

Security Industry Transformation Map Sharing

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UNION OF SECURITY EMPLOYEES

40TH ANNIVERSARY

Integrity | Professionalism | Care for officers

Security ITM

- One of 23 ITMs to chart Singapore's future economy
- Part of Built Environment Cluster
- Security industry is important
 - 47,000 officers, 240 agencies and 600 services providers
 - Supports the Home Team to keep Singapore safe and secure
- ITM is a collective effort by industry stakeholders
 - Took more than a year to develop
 - Deep involvement by industry associations, companies, union, service buyers and various government agencies





The industry faces these inter-related challenges:

Lack of support in security risk assessments

Tenders specify the same number of guards as before



Lack of understanding on how manpower and technology can be deployed effectively

Selection of vendors based on lowest cost

Contracts are short

Providers have little time to recoup investments



Providers lack incentive to differentiate services, beyond just supplying manpower

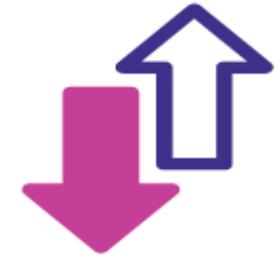
As a result, security guarding has remained largely manpower-intensive.



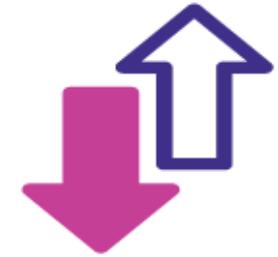
There are opportunities for growth:



- Demand for security services is rising
 - Increase in number of buildings and facilities
 - Increased security threat due to terrorism
 - Value-add for security sector has grown 10% per year over past five years



But the industry must move away from manpower-reliance.



- Security manpower grew 5% per annum in the past five years
- Security guards comprise largest number of job vacancies among non-PMET workers
- Long working hours
- Unsustainable
 - Slower workforce growth
 - Jobs improving in other industries

Important tripartite efforts to improve productivity have been taken:



- In 2016, **Progressive Wage Model** was implemented
 - To raise skills and wages, increase job attractiveness
 - Wages grew by 23% per year between 2014 and 2016, and will rise further
- Industry has committed to **removing overtime exemption in 2021**
 - Decisive step to improve working conditions

The Security ITM builds on this foundation.



Our Vision

A vibrant, technologically advanced and competitive security industry delivering better security outcomes for Singapore and better jobs for Singaporeans



Solutions-based companies
delivering high quality services



Smarter buyers
choosing solutions that integrate tech and manpower



Four key strategies

to transform the security industry from being manpower-reliant to delivering effective solutions



Technology and Innovation

Decisive push for tech and innovation to transform operating models



Best Sourcing

Promote best practices in the procurement of security services, with Government taking the lead



Regulations

Align regulations to ITM objectives to raise standards



Skills

Invest in skills to support career advancement



Technology and Innovation



Technology and innovation can significantly improve the way security functions are performed.

For example:

- Patrolling can be replaced by CCTVs and analytics
- Officers can focus on higher value responsibilities
- Fewer but more skilled officers can oversee a larger area



Technology and Innovation

The ITM will support companies at different stages of adopting technology:

- **Industry Digital Plan** to give SMEs step-by-step advice on tech solutions suitable for each stage of their growth
- **Support for pilot projects** with potential to uplift the industry
- **Call for Innovative Solutions** to support co-development of new solutions by consortium of buyers, security agencies and tech companies





Best Sourcing



Buyers need to take a “smarter” approach to procuring security services.

