



CHAPMAN'S PEAK NEIGHBOURHOOD WATCH

Decision by the CPNW Committee to Recommend Deep Blue Security as an Alternative Security Provider

As the CPNW Executive Committee for 2020 (henceforth referred to as the Committee), we believe that the ability of our community to act in common purpose, is the key to our safety and security.

We therefore wish to set out clearly our thoughts and purpose in the matter of our relationship with Security Providers (SP's) in the area, as well as the steps that we have taken with regard to the endorsement of Deep Blue Security as an alternative provider, including the mandate received at the 2019 AGM to actively promote Deep Blue as a preferred choice.

To do this it is necessary to address the following:

- The role of CPNW and of its Committee
- The nature of CPNW's existing relationship with Fidelity ADT (FADT) and the problems that have existed in that relationship
- The implications of introducing an alternative SP as a desirable alternative to our community
- The process by which the alternative SP, Deep Blue Security (DBS), has been evaluated
- Findings arising from that evaluation that have informed our decisions
- The process by which we arrived at our final decision and the current status of our relationship with DBS

CPNW, its Committee and the Role of a Dedicated SP

CPNW was established on 11 June 2007 as a formal Neighbourhood Watch Association. This followed on a prior period, when an organisation known as "Keep Noordhoek Safe" (KNS) had been attempting to develop a system of collective negotiation with SP's in the area, in order to ensure the continuous presence of dedicated response vehicles, which at the time were often responding from as far away as Fishoek. In the face of growing crime in the area (one investigation pointed to well over 20 incidents in a month in the area) KNS attempted to set up a system whereby security in the area was put out for tender to various security providers. Although this seemed an attractive concept, it was universally rejected by SP's that were approached. We also believe that such a model would have proven to be both administratively and financially unmanageable for a voluntary organisation such as a Neighbourhood Watch (NW).

It was however through these negotiations that ADT agreed to the establishment of a collective agreement with CPNW, whereby ADT provided a guaranteed 24hr/day dedicated armed response

(AR) vehicle as well as 3 foot/bicycle Patrol officers, provided ADT maintained at least 200 Clients in the area. ADT also agreed to meet regularly with us, to work collectively to resolving issues and agreeing to pricing in the area and assisted us with various services such as website support, signage and the collection of membership contributions from members. Importantly, in communications, CPNW made it clear to members that “ADT is the Security Company endorsed by the CPNW because of an agreement reached between CPNW and ADT”, and that although we strongly encouraged members to sign up with ADT, we stressed that “CPNW however does not support only ADT and being linked to ADT is not a not a pre-requisite for membership of the CPNW.” and we further went to some length to establish negotiating fora with other SP’s who had contracts with our members.

The nature of CPNW’s existing relationship with Fidelity ADT (FADT) and the problems that have existed in that relationship

As this short history should illustrate, we consider the establishment of partnerships with SP’s to be a fundamental part our work as CPNW, in keeping crime low in our area. Indeed the concept of dedicated SP’s outside of gated communities was by no means the norm when we started to develop what we felt had been a mutually beneficial partnership with ADT over the years. Through the early years of this partnership we were able to evolve it to the current form of one AR Vehicle 24/7 and a second vehicle for 12 hours at night. It should be noted however, that the basis of this partnership was simply goodwill on ADT’s part and should any serious dispute arise, the power of CPNW to demand that “agreements” were adhered to, would be limited to the capacity of our membership to act collectively and decisively, if needed to. (In this respect it should be noted that persuading a majority of members to join ADT in the *first place* was by no means a simple or easy exercise, with strident protests from some quarters.)

Throughout our relationship with ADT, we have attempted to represent members interests in terms of ensuring that complaints are addressed and disputes resolved, in negotiations about pricing and most importantly in ensuring that the services that are contractually committed to with each member, are met. We have extensive records to demonstrate that doing so has required intensive oversight and regular negotiation from the part of the Committee. Recurrent problems have included the failure to establish a uniform pricing system for the same service, for all residents in the area, a range of recurring invoicing errors and failure to provide detailed invoicing information, problems with technical services, and most importantly an unresolved failure to ensure that patrolling was carried out according to standards that FADT agreed to, unequivocally, as fair. We and individual members have repeatedly challenged recurrent price increases as being unreasonable and unfair and we have been told these were the minimum that was affordable for the services we were getting.

It is important to acknowledge that we have generally had excellent service from a number of individual AR Officers in the area. We have worked very hard to establish strong and supportive relationships with the FADT AR Officers, where we have been able to persuade FADT to keep them in our area. This however has been primarily the work of our own members in reaching out to them and it has been limited to a few officers who are indeed retained as regulars.

At no time has there been any action taken by the Committee to sever the existing relationship with FADT, nor has the Committee ever said that we would not continue to represent those who choose to remain with FADT, as their preferred service provider. We do note however, FADT’s past insistence of a minimum number of 200 clients in order to be able to provide the guarantee of vehicles in the area as is currently in place, and we noted with concern a recent email to members,

requiring confirmation that they wished to continue having the voluntary R30 contribution included in their payments, for transfer to the CPNW account.

