



## **A few tips and considerations on using contract security guard services**

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Here are a few tips and considerations on using contract security guard services:

### Appropriate pay-to-billing ratio

As a building owner or manager, hiring security can be one of your biggest expenses and, if things go wrong, one of your biggest headaches. Imagine paying \$25 an hour for contract security and receiving a \$10 an hour guard. Or, on the other hand, paying \$16 an hour and expecting to receive a \$14 an hour guard. Sound familiar?

Prior to establishing my company, I used contract guard services and I was always concerned that I was getting my money's worth. Now that I own and operate a guard agency, I want to make sure each of my clients gets their money's worth. So, with each account, I establish a payroll cap and range for each billing rate; this allows me to give incremental raises which motivates the officers to perform well. With this, I also experience less turnover, higher client satisfaction, and generally less problems with each account. Ask your provider how they establish pay rates in relationship to your billing rate and check with the guards that they are getting paid what your provider promised you they would get paid.

A contract for guard services is a mutual agreement between the guard agency to provide a security guard(s) and for the facility to pay for that service. Each party should benefit mutually from the agreement; the facility should receive a level of service appropriate for billing and the agency should provide an appropriate guard and make a reasonable profit. The guard agency must be able to pay the guards' hourly wage, all the employer costs such as employer taxes, unemployment insurance, liability insurance, uniforms, a small portion of their overhead, and to make a small percentage of profit (the margins on guard service are small).

If a client demands too much for what they pay, or the guard service provides a lower quality guard than what the client pays for, then the agreement will be out of balance. Ask the guard agency what they will pay their guards. A good rule of thumb is that the employer costs for the guard agency is between 18-23%, and a reasonable profit margin is between 20-40% (depending on the number of guards, volume, etc.). So, as an example, if the billing rate is \$18 per hour, the pay range should be about \$10.75 to \$12. If pay levels are below this, I would recommend discussing this with your contract provider.

### On-site Training for Security Officers

When a new security guard (or "officer" as we prefer to call them) comes to your site, it is important that they be fully briefed on all the duties that are required of them. These duties should be in writing and you, as the client, should approve them. We use a briefing-sheet system that lists all the duties of the officer. A supervisor goes over these duties with the new officer and has the new officer sign

the sheet, acknowledging those duties. Then the supervisor also signs this sheet, and we keep the sheet on file.

This system ensures that each new officer is properly trained for each site. As these duties change or are updated, the instructions and briefing sheets must be updated. For complex sites, we make an instruction booklet that is issued to each officer with the various company rules and site instructions. If you have security guards assigned to your site and they aren't properly informed of their duties, how will they know what to do? In addition, it is a good idea to have additional officers trained for your site in the event that the regularly assigned officer is sick or has a family emergency. Ask your contract provider to make sure all guards are properly trained and they have trained backup personnel.

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