

## **ANNUAL REPORT 2007/2008**

### Contracts for the Provision of Court Security and Custodial Services

This Report covers the operation of the  
Court Security and Custodial Services Contract and the  
CBD Courts Project – Courts Security and Custodial Services Contract

30 September 2008



## **Contracts for the Provision of Court Security and Custodial Services**

Annual Report 2007/2008

Hon Christian Porter BA (Hons) BEc LLB MSc MLA  
Minister for Corrective Services

In accordance with section 45 (1) of the *Court Security and Custodial Services Act 1999*, the CEO of the agency principally assisting the Minister for Corrective Services is required to prepare and deliver a report on services provided by the contractor over the preceding 12 months by the 30 September.

This report presents an overview of services under contract:

with Global Solutions Limited (GSL) Corporation Ltd for Court security, custody and prisoner transport. The contract year, compliance and statistical information in the report covers the period 31 July 2007 to 30 July 2008;

and encloses a secondary report on an overview of services under contract with Western Liberty Group (subcontracted to GSL) for court security and custody services at the District Court, Perth. The report period for the District Court is 3 June 2008 to 30 June 2008.

Under section 45 (3) of the Act, the minister is required to ensure that the report is laid before each House of Parliament within 10 sitting days of such House following receipt of the report.

Please find attached the Annual Report 2007/08 which provides details on the Contract for the Provision of Court Security and Custodial Services as well as the CBD Courts Project, Court Security and Custodial Services Contract.

Cheryl Gwilliam  
DIRECTOR GENERAL

30 September 2008

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# 1 FOREWORD AND DIRECTOR GENERAL'S MESSAGE

2007-2008 has been a significant year in terms of statutory responsibility for court security and custodial services under the *Court Security and Custodial Services Act 1999* ('the CS and CS Act'). Late in the year (June 2008), contracted services for court security and custodial services for the District Court in Perth were excised from the Court Security and Custodial Services Contract and became part of a Services Agreement with the Western Liberty Group. This is part of a 27 year Public Private Partnership (PPP) arrangement with Western Liberty Group (WLG) for the construction and operation of the new District Court Building in the Perth Central Business District (CBD).

As a result this Annual Report, a statutory requirement under Section 45 of the CS and CS Act, will comprise two reports:

On the CS and CS Contract where GSL provides court security and custodial services (to designated courts other than the District Court) and prisoner transport throughout the State; and

On the CBD Courts Project Services Agreement where Global Solutions Limited (GSL) (under contract to WLG) provides security and custodial services to the new District Court in Perth.

The Court Security and Custodial Services Contract completed its eighth year of operation in 2007-2008 during which GSL provided some 616,930 hours of service at a cost of \$25,324,287. This is 42% higher than services provided in the preceding 12 months.

During the one month of operation of the CBD Courts Project Services Agreement, some 6,556 hours of service were provided by WLG/GSL at a cost of \$427,972.

January 2008 saw the tragic death of a prisoner being transported by GSL officers between Laverton Police Station and the Eastern Goldfields Regional Prison. While the fatality is still subject to a coronial inquiry, the Department of Corrective Services and the Department of the Attorney General have already begun the implementation of a number of changes to the manner in which the contract is managed and operated. Significantly, a new Contract Manager was appointed, along with the establishment of an experienced Contract Management Team.

In response to the death in January, the Department of Corrective Services undertook a comprehensive review of prisoner transport services. The Minister for Corrective Services, the Hon Margaret Quirk MLA, tabled the resulting report, which contained a number of recommendations, in Parliament in February 2008. The Department of Corrective Services has since taken steps to implement the majority of recommendations made in the report.

The two contracted services have been subject to not only the Minister's review following this tragic event, but numerous other reviews by the Office of the Inspector of Custodial Services, internal and external auditors and other reviews.

I am pleased to report that these reviews, whilst suggesting scope for service delivery and contract management/governance improvement, conclude that the services continue to be delivered in a cost effective manner.

Cheryl Gwilliam  
DIRECTOR GENERAL  
DEPARTMENT OF THE ATTORNEY GENERAL

## 2 EXECUTIVE SUMMARY

The *Court Security and Custodial Services Act 1999* requires a report to be tabled in Parliament each year regarding the performance of the contractor who provided services over the period. Since the commencement of operations at the new District Court in Perth under a separate contract, the report now contains reports on the two contractors.