We are delighted that FADT have, now, unexpectedly reduced their monthly rate and provided a back-up force in the area during the summer months. It is difficult however to think that this is anything but a response to the effect of our decision to break what was effectively a monopoly by FADT in the area and it should be noted that no guarantees have been offered in terms of how long the current price will remain in place and what future policy will be with regard to increases.

The Implications of Introducing an Alternative SP

It should by now be clear that, at no time has CPNW or its Committee, had the power to **determine** what SP individual members choose to contract as their personal Security Service. The CPNW's powers are limited to the ability to advise members in this respect and to negotiate on behalf of any collective group of members that hold contracts with a particular company, with CPNW's negotiating power being dependent on the size of that group and its capacity to act in unison.

As things currently stand, by the Committee's best estimate, there are in excess of 430 potential customers in the CPNW area with over 291 currently holding contracts with FADT. The less-pleasant implication of this is that almost a third of people in the area manage to get by quite well without a security service, which to some degree is largely a function of CPNW's efforts, particularly in ensuring dedicated patrol vehicles. Whilst there may be legitimate financial reasons why some could not afford the available contracts, we are hopeful that the new rates from two providers will make it possible for more members to join (or to upgrade to services beyond the basic "alarm monitoring only" that does not actually support vehicles in the area.) It is thus conceivable that, even if a substantial number of members do still choose to remain with ADT, that we could find ourselves in a situation whereby two companies have dedicated vehicles in the area. We have always been very clear with all security providers operating in the area, be they volunteers, members of civil or of corporate entities, that a minimum standard of expected behaviour is absolute collaboration with one another and with ourselves.

Thus, as much as the voting members at the AGM hoped our membership would act in total unison, we are well aware of the limitations in this respect. We trust however, that we have a membership who are well-capable of determining for themselves what is likely to provide the best value. Of course, if any company for any reason chooses to withdraw from a partnership with CPNW because they are no longer dominant in the area, there is little we can do about that and we would not want to be held to ransom, to such a fear.

At every AGM, and often in our Newsletters, we have reported faithfully on the challenges we have faced with ADT (as well as on the positives). Following some more vocal challenges to our relationship with ADT, particularly following price increases in 2016, we at the AGM of 2016 and at every AGM since then, when reporting on our relationship with ADT, have noted clearly that we did not see it as ideal, have set out the pros and cons but have also pointed out the great effort it would take to find an alternative SP, to make an assessment that would allow us to report with confidence to our membership on the SP's suitability and finally to encourage a sufficient number of members to contract with the new SP to make any collective agreement viable. As a small group of busy volunteers the Committee members ourselves have not felt that this was a task we could undertake alone. We therefore have repeatedly called for any member to take on the task of not only finding a suitable alternative SP to consider but also to take a lead role in evaluating its suitability.

The Process by Which the Alternative SP, Deep Blue Security (DBS), Was Evaluated

The SP was proposed to us by a member, Jon Lijnes, who is also a former Founding Committee Member of CPNW, who took a lead role in the early negotiations by KNS and CPNW with SP's and who was instrumental in drawing up the original criteria KNS/CPNW used for establishing collective agreements with SP's. As someone with such appropriate experience, we felt he was ideally suited to lead the evaluation, with the support of other Committee Members and ordinary members with either specific expertise or particular interest in the matter who would be able to assist.

We made this known in our October Newsletter, which was sent out in the first week in October. Although the response to this announcement and call for help was minimal, we assembled a team of current and former Committee Members with significant experience in what we considered to be the various aspects of Deep Blue Security we should assess and went ahead. Although we would conceive that perhaps we could have made more effort to contact members in this respect, we would argue in our defence that we should at least be able to expect that any member with the kind of knowledge or expertise that would be useful for us in evaluating a prospective SP, would at least take the time and the interest to read a monthly communication from their Neighbourhood Watch.

It should go without saying but we also wish to declare very clearly that no member of the CPNW Committee, or anyone involved in evaluating Deep Blue Security on behalf of CPNW, has any financial or other interests in Deep Blue Security or the outcome of this assessment beyond the safety and security interests of the Chapmans Peak Community.

Findings Arising from Our Evaluation of Deep Blue Security

- The SP we have evaluated is Deep Blue Security based in Hout Bay.
- Deep Blue follows a strategy of developing a presence in limited areas, with dedicated resources that fits nicely with our own strategy of dedicated resources from an SP.
- We have received positive references from NW members in areas serviced by Deep Blue.
- They place an emphasis on developing surveillance/intelligence to back this up.
- In this respect they have developed surveillance systems in areas they patrol, based on analytic technology, which feeds to their control centre in Hout Bay in such a way that their monitors are alerted to any novel human movement in the view of any of the linked cameras, enabling them to direct their patrol vehicles accordingly. Our team has assessed the functionality and security of these systems and was significantly impressed by the prospects on offer for using this to further take forward the existing camera surveillance strategies that we have been developing.
- They have demonstrated the ability to monitor their patrollers and to provide evidence of this to the satisfaction of our team.
- Our Treasurer (a Chartered Accountant) has reviewed most their recent financial statements and he has found them to be in a financially sound position.
- They are a small company which affords us direct access to all levels of their management and optimizes their ability to tailor solutions to our specific requirements.

