Memo

To: David Twiggs, COO/General Manager
From: Linda Mayhood, Asst. General Manager
       Ricky Middleton, Police Chief
Date: August 19, 2015
Re: Motion - Approve Outsourcing of Gate Security to AlliedBarton

Motion
I move to approve entering into a contract with AlliedBarton to provide HSV gate security operations as presented.

The AlliedBarton proposal was taken off the July 15, 2015 Board meeting agenda to clarify some contractual terms and conditions as follows:

1. Scope of Work
   a. East Gate – There will be one person on duty from 6:00 a.m. until 12:00 a.m. seven days per week. One additional person will be on duty from 10:00 a.m. until 6:00 p.m.
   b. West Gate – There will be two people on duty from 6:00 a.m. until 11:00 p.m. and one person on duty from 11:00 p.m. until 6:00 a.m. 7 days per week.

   If business dictates, an additional person can be added to the East Gate at a later date.

2. Direct Billed Items (worse-case scenario) including health insurance and paid holidays for the first year is estimated at $13,000. After the first year the direct-billed items will include one week’s paid vacation, for qualified employees estimated at $5,000 in the second year.

Background
Management researched outsourcing the gate security services for Hot Springs Village and solicited proposals, with two national security firms responding.

After review of presentations from both firms, staff concurs that AlliedBarton’s proposal best meets HSVPOA’s Gate Security needs at a significant cost savings, as compared to our current costs for this operation.

AlliedBarton will provide comprehensive Gate Security for HSV for an annual cost of $348,208.64, plus direct billed items noted above. Estimated annual cost including direct-billed items for the first year is $361,208.64

The HSVPOA in-house gate security cost in 2014 was $399,518. The first year savings is approximately $38,309+ and $33,009+ in the second year.

If approved, AlliedBarton’s proposed service start date can be as early as September 25.

AlliedBarton is the largest American-owned and managed contract security firm, having more than 63,000 employees in 120 offices nationwide. The company currently provides security services for approximately 200
Fortune 500 companies and over 500 residential communities. They have a verifiable track record of implementing innovative security solutions to gated residential communities. AlliedBarton’s Arkansas/Louisiana District has a tenured operations team of over 500 employees, dedicated recruiters and trainers, local office and local support.

AlliedBarton’s HSVPOA Account Management will include a dedicated HSV site supervisor who will ensure standardized policies, training, coaching, discipline, development, safety, invoicing, uniforms, drills exercises, emergency response plan and quarterly and yearly business reviews.

Outsourcing Gate Security to AlliedBarton will provide many benefits, such as recruiting, training, scheduling, surge staffing for emergency response, incident tracking and reporting, all of which will free up time of HSV’s Police Department. In addition, AlliedBarton will be responsible for payroll, Human Resources personnel issues, and will provide employees with a comprehensive benefits program.

AlliedBarton technology provides the power to streamline operations, create efficiencies and easily access needed information. The secure client website, made available to AlliedBarton clients as a value-add, provides access to invoicing information, ordering additional coverage and scheduling information based on HSV’s needs. Use of advance technology also enables AlliedBarton to accomplish gate security services and focus on intensive customer service training and appearance. AlliedBarton will utilize current HSV employees who have the technical skill level to adapt to new technology.

HSVPOA management is impressed with AlliedBarton’s operations and capabilities, and are confident that they can and will take customer service to the next level, while maintaining the security of HSV.

**Press release: AlliedBarton to be acquired by Wendel.**

June 30, 2015 - AlliedBarton Security Services, announced that Wendel will acquire AlliedBarton, making an equity investment. The transaction is expected to close by the end of the year, subject to customary conditions and regulatory approvals. AlliedBarton assures HSVPOA that their leadership and service delivery model will stay the same.

AlliedBarton has grown by capitalizing on efficient and effective sponsorship by private equity firms. Late on June 29th AlliedBarton signed an agreement to be sponsored by Wendel, a publicly listed firm. This is the fourth such recapitalization the company has completed since 1998 and it is a standard part of its’ business operations. AlliedBarton assures the following:

- Security programs will be handled in the same high quality way as we have proposed.
- We will remain focused on your security needs.
- Our local and national management teams will remain intact, and will continue to support our customers as they always have.

“AlliedBarton is a world-class franchise with a tremendous reputation for integrity and reliability and a very impressive management team, led by Bill Whitmore,” said Frédéric Lemoine, Chairman of Wendel’s Executive Board. “The company has an outstanding track record of profitable growth and is well positioned to continue to grow.”

“We are very excited to join Wendel,” said Bill Whitmore, Chairman and CEO, AlliedBarton. “Their long term investment philosophy and successful track record of building world-class companies will help AlliedBarton continue its extraordinary growth and achieve the next level of success.”