Demand for services under the CS & CS Contract have increased over 40% from the previous year. Services provided under the WLG Services Agreement for the first month of operation are higher than anticipated.

Key Issues addressed in the 2007/2008 contract year include:

- Review of the Performance Measures and the Performance Linked Fee;
- Provision for additional services in the East Kimberley, the State Administrative Tribunal, and the Criminal Injuries Compensation Tribunal;
- Removal of services at the Central Law Courts and the May Holman Centre upon commencement of operations at the new District Court Building;
- Response to, and implementation of, recommendations related to the operation of Prisoner Transport, Contract Governance and Contract Management;
- Review of Global Solutions Limited's Operating Procedures; and
- Specifications and implementation of the secure vehicle fleet replacement program.

The governance and management of these contracts and the services supplied by the contractor have been subject to numerous reviews and audits during the reporting period.

Whilst compliance measures and reporting are being refined following the commencement of the CBD Services Agreement, performance measurement processes for the CS & CS contract have also been improved.

Both contracts face considerable challenges going forward not the least of which is increased demand for services particularly in the courts area (both CBD and other courts). The Department of Attorney General is undertaking a number of initiatives around rolling out more audio-visual facilities, the Department of Corrective Services has established a secure outpatients facility at Royal Perth Hospital both of which, in conjunction with the court process initiatives the Chief Justice is leading, may see a levelling off and hopefully a reduction in prisoner transportation hours in the forthcoming year.

**SECTION 3**

**COURT SECURITY AND CUSTODIAL SERVICES  
CONTRACT**

## **3 – 1 BACKGROUND**

In January 2000, the then Western Australian Department of Justice entered into a five year contract for the provision of court security and custodial services, including two further three year options, with the Corrections Corporation of Australia (CCA).

The Corrections Corporation of Australia began delivering the required services on 31 July 2000. It later changed its name to Australian Integration Management Services (AIMS) Corporation.

In 2005, at the end of the first five years of the contract, the first option to extend the contract for three years was exercised, thus taking the contract through to 2008. During the period of this first option, the then Department of Justice was split into two separate departments - the Department of Corrective Services and the Department of the Attorney General – with effect from 1 February 2006. The change created a complex service delivery and contract management structure with services delivered to both departments and, indeed, a third agency, the Western Australian Police.

Through a notation under the CS&CS Act in the Notice of Administration of Departments, Authority, Statutes and notes, the DG of DotAG has responsibility for the administration of the CS&CS Act. Contract Management functions are undertaken by DCS through a formal delegation by the DG of DotAG.

While the Department of Corrective Services provides overall contract management, both the Department of Corrective Services (particularly Prisoner Transport) and the Department of the Attorney General (particularly Court Security and Court Custody) provide the management of the contract's operations and services. The Western Australia Police, while having no contract management role, is also a client agency making use of the prisoner movement services provided under the contract.

In 2007, the contract was novated to Global Solutions Limited and was extended to 2011 under the second and final three year extension option.

In May 2008, Global Solutions Limited was acquired by Group4Securicor, an international security solutions group. Although there was a change in ownership, the entity remains the same, as does the current management structure and contract.

## **3 – II OPERATIONS 2007/2008**

### **District Court Building**

Court related services at the recently opened District Court Building are provided under a new contract arrangement with the Western Liberty Group (see section 4 of this report). The Western Liberty Group contract also includes services to the Central Law Courts and the May Holman Centre. The Western Liberty Group contract was to include court related services to the Supreme Court sitting in its appellat mode.

These service requirements have been excised from the Court Security and Custodial Services Contract. However, due to the imminent closure of the May Holman Centre, the Supreme Court (Criminal) will continue sitting at the existing building, and Global Solutions Limited will continue to provide court related services under the Court Security and Custodial Services Contract.

## **New Vehicle Fleet**

Special Vehicle Manufacturers (SVM) Queensland, has built three new prototype vehicles. These are:

- a fourteen-seat long haul, inter-prison vehicle with two toilets;
- a twelve-seat vehicle for metropolitan use; and
- a 4x4, eight-seat vehicle designed for use in the regional areas.