- Buyers play an important role in this industry
- What does **best sourcing** for security services mean?
 - Understand security needs through a risk assessment
 - Let providers offer solutions that best meets those needs
 - Build a long-term partnership with chosen provider



Best Sourcing



Best sourcing is “smart” because:

- **Service buyers** enjoy higher quality services at lower long-term cost
- **Security agencies** are motivated to offer better solutions
- **Security officers** enjoy larger and more meaningful job scope, higher skills, better employment terms



Best Sourcing

Outcome-based tender for cluster guarding at JTC one-north

- Security agencies have flexibility to propose how best to achieve security outcomes
 - E.g. video analytics, integrated command centre, quick response teams
- More efficient than providing a fixed number of guards for individual buildings



Source: JTC





Best Sourcing



The ITM will support more security service buyers to adopt best sourcing:

- **Government will take the lead** - most government agencies to adopt outcome-based contracts by 2020
- **Support for buyers** - Smart Sourcing Initiative by NTUC, Security Productivity Initiative by Workforce Singapore
- **Education and outreach** - comprehensive tripartite guide, skills training, industry-led seminars



Regulations

Regulations will be aligned to the ITM in order to raise standards.

- Starting this year, the revised Security Agencies Grading Exercise (SAGE) will place greater emphasis on security outcomes, training and technology
- Review was done in close consultation with the industry and union
- Revised SAGE will recognise quality security agencies and help buyers make informed decisions





Skills

We will continue to invest in skills to support career advancement and improve productivity.

- We must aim to keep overall manpower demand stable over the next few years
- Decisive push for technology must be supported by a skilled and well-trained security workforce





Skills

Launch of Skills Framework for Security

- Developed by SkillsFuture Singapore, Workforce Singapore and MHA together with stakeholders
- Comprehensive guide on job roles, career pathways, skills and competencies
- Can be used to plan career progression and training



Skills Framework for Security

A Guide to Occupations and Skills

An initiative of
SKILLSfuture

skillsfuture.sg



Skills

Programmes to develop new skills are available for new entrants and existing workers.

- **ITE's Work-Learn Technical Diploma in Security Systems Engineering** provides a new career progression pathway for ITE graduates as systems engineers and project engineers
- **SkillsFuture Series** and **SkillsFuture Study Awards** available for existing workers to learn emerging skills and deepen security skills and knowledge.





Skills

Expertise in security consultancy is a key enabler to transformation.

- Security consultants play an important role:
 - Identify what needs to be protected by assessing the threats, vulnerabilities and risks to a facility
 - Recommend an effective solution to address security needs
- Security consultancy is a career pathway in the new Skills Framework





Skills

MHA and Temasek Polytechnic will offer a new Specialist Diploma in Security Consultancy.

- Covers risk assessment, building security and relevant legislation, security technologies, project management
- First intake is planned for Apr 2019
- Collaboration between MHA's Centre for Protective Security Studies and TP's Security Industry Institute
 - MHA and TP will sign an MOU at the ITM launch





Four key strategies

to transform the security industry from being manpower-reliant to delivering effective solutions



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Best Sourcing

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Regulations

Align regulations to ITM objectives to raise standards



Skills

Invest in skills to support career advancement



The Government will invest about \$10 million over the next three years to support Security ITM initiatives.

- To decisively transform how security services are delivered
- SPRING (or Enterprise Singapore) will offer holistic support to SMEs to help them raise standards and transform
- **Solutions-based companies** and “**smarter**” buyers are key in bringing about this transformation

Security Industry Transformation
Innovative Companies | Better Jobs | A Secure Singapore

