

All of the following criteria should be met:

- Adequate and current insurance
- Track record/reputation
- Proposal characteristics
- References

- Training
- Equipment
- Costs
- Contract
- Management
- Security guards' qualifications
- For your convenience, please see the checklist on page 98.

Insurance

After you have established that a security contractor is duly licensed, scrutinize the insurance coverage the security contractor provides. Every state licenses and keeps records on security firms. As such, it is essential to hire a company that has a valid, current state license, and to determine the reputation of the company by investigating any history of complaints reported against it to the state licensing authority. The following insurance criteria should be met prior to hiring a security contractor:

- The contractor provides and maintains adequate insurance coverage for your situation.
- Your risk manager (insurance agent) approves of the contractor's coverage.
- Contractor's Broad Form General Liability Insurance covers a minimum of \$1 million per incident and \$3 million total. The higher the coverage the better. Determine whether the contractor has fidelity bonding and other coverage.
- The contractor's Workers Compensation Insurance is at statutory minimums.
- The contractor should have adequate Automobile Liability Insurance coverage for all vehicles used.
- Security contractor's insurance covers sexual harassment through their Professional Liability coverage.
- Liability coverage for special equipment provided (golf carts, computer equipment, watch clocks, etc.).
- Contractor's insurance carriers name your organization as "Additional Insured" on their liability insurance policies (or at least, obtain certificates of insurance for the contractor). If so, is there an extra charge for this?

- Your insurance advisor does not object to any of the policy “Exclusions.”
- Ask for EMR (Employment Modification Rate) for the last three years. The lower the EMR, the better the contractor’s safety performance.

These criteria are important in determining whether a security contractor’s insurance coverage is sufficient to meet your needs. A security contractor must both provide security and be properly insured.

Reputation

A security contractor’s reputation should be examined to ensure that the company has maintained a trustworthy and dependable reputation. To determine the quality of past work, ascertain whether there has been a recent history of valid or successful lawsuits or complaints to state agencies against the contractor filed by clients or employees. This can be learned at your local courthouse or through a local attorney. Consider three main factors when researching a company’s history: negligence, workers compensation claims and experience and management.

Negligence

Determining possible history involving negligence by the contractor is important. Request “Loss Experience” or “Loss Runs” reports from the contractor in order to review its liability insurance claims history. Inquire of the contractor directly whether the company has ever been involved in any lawsuits and whether there has been any legal incident involving their employees while on a client’s property during the last 10 years.

Your lawyer or insurance broker can explain the report and advise you on the significance of each case and report.

Workers Compensation Claims

Review the listing of worker compensation claims to determine the possibility of patterns of carelessness or inadequate employee safety practices. This report is available from the security contractor and your insurance agent can advise you of the signifi-

cance of each claim. Again, ask for EMR (Employment Modification Rate) for the last three years (the lower the EMR, the better the contractor's safety performance).

Experience and Management

First and foremost, it is important to recognize that you are hiring the guard service management team because, typically, the pool of security guards is the same for all companies. Inquire as to the number of years of service in the security industry of the contractor's president, regional manager and operations management.

Although not essential, the security contractor should have recently provided security service to an institution similar to yours.

Proposal Characteristics

Carefully analyze the proposal submitted by the security agency. The proposal should address the specific security needs at your site and demonstrate that the security contractor has carefully reviewed and considered your needs. The following are key points that the security contractor should enumerate in a proposal for your institution.

Training and Qualifications

The proposal should set the minimum qualification as follows: describe the security-related education, training levels, and experience of personnel to be assigned at your institution. Security contractors that provide additional education and training to their staffs are preferable.

Staffing

Staffing may be regular, rotating or temporary and it is important to know beforehand which personnel you will be dealing with. **A permanent staff assignment is always best if it can be obtained.** However, security contractors often have difficulty maintaining regular staff as a result of odd shifts, frequently consisting of less than eight hours. You should research the security contractor's history of staff stability and be wary of excessive turnover or poor relationships with employees. The contractor should also obtain your approval before transferring (or replacing) personnel from your site. It is important to assure that the contractor's needs at other sites should not take precedence over security needs at your site.

Description of Supervision

Does the proposal describe the exact nature of supervision to be provided? Contractors should be willing to explain clearly how they will monitor and control the quality of security services.

Documentation

In selecting the best quality contractor, the proposal should describe the type and frequency of reports and documentation (daily officer activity logs, incident reports, crime reports, officer time sheets, other special reports, etc.). Consistent and thorough written communication is an important output of contract security services and is an important management control mechanism you have over security services and costs.

Instructions to Security Guard

Carefully analyze whether the proposal includes sample Post Orders or Standard Operating Procedures Manual. This document describes all aspects of job performance at your site including security guard grooming and decorum, sets the standard of security services, and provides the basis of guard discipline. Ultimately, this document becomes the main basis of legal defense in the event of litigation. The contractor should provide a document that is comprehensive and clear both to you and the security guards.

Emergency Procedures

The contractor's proposal should describe how its guards will function under various emergency conditions. The proposal should demonstrate an understanding and coherent approach to a wide variety of nonstandard, unusual or crisis situations.

Equipment Issues

If the security guard is expected to patrol your institution when it is closed (holidays, overnight, etc.), he/she should be equipped with a cell phone enabling contact with emergency services if needed. It is important for you to ask what other equipment is standard issue and/or the guard is certified to use. For example, will the guard carry a baton, pepper spray, handcuffs, etc.?