A further ten vehicles are also currently in production. These include two fourteen-seat, inter-prison vehicles and eight twelve-seat vehicles. The first of these vehicles will be available in November 2008.

The Department of Corrective Services intends to replace all 40 vehicles in the fleet.

## **Contract Variations**

In early 2008, negotiations commenced with Global Solutions Limited to modernise the contract in order to reflect more accurately the services delivered, and to better monitor performance.

The key variations being facilitated include variations to:

- remove court related services provided to May Holman and Central Law Courts;
- provide for additional court related services in the East Kimberley, as a result of the commencement of a resident Magistrate service in Kununurra;
- provide for additional court related services at the State Administrative Tribunal and the Criminal Injuries Compensation Tribunal;
- provide for additional prisoner movement services at Royal Perth Hospital;
- better define performance measures, the standards of service required, and to provide a Performance Linked Fee structure that reflects the standards and service requirements;
- update restraint and control equipment authorised for use; and
- clarify and categorise reportable critical and major incidents, in line with legislative and contract management requirements.

## **Performance Measurement**

The Department of Corrective Services has reviewed and agreed upon new measures for the performance of the contract. They are described in 'Schedule 1' of the Court Security and Custodial Services Contract.

The performance measures developed in 2008 reduce the number of measures to ten in total; and encourage Global Solutions Limited to improve service delivery in identified areas of concern by defining the level and standard of service expected by the client agencies (see Appendix I).

## **New System for the Calculation and Management of the Performance Linked Fee**

To more effectively measure the performance of the services delivered by Global Solutions Limited the Department of Corrective Services, in consultation with the contractor, established a more robust system for the calculation and management of the Performance Linked Fee.

The newly developed system involves a two-tiered approach. The first, is a streamlining of internal administrative functions within the Department of Corrective Services to better reflect the reporting of incidents through to the recording of outcomes and to more accurately monitor the effect on performance measurement that could potentially affect the payment of the Performance Linked Fee to Global Solutions Limited.

The second tier, involves a re-defining of the performance measures that classify the standard of service expected. Furthermore, the revised measures provide a measurable means by which to determine whether the processes of Global Solutions Limited contribute to the standard of service delivered.

### **3 – III       REVIEWS**

#### **(a)     Governance Structure**

Due to the current complex contractual, operational, administrative and governance arrangements of the contract, the Department of The Attorney General and the Department of Corrective Services have instigated processes, to consider any viable alternative contractual models, and to identify an appropriate governance and service level framework to implement under the existing arrangements.

The Director General of the Department of The Attorney General sought advice from DTF and, AOT Consulting, to undertake an analysis of the existing contractual and contract management arrangements, and to assist in the development of an alternative contractual and governance framework. The aim is to clarify responsibilities, and improve transparency in the management of the contract, between the Chief Executive Officers of the Department of the Attorney General, the WA Police, and the Department of Corrective Services.

#### **(b)     Risk Register and Contingency Planning**

The Department of Corrective Services has reviewed key contract management documentation to ensure that risks to the State are effectively managed.

In April 2008, the Department of Corrective Services, Department of the Attorney General, WA Police and Global Solutions Limited participated in a Risk Management workshop facilitated by RiskCover, to look at higher level risks regarding the contractor's provision of services. The outcome of the workshop resulted in Global Solutions Limited's revised Risk Management Framework. The workshop not only looked at operational risks, but also provided treatment plans for how the contractor would manage risks to the delivery of services, and the care of people in Global Solutions Limited's custody.

Global Solutions Limited has provided the Department of Corrective Services with an updated Risk Register and is required to report on the progress of those risks identified as high. This reporting is carried out at monthly governance meetings, in order to allow the Contract Manager to ensure Global Solutions Limited is managing the risks appropriately, and to allow the relevant Government departments the opportunity to respond quickly if the risks appear to be eventuating.

The two Departments held a Risk Management workshop in May 2008, to look at risks from the perspective of contract management. The resulting Risk Management Framework provides treatment plans for ensuring the risk to Government and the client agencies are minimised through better contract management practices.

The Department of Corrective Services in conjunction with Global Solutions Limited, and other client agencies, also revised the Court Security and Custodial Services Contingency Plan, ensuring that in the event that Global Solutions Limited cannot provide services, an alternative workforce, primarily using client agency staff, can be deployed. The Working Group reviewed the Contingency Plan using a risk assessment process, to identify the key services and timelines required to replace services, and the Contingency Plan was amended accordingly.

