

THE ONTARIO REPORT



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Accreditation Coming Soon

By Mark Fairley

For many years now, a common cry heard from within the Canadian security industry is the need for some form of entry qualification requirements — a common means by which the consumer could recognize those firms and practitioners designing and installing security systems as being qualified to do so. Not to mention accountable to some higher organization for their workmanship.

Well, the wait is over, as the Accredited Security Contractor/Entrepreneur en Sécurité Agréé (ASC/ESA) Program will soon become this means of recognition. The program is a direct result of the work of a committee within the Ontario Chapter of CANASA, who in consultation with many members of the security contracting community, have established a Set of Minimum Criteria that will need to be met by any party calling themselves a security contractor (in the opinion of the Committee).

Essentially, the program calls for any contractor with a desire to work in the Canadian security industry to apply for accreditation. Upon application, a third party would be used to review each application with a satisfactory application resulting in a recommendation (from the third party to CANASA) to offer "Accreditation" to the applicant. Accreditation would be for a period of two years after which the con-



tractor would apply for renewal.

By gaining accreditation, program participants would be declaring to the consumer — in a common language — that they meet the industry-accepted minimum criteria for participation in the industry. The criteria includes:

- CANASA membership;
- Incorporation under provincial or federal law;
- A principal member of the firm with a minimum of three years direct experience;
- A policy of keeping current CRCs on all employees;
- Current coverage for all employees under provincial workers compensation plans;
- Completion of CANASA's ATC-1 as a minimum for installing technicians;
- Maintenance of a minimum of \$2 million liability insurance, including E&OE and Failure

to Perform coverage;

- Declared adherence to CANASA's Code of Ethics;
- Willingness to submit to arbitration and third-party oversight; and
- Agreement to bind all sub-contractors to all of the above with independent proof or by providing all of the above for the sub-contractor.

The aforementioned list is the starting point arrived by the Committee. As time passes and as ASC/ESA participants develop a feel for the program, they may collectively wish to augment this list to in effect raise the bar.

The next step is to implement the program, with assembling working groups of potential participants the first priority. As such, CANASA needs your help, in particular to get involved in the program's launch and on-

IN THIS ISSUE

A Trend Worth
"Connecting" To.....**2**

Ontario Executive
Report**2**

Minimizing Risks**3**

Committees Undergo
Restructuring**4**

New CANASA
Members.....**4**

Online Resources**4**

going administration and maintenance. Moving forward, here are the next steps:

- Work with the third party to detail the agreements and the documentation and work out the administrative process that will be involved;
- Research and develop the benefit program through which ASC/ESA participants will clarify the differentiation factor; and
- Develop the rules that will govern the program and through which the "Council" will manage the operation and the development of the program on an ongoing basis.

If interested in helping with the program, please contact CANASA's national office. We are confident we can bring this program to life by CANASA's Security Canada Central event in Toronto, scheduled for October. With the active participation of potential ASC/ESA candidates we can finalize the details of the inner workings very quickly and finally bring accreditation to the industry we all work in, love and support.

Mark Fairley is the past-president of CANASA's Ontario Chapter.

A Trend Worth “Connecting” To

By Ronald J. Zimmer

The number of products and options that comprise the home automation market intimidates many buyers. For Canadian alarm and security companies, this equals opportunities in the form of packaging integrated options to homeowners.

By offering different packages of products at different price points for different markets, buyers can examine multiple product packages and see what benefits they offer. Market research has found that home automation functionality is best sold as part of a bundle. Alarm and security companies, for example, can market a safety package, featuring intrusion detection, lighting and access control with security cameras and smoke detectors, that draws upon the core competencies of a security company, while leveraging the best features of home control technology.

The best secret to enhancing additional revenue from security system installations is to sell, and not specifically market, home control. A recent survey of homeowners in North America conducted by the Continental Automated Buildings Association (CABA) found that mass-market consumers currently have almost no interest in using technology for home automation or control. Research also shows a substantial minority would use home control products that offer compelling benefits, which are simple and are compatible with their lifestyles.

While these consumers aren't interested in the general idea of using technology for home management, they continue to be interested in specific products and concepts, especially for home security and home energy management. To make home control and automation more appealing to mass market consumers, security service providers and installers need to offer easy-to-understand products with discrete functionality that can be linked to a cen-

tralized network, ultimately evolving into a connected home experience. Highly desirable discrete products, it has been found, should be bundled together to enhance a home's functionality.