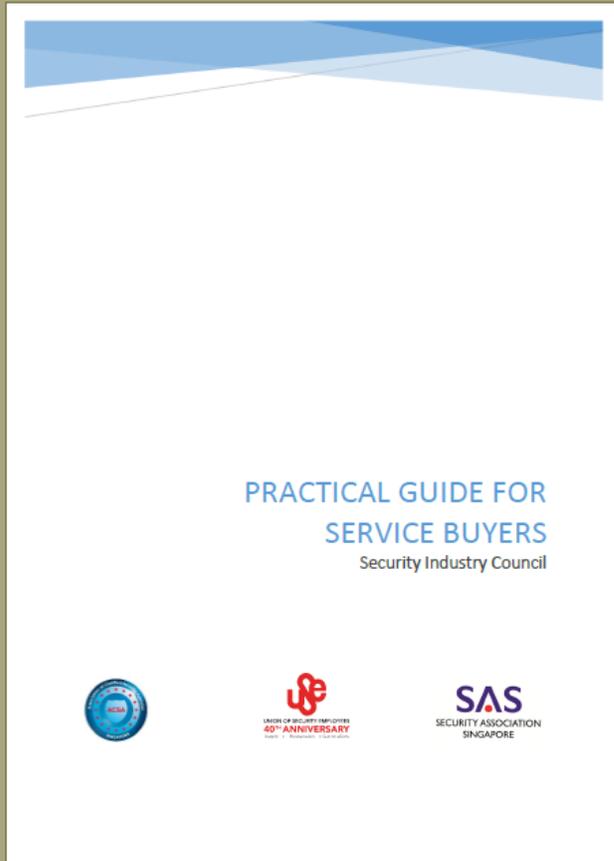


Visit our ITM micro-site for more details:

<https://www.mha.gov.sg/SecurityITM>



Practical Guide to Service Buyers for Security Contracts



Recommended contract clauses for industrial, commercial and residential properties (Prompt Payment Clause, Liquidated Damages Limit Clause, Dispute Resolution Clause, Termination Clause)

Quoted contract prices for security manpower

Provision of a safe and conducive work environment for security officers

1. Standard Clauses for Security Contracting (Private Sector)

Security firms hit by late payments

Some clients take months to pay up, leading to cash flow problems and even bankruptcy, say industry players

● HARIZ BAHARUDIN

Some private security agencies here often face issues of late payment by their clients, sometimes for months on end, The New Paper has learnt.

Industry players say this perennial problem had seen some firms saddled with huge debts and even going bankrupt.

One such case of late payment involved the Agency for Science, Technology and Research (A*Star), the research and development statutory board under the Ministry of Trade and Industry.

Records obtained by TNP show that A*Star took about 12 months to pay the \$25,700 for security services that were invoiced on Dec 31, 2016. A*Star processed the payment only in December last year.

Similar forms of delayed payment took place for other invoices over several months last year, so much so that by the end

of last November, A*Star was in arrears of over \$157,000 for security services rendered.

An A*Star spokesman told TNP yesterday that it has since paid all outstanding invoices from its security vendor and had offered its "sincere apologies".

The late payments were due to a mistake by one of its staff. A*Star has since counselled and taken action against the employee.

It has also added safeguards to prevent this from recurring, said the spokesman, who added: "A*Star strives to pay its vendors promptly while ensuring that we adhere to the necessary due diligence processes.

"Unfortunately, we did not meet our own standards in timeliness when paying one of our vendors for security services provided."

A*Star is not alone in being tardy with payments.

Mr Gary Haris, senior business development manager at KH Se-

curities, told TNP that he would consider it "very good" if a client settles within three months of the payment's due date.

Late payments can drag on for more than six months, and at one point his mid-sized firm of about 200 officers had more than \$1 million of outstanding payments, Mr Haris, 43, said.

"We had to borrow from finance companies and banks because we still had to pay our employees," he added.

LOAN

Regal Security Services director Maminder Singh, 37, said his firm also had to borrow money to pay its 150 officers because of cash flow problems arising from late payments.

Estimating that 70 per cent of security agencies had to go into debt to stay afloat, Mr Singh added: "This is not what we want but we have to accept it. This practice has even caused some agencies to go bankrupt."

Mr Robert Wiener, president of the Association of Certified Security Agencies (ACSA), which represents about half of the 240 security firms here, told TNP that the problem of late payments has "always been around".

Mr Wiener, who is also the director of security agency Prosecur Singapore, said some clients come up with all sorts of excuses for being late with their payments.

Despite this, all five agencies TNP spoke to said they did not stop providing their services because that would have been unprofessional.