**(c) Office of the Inspector of Custodial Services (OICS) Review**

The Office of the Inspector of Custodial Services published its *Report of the Thematic Review of Custodial Transport Services in Western Australia* in May, 2007. The report made forty-two recommendations.

Key activities undertaken to date to address the recommendations include:

- procedures implemented to ensure the provision of adequate supplies of food and water and adequate reserve supplies in the event of a vehicle breakdown on long haul transports;
- development of improved performance measures relating to completion rates of medical escorts;
- inclusion of minimum standards in the development of vehicle specifications for the replacement vehicle fleet; and
- responsibility for management of vehicle design standards for all escort vehicles under a single desk system.

**(d) Audit Report**

In accordance with the 2007/2008 Internal Audit Plans for the Department of the Attorney General and the Department of Corrective Services, an internal audit of the Court Security and Custodial Services contract management processes was conducted.

The scope of the review included a high level 'health check' of key contract management practices against good practice and State Supply Commission guidelines. Specific focus was given to:

- key financial management controls associated with payment processes;
- processes for setting, monitoring and reporting against service level standards;
- processes in place to monitor and manage the need to extend or re-tender the contract;
- transition planning; and,
- existence and use of policies and procedures for contract management.

The findings of the review identified sixteen issues, of which ten were rated as high importance and six were rated as being of moderate importance. From these findings, twenty-nine recommendations were made.

Key issues identified, included:

- governance and accountability;
- contract management;
- performance management;
- compliance management; and,
- financial management.

The two Departments reviewed the recommendations and began a number of initiatives that have contributed towards addressing the various issues, as well as facilitating overall improvement in the monitoring of services provision.

These included:

- review of the roles and frequency of meetings of the key contract governance bodies, and the Terms of Reference for these groups;
- review and assessment of risk management frameworks;
- annual review of the Contract Management Framework and associated Work Instructions;
- implementation of improved processes for management of incident reporting; and,
- improved processes for Performance Linked Fee calculations.

#### **(e) Prisoner Transport Review**

Following the death of a prisoner during transportation from Laverton to Kalgoorlie, a review of Western Australia's prisoner transport system was carried out. The review resulted in a number of recommendations being announced in Parliament in February 2008, by the Minister for Corrective Services, the Hon Margaret Quirk MLA.

The review made eighteen recommendations in relation to the vehicle fleet and operational and contractual matters.

The Department of Corrective Services developed an action plan to address all recommendations of the review, and continues to make progress in implementing the recommendations within the required timeframes.

Key activities undertaken to date, include:

- a review of Global Solutions Limited's operating procedures which have duty-of-care implications;
- the Department of Corrective Services and WA Police working together to improve the quality of information at the time of transfer of custody;
- roadworthiness checks undertaken on all fleet vehicles;
- installation of remote temperature monitoring and updated duress alarms to all fleet vehicles;
- improvements to the Risk Management Framework;
- review of the vehicle design and vehicle specifications for the replacement of the fleet;
- review by an external consultant to consider contract administration arrangements for the remaining term of the contract, and for any arrangements post-contract expiry in 2011; and,
- review of the Monitoring Plan and contractor procedures by a representative from another jurisdiction.

#### **(f) Monitoring Reviews**

The Department of Corrective Services re-established responsibility for contract monitoring of prisoner movement services under the auspices of the Contract Manager in early 2008 and commenced review of areas of risk on a monthly basis with new improved processes.

### **(g) Review of Global Solutions Limited's Operating Procedures**

There is a contractual requirement for Global Solutions Limited to review its procedures every 12 months to ensure the delivery of services meets both the needs of client agencies, and provides a safe and secure service. Global Solutions Limited, the Department of Corrective Services and other stakeholders, reviewed the procedures in early 2008, making amendments where required, before approving them as having met the requirements of the relevant agencies.

In addition, the Department of Corrective Services and the Department of the Attorney General worked with Global Solutions Limited to develop detailed site-by-site operating procedures, relating to the movement of people in custody, to make certain that procedures ensure safety and security in the context of the infrastructure environment of each site.