While the features of a fully “connected” home exist today, they are typically only installed in high-income households. A home can be “connected” in the sense that normally independent systems are linked into one centrally controlled system, which is called a home network. For example, a computer, television, lighting and heating controls and home security system can all be linked to a home network.

Control of various parts of a home can be conducted through a home PC or a variety of mobile devices, including a TV remote control. For example, you could turn up the heat using your TV remote control, see your phone's caller ID on your TV screen, or turn on the lights inside your home from another location, via the Internet. When you're away from home, you can control your home network using any device with Internet access, like a cell phone, or by going to a secure web site.

These types of services and their installation can provide excellent revenue opportunities for security companies that want to offer a wide array of installation services. The median revenue for home system integrators was \$1.09 million in 2008, demonstrating the addition of installation services for high-end connected home technology can be healthy for any company's bottom line.

Ronald J. Zimmer is the president & CEO of the Continental Automated Buildings Association (www.caba.org), a not-for-profit industry association dedicated to the advancement of intelligent home and intelligent building technologies in North America.

ONTARIO EXECUTIVE REPORT

In this issue of *The Ontario Report* we are proud to launch a new CANASA program called the Accredited Security Contractor (ASC). I urge you to learn as much about this new program as possible, particularly what it will mean for you as a member of CANASA.

Members of CANASA's Ontario Chapter Board have played an important role in the development of the program from its very inception and I commend both those on the Board and the Regulation Committee who spent a great deal of time and effort preparing it. They have achieved an amazing feat — designing a national program, one that is a first of its kind for CANASA and one that will be a benchmark for many years to come.

The ASC program is just one example of the selfless effort exerted by CANASA volunteers — much of it without any recognition. In saying this, I urge our members to ask themselves: What have I done to better the Canadian alarm and security industry?

I know all of us work very hard at maintaining and growing our own businesses, our own relationships, our own sales and thus our own future, and that concerning ourselves with the overall welfare of the industry as a whole is often a difficult task. However, by getting involved in industry initiatives, and by volunteering your time, you can definitely have a great impact on the future of the trade we toil in, as well as in the future of people who will follow us.

Do you remember who your mentors were when you first launched your career in the security industry? Who helped lead you to where you are today? All of us have been lent a helping hand by someone else in one way or another. To that effect, we want to hear from you. We encourage you to drop us a line and let us know your story: how you started, who helped you along the way, how they helped you, etc. The goal is to share these stories in future issues of *The Ontario Report*.

And for everyone who has volunteered their time to improve our industry, thank you, from myself and CANASA.

Ed Fitchett is the president of CANASA's Ontario Chapter. He can be reached at: efitchett@canasa.org.

MINIMIZING RISKS

By Mel Gedruj

Like any other business activity, bidding on security and/or construction projects carries a number of financial risks. Some of the risks are obvious, while others may be buried in less obvious parts of the documents required to secure the work.

In the best of times, it is wise to recognize the risks in order to arrive at a well-informed decision on whether a bid is necessary. If you decide to bid, it is important to tackle the risks with the view to either minimize them or price the work accordingly. In challenging times, such as the current economic climate we all live in, vigilance becomes a matter of survival.

Whether dealing with public or private bids, the process of bidding on potential jobs in Ontario is often a formal endeavour. When private owners seek a limited competition, formality may be reduced to some extent. In those cases, many bid requirements can be directly negotiated between the client the invited bidder or bidders.

However, what is of interest here is that tenders — private or public — be formal. Bid documents are for the most part based on a defined contractual structure (i.e., the one governing the business relationship between the owner and the contractors). The most widely used standards in Ontario and Canada are Canadian Construction Document Committee (CDCC) documents, which have been designed with stakeholders drawn from all sectors: owners, engineers, architects and contractors. These documents are updated on a regular basis through market feedback, lessons learned or in the face of new legislation (e.g., environmental).

The CCDC suite of documents covers a host of contracts from Lump Sum to Cost Plus and Design Build, as well as subcontracts. It also provides standard forms for bonding and insurance, subcontractor agreements, and sub-consulting agreements in design build, just to name a few.

In fact, there are owners, in particular large corporations and public institutions, that may not want to use CCDC documents; instead, they rather use their own custom designed contracts. These documents may have evolved over time and may not even be current. They may even contain contradictory clauses and deal with particular areas completely differently than CCDC documents.