Deep Blue Security have made an offer that we believe provides all the benefits that members currently enjoy with their FADT contracts but with the following additional benefits:

- Competitive pricing which, until very recently, was significantly lower than what members paid to FADT
- A commitment to a further fee reduction should 300 members sign up
- Camera monitoring of all cameras in our area, with additional cameras added, at the expense of Deep Blue in vulnerable areas and feeds from all cameras to our own control centre. We see this as a particularly important addition to security in our area as it will allow for the monitoring of access points that are not easily visible from Patrol Vehicles.
- Significant discounts for pensioners and others with financial difficulties as recommended by the CPNW Committee.
- Alarm radio and link over free of charge
- Commitment to annual increases line with the latest 12-month CPI
- Transparency in terms of charging with detailed invoicing
- Collection of membership contributions for CPNW
- Transparency in terms of the salary structures of their ARO's and mechanisms to enable the payment of Bonuses by CPNW
- MOU with CPNW setting out terms of members contracts and collective commitments to CPNW
- An agreement to incurring financial penalties should Deep Blue default on its commitments
- A commitment to remain in the area for an indefinite period, with commitment to the MOU, regardless of how many members are signed up.

Critically, we see this MOU as an opportunity to, for the first time; establish an agreement, in black and white, with an SP, that has real value in ensuring true accountability.

The Process and Current Status

At the 2018 AGM, in November of that month we reported on ongoing problems with ADT, admitted however that we did not have any alternative to offer and after getting support for a motion to persevere with FADT despite the problems, repeated our call for members to propose alternatives. We held talks with ADT's regional management and were assured our concerns would be addressed. By Late March, we had not noticed any significant improvement and we again became aware of complaints being circulated on Social Media. These were acknowledged in a newsletter, which then led to a demand for an apology from the FADT area manager, who seemed to think that all the issues had been addressed.

As mentioned, we were then approached with the Deep Blue proposal and by October were ready to set up an assessment. This was announced as mentioned and then, in a newsletter circulated before the end of October we announced our AGM on 18 November and further stated that: "we will be discussing some of the challenges we have had in terms of Security Providers and we will be reporting back on our negotiations with and assessment of a potential new Provider. We thus, collectively have some very important decisions to make, so we would really appreciate a good turn out!"

At the AGM, we presented the findings as set out here, with the exception that, at that point we had not secured any agreement for the inclusions of penalties if Deep Blue defaulted on agreements and we had also not secured any agreement that would guarantee that we still had a dedicated security

provider in the area, should we end up in a “hung situation” with neither SP having more than the “break-even” number of clients (which is estimated to be in the region of 200-220).

The AGM had more than sufficient numbers for a quorum and was well-advertised via the newsletters, via our WhatsApp groups and on other forms of social media as well as via banners placed strategically along entrance roads to our area. The process and our findings were discussed in considerable detail. Two primary objections were raised regarding member’s beliefs that we could insist on Deep Blue agreeing to penalty clauses and to providing some guarantee that we would not be left in a “hung” situation. Despite our reservations, these issues were taken back to Deep Blue and have been resolved.

Despite the Committee’s proposal that we should simply endorse Deep Blue Security as a recommended alternative security provider and leave individual members to make their own minds up, the overwhelming sentiment at the AGM was that we should push hard to ensure all members act in unison to ensure our partnership with Deep Blue becomes viable as soon as possible. This led to a final motion that the CPNW Committee should actively encourage its members to shift their contracts to Deep Blue Security.

After negotiating further with Deep Blue and securing both the agreement to a penalty clause and to an indefinite commitment to staying in the area, we have reported this back to our broader membership as well as the decisions taken at the AGM and, in line with this, we have encouraged members to sign contracts with Deep Blue. We also formally notified Deep Blue of our intention to go ahead with finalising the MOU and in supporting their marketing in our area.

At this point however, we did unfortunately make an error in providing to our members with copies of an incorrect MOU and related individual contracts that were not in keeping with the agreed terms. When this was pointed out to us we immediately retracted them and we are working with Deep Blue on a final version that is legally sound and satisfactory to both parties.

Conclusion

We realise that many members do not keep up with all our communications and that there is always more work to do in terms of getting members to act decisively and with common purpose when this is needed for all of our best interests. Equally however, as a voluntary association, our prime duty is to follow due process when decisions are made and to take reasonable steps to make these known to our members. Thus the responsibility to stay informed and to participate in decision-making is also shared by each and every member.

We are therefore comfortable that we have, in good conscience, followed correct and due process to reach the decisions we have taken and that these decisions are in the best interests of CPNW and of its stated aim of promoting safety and security in the Chapmans peak area.

CPNW COMMITTEE

15 JANUARY, 2020