## **3 – IV CONTRACT COMPLIANCE**

### **COURT CUSTODY AND COURT SECURITY**

#### **Description of Service**

The contract provides for the provision of court security and court custody services at appointed courts across Western Australia in designated jurisdictions.

Court security is the provision of security services (excluding custody). Generally, it consists of the provision of court orderlies, gallery guards, perimeter security to the external premises and internal security of public areas within major courts.

Court custody is the provision of security services within the court custody centre and the secure circulation paths leading to and from court rooms. This includes dock guards in court rooms for the management of people in custody, and the management of custody centres where one forms part of a court complex.

The Department of the Attorney General maintained a program of security upgrades to courts during the year. Advanced weapons detection suites are now operational at the Supreme Court of Western Australia and Perth Children's Court. In addition, major works to custody centres were undertaken at both Broome and Armadale. These renovated custody centres resulted in the need for Global Solutions Limited to provide additional officers, and related training, to operate the enhanced facilities.

#### **Number of Service Hours Provided**

In 2007/2008, there were 379,757 resource hours used in providing court related services. While the removal of the Central Law Courts and May Holman Centres from the Court Security and Custodial Services Contract reduces demand by 163,000 hours in 2008/2009, the demand for court custody and security services is expected to reach 221,430 resource hours next year.

The major areas of service were as follow:

Area	2007/2008 Hours	Cost
Albany	10,940	\$ 348,978
Armadale	14,445	\$ 405,978
Broome	14,882	\$ 702,769
Bunbury	11,848	\$ 377,372
Busselton	845	\$ 25,473
Carnarvon	7,147	\$ 522,185
CLC Custody	145,474	\$ 4,269,773
East Perth	866	\$ 31,457
Fremantle	20,888	\$ 593,114
Geraldton	9,764	\$ 394,579
Joondalup	16,222	\$ 455,776
Kalgoorlie	16,469	\$ 583,945
Mandurah	12,368	\$ 347,101
Midland	12,398	\$ 371,534
Perth Children's Court	7,489	\$ 239,260
Perth	16,241	\$ 501,193
South Hedland	5,343	\$ 225,696
State Admin. Tribunal	6,403	\$ 162,897
Security Support	6,444	\$347,894
Supreme Court Custody	43,272	\$ 1,328,628

## Court Operations

The late arrival of people in custody to court caused disruptions to the operations of the court to the extent the Chief Justice held a meeting with the Contract Manager, and others, in early 2008. New performance measures (appendix 1) were designed to encourage Global Solutions Limited to achieve improvement in this area of service delivery.

## Total Expenditure – Courts

The cost of providing court custody and security services in 2007/2008 totalled \$14,993,540 and will fall to \$12,051,582 in 2008/2009, due to the removal of the Central Law Courts and the May Holman Centre from the contract.

The cost of the service has increased significantly in dollar value over the length of the contract. The Department of the Attorney General notes that the improved invoicing and billing processes developed with Global Solutions Limited will provide a better understanding of the factors relating to the increased demand and the costs involved, and deciding how best to manage these factors in the future.

## PRISONER MOVEMENT SERVICES

### Description of Service

The provision of prisoner movement services, includes the movement of all prisoners between lockups, courts, court custody centres, prisons, remand centres, juvenile detention centres and other locations for approved purposes as determined by the client agencies.

### Number of Service Hours Provided

In 2007/2008, 185,316 resource hours were used in providing prisoner movement services. Three-quarters (75%) of hours provided were in the Perth metropolitan area. The Department of Corrective Services expects the demand for prisoner movement services to increase to

209,511 resource hours in 2008/2009. This results primarily from an increase in Magistrate services in the Kimberley and the opening of a secure outpatients' facility at Royal Perth Hospital.