Based on this information, here are some friendly tips to remember the next time your company bids on a construction project:

Identify the Potential Risks

Request — from the owner or the general contractor, whoever is calling for bids — all the general and supplementary conditions, as well as any “Front End” instructions that come with the technical specifications. Also, ask for the MasterFormat, the standard structure upon which technical divisions are based. This includes Division 16 if pre-2004 edition numbers and titles are used and Division 28 if post-2004 standard structure is used.

In every bid, one of the possible risks is liquidated damages, where the owner’s bid documents include financial penalties on the general contractor if the scheduled completion or any other required deliverable are not achieved. Bidding companies must prepare for this and must document any delay caused by third parties during the execution of the contract.

It is also important to consider hours of work. The hours may be restricted because they do not want disruption to their operations,

causing the contractor to mobilize and demobilize a number of times thereby adding to the company’s direct costs. There could also be fair wage requirements, in particular with publicly funded projects, as well as other requirements or clarifications not shared with the bidder, but which may still be imposed on them by the general contractor or owner.

Mitigate Risks

General and Supplementary conditions should be carefully reviewed. All addenda issued during the bid period should be requested and checked. Always examine whether clarifications provided would apply to the bidder’s part of the work and what the anticipated impact may be.

Serious consideration should also be given to consult an experienced lawyer if the project is substantial enough for legal counsel specialized in construction.

And if the bid is not based on a recognized CCDC contract, pay more attention to the documents review process for custom designed contracts do not have to be structured in the same sequence as CCDC. As such, critical clauses may be missed.

The bottom line is that without full disclosure of what all the requirements of a bid process include, bidders run the risk of not capturing risks that are unknown to them at time of tender. They may be used at a later date, to either penalize or request of the contractor more work than was originally bargained for.

Due the fact that bid periods are often short and intense, not much time is available to allow for in-depth analysis. Compounding the challenge is the fact that this activity is primarily an overhead expense and the odds are not 100 per cent in the bidder’s favour. After all, only one submission will win. That is why establishing a standardized approach to recognize pitfalls and dealing with them knowingly will increase the bidder’s chances to at least minimize, at best avoid losses and enhance the ability to decide the preferred risk mitigation strategy given specific circumstances.

Mel Gedruj, OAA, CSPM, PMP, is the treasurer of the Ontario Chapter and owner of V2PM.

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COMMITTEES UNDERGO RESTRUCTURING

The Board of Directors of the Ontario Chapter has agreed to restructure its committee infrastructure. As such, all existing committees have been replaced by the following:

- **Ways and Means Committee** — oversees how members of the Ontario Chapter socialize and network with one another; also responsible for increasing membership in CANASA. It replaces the Golf, Membership and Members Meeting/Social Committees.
- **Development Committee** — oversees how Chapter grows and interacts with other associations, organizations, etc. It replaces the Education and Media Committees.
- **Ordinance Committee** — oversees the roles and responsibilities of the Chapter and how those responsibilities are carried out. It replaces the Response, Regulation and Central Station Committees.

It is important to note that the Nominating Committee, which by Constitution must remain in existence, will continue to be chaired by the Chapter's past-president.

NEW CANASA MEMBERS

Alarme Rapide, Montreal, QC

Dominion Security, Burnaby, BC

Gestion V.P. / Systeme de Sécurité E.X.A.C.T., Sept-Iles, QC

K & A Enterprises, Maple Ridge, BC

Canadian ProVideo Security, Brantford, ON

Cormac Safety Services, Fairview, AB

E.J. Brooks Industries, Strathoy, ON

EFT Canada, Toronto, ON

Federation CJA, Montreal, QC

Stokoe Communications Group, Hamilton, ON

View Concept Enterprises, Richmond, BC

Corporation du Fort St-Jean, St-Jean-sur-Richelieu, QC

Intersonic Alarms, Coquitlam, BC

Parkland College, Yorkton, SK

Watchguard Technologies, Seattle, WA

Communications Thibeault, Drummondville, QC

Alarmes 911 Rimouski, Rimouski, QC

ONLINE RESOURCES

Please visit the following web sites to learn more about the security and privacy regulations that impact the security industry and every Canadian business.

Minister of Community Safety & Correctional Services - www.mcscs.jus.gov.on.ca

Office of the Privacy Commissioner of Canada - www.privcom.gc.ca

Office of the Information and Privacy Commissioner/Ontario - www.ipc.on.ca

Ontario Ministry of Labour - www.labour.gov.on.ca

PCI Security Standards Council - www.pcisecuritystandards.org

Sarbanes-Oxley - www.sarbanes-oxley.com

These sites are provided strictly for information purposes.