Assured Protection and Consultancy's chief executive, Mr Vicky Nathan, said: "It's unprofessional to withdraw our officers just like that because leaving the premises unguarded could be dangerous.

"We shouldn't compromise security and I don't believe that any security agency would pull

out their officers."

Earlier this month, the Government rolled out \$10 million in initiatives under the Security Industry Transformation Map to encourage industry players to be more productive and technologically advanced.

On Feb 14, the two bodies representing such firms – the ACSA and the Security Association of Singapore – jointly held a town hall meeting to discuss standardising contracts to spell out clearly when they should be paid.

TNP understands this issue will be discussed in a Security Industry Council Buyers' Seminar today.

Said ACSA's Mr Wiener: "We just want what is due to us to be paid on time so we no longer have to tussle with the problem of late payments."

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Prompt Payment Clauses

Residential

“The Client shall during the continuance of this Agreement pay to the Agency 80% of the monthly sum of [monthly contract sum] within 2 weeks of the start of the month in which service is rendered, and the remaining 20% of the monthly sum of [monthly contract sum] within 4 weeks from the start of the month.

In the event that payment is received by the Agency after the due date stipulated above, the Client shall be liable for a late payment interest fee of 10% of the monthly sum per month, calculated on a daily basis.”

Prompt Payment Clauses

Commercial & Industrial

“The Client shall during the continuance of this Agreement pay to the Agency the monthly sum of [monthly contract sum]. Payment shall be made by the last day of the following month.

In the event that payment is received by the Agency after the due date stipulated above, the Client shall be liable for a late payment interest fee of 10% of the monthly sum per month, calculated on a daily basis.”

Prompt Payment Clauses

Mixed/Other Developments

“The Client shall during the continuance of this Agreement pay to the Agency the monthly sum of [monthly contract sum]. Payment shall be made by the last day of the following month.

In the event that payment is received by the Agency after the due date stipulated above, the Client shall be liable for a late payment interest fee of 10% of the monthly sum per month, calculated on a daily basis.”

Dispute Resolution Clauses

Documents Only Arbitration

“Any dispute arising out of or in connection with this Contract, including any question regarding its existence, validity or termination, shall be determined by arbitration in Singapore in accordance with the LawSoc Arbitration Rules* applicable at the commencement of the arbitration. The arbitration shall be conducted as a “Documents-Only” arbitration under the LawSoc Arbitration Rules.*”

*Or any other suitable arbitration rules e.g. Singapore International Arbitration Centre (“SIAC”) Rules

Dispute Resolution Clauses

General Arbitration

“Any dispute arising out of or in connection with this Contract, including any question regarding its existence, validity of termination, shall be determined by arbitration in Singapore in accordance with the LawSoc Arbitration Rules.*”

*Or any other suitable arbitration rules e.g. SIAC Rules

Dispute Resolution Clauses

Arbitration-Mediation-Arbitration

“Any dispute arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by The Law Society of Singapore under the Law Society Arbitration Scheme in accordance with the LawSoc Arbitration Rules of the Law Society* for the time being in force, which rules are deemed to be incorporated by reference in the clause (the “Arbitration Rules”).

The parties further agree that following the commencement of arbitration, they will attempt to resolve the Dispute through mediation under the Law Society Mediation Scheme*, in accordance with the Law Society Arb-Med-Arb Procedure under the Arbitration Rules for the time being in force. Any settlement reached in the course of the mediation shall fall within the scope of this arbitration agreement and may be referred to the Arbitral Tribunal appointed in accordance with this clause and may be made a consent award on agreed terms.”

*Or any other suitable arbitration rules e.g. SIAC Rules

*Or any other suitable mediation procedures e.g. Singapore Mediation Centre Procedures

Dispute Resolution Clauses

Litigation Only

“Any dispute arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by the Singapore Courts in accordance with the law of Singapore.”