Major areas of service are as follow:

Area	2007/2008 Hours	Cost
Albany	4,609	\$ 136,264
Armadale	669	\$ 28,752
Broome	15,437	\$ 726,706
Bunbury	6,850	\$ 213,002
Carnarvon	259	\$ 37,380
Geraldton	3,360	\$ 136,919
Kalgoorlie	7,673	\$ 303,499
Metropolitan	139,005	\$ 5,201,115
Roebourne	5,226	\$ 328,320
South Hedland	1,798	\$ 68,734

### Prisoner Movement Operations

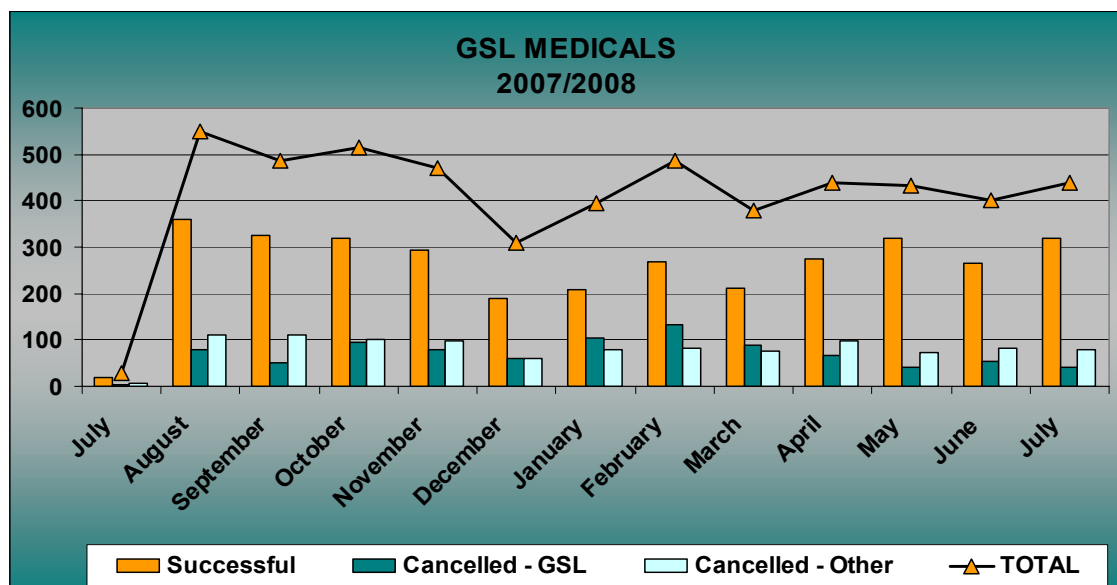
Hospital Sits (Static Escorts) and Medical Escorts are areas that will receive greater scrutiny in 2008/2009. A major aim of this will be to determine the demand drivers for the level of these services and ways to improve Global Solutions Limited's service delivery.

#### Hospital Sit (Static Escorts) Hours

Reports indicate that Global Solutions Limited performed 39,460 hours of Hospital Sits (Static Escorts) in both metropolitan and regional areas. Furthermore, reports indicate that in excess of 15,000 hours were performed by officers from the Department of Corrective Services, due to Global Solutions Limited's inability to perform the requisite number of services.

#### Medical Escorts

There was a total of 3,378 Medical Escort movements recorded in both metropolitan and regional areas. The regional total was 1,074 movements, and the metropolitan total was 2,304 movements. Departmental information suggests that approximately 25% of all Medical Escorts were cancelled as a result of Global Solutions Limited not having sufficient staff or vehicles available to perform the escorts.



## Total Expenditure – Prisoner Movement Services

The cost of providing prisoner movement services in 2007/2008 totalled \$8,792,528 and will rise to \$14,113,907 in 2008/2009. Of the total increase in prisoner movement costs, \$1,546,811 relates to an adjustment in the apportionment of overhead costs from court related services to prisoner movement services, as a result of the removal of Central Law Court and May Holman Centre Services. Other increases related to the provision of new services to the Kimberley and out patient services at Royal Perth Hospital.

As for court related services, the cost has increased significantly in dollar value over the length of the contract. The Department of Corrective Services notes that the improved invoicing and billing processes developed with Global Solutions Limited will provide a better understanding of the costs involved.

## OVERVIEW OF CONTRACT

### Performance Linked Fee

As indicated in the table below, the Performance Linked Fee was reduced by 13%, with Global Solutions Limited not meeting the performance measures for 'Unlawful Release' and 'Breach of Service Requirements'. Global Solutions Limited also only partially met the performance measure for 'Failing to Accurately Report Contractually Required Information'.

In total, Global Solutions Limited was entitled to a Performance Linked Fee of \$1,081,054 reduced by \$140,537 for failing to meet the performance measures outlined above. The resulting Performance Linked Fee paid to Global Solutions Limited was \$940,517 comprising a payment of \$494,967 in February 2008, and \$445,550 in September 2008 for the 07/08 year.