References

References help identify quality and reputable security contractors. Client references give invaluable insight as to the reliability and performance of a security contractor and highlight areas of possible improvement. To secure the most qualified and experienced security firm, use references that:

- Clients verify a contractor's history of relevant experience.
- Past clients' references verify a contractor's history of responsiveness.
- References indicate contractor's employee turnover rate is lower than or equal to that of industry norms.

Costs

Prospective security contractors should address the following issues:

- How frequently will contractor bill for services rendered? Weekly? Biweekly? Other? Is this convenient for you?
- Will it be a flat monthly rate, a uniform hourly rate for all employees or a unique hourly rate for each individual employee? Generally, paying a unique hourly rate for each guard provides clients with the most economical service.
- Contractor discloses wages to be paid to guards assigned to your site. A good contractor should be willing to discuss openly all cost drivers and the fee or profit margins it expects to earn for the services to be provided.
- Contractor's periodic invoices list wages and bill rates for each guard. Invoice detail provides a good audit trail and shows contractor professionalism.
- How will guard pay increases be handled? Inadequate or stagnant wages are a frequent cause of staff turnover. Wage increases should be proposed in advance by the contractor, based on officer incentive and merit, reflected logically in billing rate adjustment and mutually agreed upon by the contractor and client before implementation.
- Will any additional charges be made for uniforms, equipment, supplies, etc.? Again, these should be proposed, justified, logical and mutually agreed upon.
- Is the total estimated average monthly cost within your budget? Your monthly guard budget can be calculated by multiplying the hourly wage rate.

Contract

The security contract defines the rights and responsibilities between you and your contractor and ensures that the contractor will meet your needs. There are numerous questions and criteria that a security contract should specifically address in order to ensure that the security firm is responsible and dependable. These serve as guidelines to refer to and are listed below:

- Does the contractor indemnify you for all security-related liability for which the contractor is responsible? In cases where partial liability is determined by a court of law, does the agreement clearly specify how such indemnifications shall be applied? You should discuss client indemnification of the contractor.
- At contract time will there be a price increase? How much? Why?
- Do you retain the right to terminate the agreement at any time and for any reason? Is this right mutual?
- Is the amount of notice required for contract termination — by the contractor or client — reasonable? Thirty days is the standard.
- Is the agreement sufficiently flexible to meet your needs?
- Does it assure fairness to the contractor and adequate control to the client?
- Can you replace a guard if necessary?

Management

You and the security contractor must share an understanding of the reasons for entering into the contract. As such, discussion issues should include the following:

- Discuss your desires with the security company management.
- Discuss terms of supervision with the contractor, field and management staff. The security personnel know, understand, and comply with your site's written policy manual. If a security guard performs below par, it is important to know that the individual will be counseled, disciplined and replaced by the contractor as needed.
- Once the security guards are in place, you will need to monitor them to ensure that they meet high professional standards, project a professional and alert demeanor and respond effectively to security-related concerns. It should be required that all that written materials from the security guard (logs, reports, etc.) be clear, complete and useable. You should receive a copy of every report filed by your guard.

Deciding What Kind of Security Should Be Hired

It is important to know that hiring a security contractor, whether limited or extensive, armed or unarmed, is a serious business and not to be taken lightly. Different kinds of security guards are appropriate for different situations. One important issue is whether you would like security at your site to be provided by a uniformed or plainclothes guard.

- The main goal for hiring a uniformed security guard is deterrence.
- The main goal for hiring a plainclothes security guard is apprehension.

After deciding what kind of security to hire, you must determine whether the security guard should be *armed* or *unarmed*. There are many costs and benefits to be considered when choosing an armed versus unarmed security guard.

The following should help you analyze the issue and determine what is in the best interest of your institution.

Armed Security Guards

It is important to determine if hiring armed security guards meets your institution's expectations for security.

- **Realize that armed guards may utilize deadly force.**
- Determine the training qualifications the security guards have with firearms.
- Determine the contractor's policy on the use of weapons with regard to deadly force.
- Keep in mind moral questions when hiring an armed security guard. You should determine whether the members of your institution will accept an armed guard on the premises. Please note that special care should be taken if your institution serves many young people. Schools should be particularly concerned with the message an armed guard conveys to students, parents and staff.
- Consider the cost effectiveness of an armed guard. They are much more expensive than unarmed security, due to licensing and training requirements.
- Decide whether the presence of a weapon may escalate the possible use of force and violence which otherwise may not occur.
- Insurance may be adversely affected by the presence of an armed guard.

Unarmed Security Guards

- Use of deadly force is neither desired nor required.
- Unarmed security guards often provide the same deterrent as armed guards without the risk of deadly force.
- The protection afforded by unarmed guards is less expensive and may incur less liability and insurance.

Checklist for Security Contractor Selection

As previously mentioned, when the need for a security firm has been determined on a short- or long-term basis, a security contractor should be selected. The following checklist has been developed to assist you in this process:

Institution Name _____

Security Contractor Name _____

	Requested	Received	Accepted
Insurance			
Reputation			
Negligence			
Workers Compensation Claims			
Experience			
Proposal			
References			
Costs			
Contract			
Management			
Security Guards			



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This guide is intended to help institutions become aware of basic security considerations. It is not intended to provide comprehensive, institution-specific advice on security matters nor is it meant to replace the advice of a security professional. For comprehensive, institution-specific security advice, a security professional should be consulted. ADL specifically disclaims any and all responsibility for, and is not responsible for, any loss or damage arising out of the use, nonuse or misuse of this information

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