Limitation of Liquidated Damages Clauses

Outcome Based Contracts

Schema should provide for no less than 95% of the contract sum to be paid out after considering performance

Shortfall should be deducted pro-rated from the contract sum

Limitation of Liquidated Damages Clauses

Headcount-Based Contracts

“The Client shall provide the Agency with the details and where applicable, evidence of the underlying breaches for which the Client intends to impose any liquidated damages.

The total sum of liquidated damages applied per month shall not, in any event, exceed 5% of the monthly contract sum. The said limitation on liquidated damages shall not apply to any shortfall, for which there shall be a deduction from the amount due pro-rated from the contract sum.”

2. Quoted contract prices for security manpower for 2018

Based on a survey conducted in Dec 2017/Jan 2018, the range of contract prices in the current market based on 70 security agencies are as follows:

Rank	Median Range in Contract Prices (Per Officer)
Security Officer (SO)	\$4,150 - \$5,000
Senior Security Officer (SSO)	\$4,400 - \$5,200
Security Supervisor (SS)	\$4,800 - \$6,500
Senior Security Supervisor (SSS)	\$5,200 - \$7,900

3. Recommended Welfare Provisions for Security Officers

Considerations	Includes:
Workplace Safety	<ul style="list-style-type: none">- Adequate shade for officer if the place of work is under direct sunlight- Sufficient lighting for night duty- Rest areas, prayer rooms for breaks to ensure officers take adequate rest- Use power sockets, plugs and cables that are registered with SPRING Singapore – safety mark- Different types of uniforms can be considered and standardised per deployment site (work environment) and job scope: eg. Smart suit for Hotels, Polo T shirt and cap for Factory deployment
Protection against workplace violence	Public signage to deter violence against officers
Welfare support in daily work	<ul style="list-style-type: none">- Air-conditioned workplace- Lockers for officers to keep their belongings during duty- Provide dry food items such as biscuits and drinks (milo, 3-in-1 coffee)- Kettles and microwave ovens at deployment sites, especially if these sites are away from eating places- First aid box at deployment sites and ensure that it is readily stocked- First aid training to officers- Proper traffic layout including clear demarcation for traffic and pedestrian to mitigate possible accidents

3. Recommended Welfare Provisions for Security Officers

Considerations	Includes:
Craft out the job scope of officers (Security functions needed to secure the property)	<ul style="list-style-type: none">- Work out the job functions focused on securing the property- In an event where there is a request to perform non-security related functions (eg first aid, lifeguard), both service buyer and provider can work out the job scope and remuneration for these additional functions
Ensure adequate rest for officers to keep officers sharp at work	<ul style="list-style-type: none">- Work out a minimum of 3 breaks for 12-hour shift workers- Work with service provider to introduce various shift options. For example, introducing three 8-hours shift so that officers can have adequate rest and be more alert on their jobs
Provide for meals / transport subsidies in CBD areas	Discuss with service provider to provide allowances for meals if meals are considerably pricier around the area of deployment (eg. CBD), or allowances for transport if the deployment site is not easily accessible using public transport
Secure same or better employment terms in event of change in service providers	In an event of change in service provider, work with your new service provider to work out a scheme where the officers' employment terms and benefits are not affected

3. Recommended Welfare Provisions for Security Officers

Considerations	Includes:
Support unwell officers	Support service providers in providing a yearly quantum (eg. \$200) for medical treatment reimbursement on top of mandatory reimbursement for consultation
Provide additional leave benefits to care for family members	<ul style="list-style-type: none">- Compassionate Leave to take care of matters in an event of death or critical illness of a family member- Eldercare Leave for officers to care for their parents and grandparents
Conduct regular dialogues with service provider and security officers	<ul style="list-style-type: none">- Schedule regular meetings between service buyer, security provider, and security officers to discuss issues at the worksite and resolve them jointly- This provides a platform for buyers to share and give recognize the good work of the officers on site.

THANK YOU