### Performance Lined Calculation Eighth Service Year 2007/2008

Performance Measure	PLF%	\$ Max PLF Payable	Contract Standard	Number of Incidents	PLF Payable	PLF Paid for first 6 months	Balance Payable
Death in custody	10	\$ 108,105	0	0	\$ 108,105	\$ 51,883	\$ 56,222
Escapes	9	\$ 97,295	2	1	\$ 97,295	\$ 46,695	\$ 50,600
Self-harm	8	\$ 86,484	0	0	\$ 86,484	\$ 41,507	\$ 44,977
Assault upon a judicial officer	7	\$ 75,674	1	0	\$ 75,674	\$ 36,318	\$ 39,356
Loss of control	7	\$ 75,674	1	0	\$ 75,674	\$ 36,318	\$ 39,356
Unlawful release	6	\$ 64,863	0	2	\$ -	\$ 15,565	<b>-\$ 15,565</b>
Failure to accurately report contractually required information	6	\$ 64,863	2	4	\$ 32,432	\$ 31,130	\$ 1,302
Assault upon a member of the public	5	\$ 54,053	2	1	\$ 54,053	\$ 25,942	\$ 28,111
Assault upon client agency staff	5	\$ 54,053	2	0	\$ 54,053	\$ 25,942	\$ 28,111
Assault upon a person in custody	5	\$ 54,053	1	0	\$ 54,053	\$ 25,942	\$ 28,111
Breach of legislation	5	\$ 54,053	4	1	\$ 54,053	\$ 25,942	\$ 28,111
Breach of a service requirement	4	\$ 43,242	5	13	\$ -	\$ 12,452	<b>-\$ 12,452</b>
Disruption to court proceedings	4	\$ 43,242	1	0	\$ 43,242	\$ 20,753	\$ 22,489
Traffic accident	3	\$ 32,432	1	1	\$ 32,432	\$ 15,565	\$ 16,867
Assault upon a person in custody	2	\$ 21,621	1	0	\$ 21,621	\$ 10,377	\$ 11,244

by a person in custody							
Substantiated complaint	1.5	\$ 16,216	10	1	\$ 16,216	\$ 7,783	\$ 8,433
Untimely prisoner movements	1.15	\$ 12,432	900	7	\$ 12,432	\$ 5,967	\$ 6,465
Inappropriate use of powers	1	\$ 10,811	1	0	\$ 10,811	\$ 5,188	\$ 5,623
Loss of property of a person in custody	0.35	\$ 3,784	1	0	\$ 3,784	\$ 1,815	\$ 1,969
Non-conformance with performance improvement notice	10	\$ 108,105	2**	0	\$ 108,105	\$ 51,883	\$ 56,222
<b>TOTALS</b>	<b>100</b>	<b>\$1,081,054</b>		<b>31</b>	<b>\$ 940,517</b>	<b>\$ 494,967</b>	<b>\$ 445,550</b>
<b>Total Contract Price 2007/2008 (Eighth Service Year)</b>							
Cost of Services – Actual		\$ 24,023,419			Maximum PLF Payable	\$ 1,081,054	
Administration Fee (1.5%)		\$ 360,351			PLF paid 1 <sup>st</sup> Month	\$ 494,967	
Performance Linked Fee (4.5%)		\$ 1,081,054			PLF Reductions	- \$ 140,537	
PLF Reductions		- \$ 140,537					
<b>Total Cost of CSCS Contract</b>		<b>\$ 25,324,287</b>			<b>Balance PLF Payment</b>	<b>\$ 445,550</b>	

## Other Financial Impacts

During 2007/2008, Global Solutions Limited experienced problems attracting and maintaining staff. This was due, in part, to the current buoyant economy as it exacerbated the competitive market for attracting staff. This was particularly the case in regional areas. This factor, combined with the rising cost of housing and cost of living in the regions, made it difficult to retain staff.

As a result Global Solutions Limited had to use staff seconded from the Perth metropolitan area, resulting in increased costs. Furthermore, the contractor had to use staff on an overtime basis, particularly in respect to prisoner transport.

## Cost of Service

Although the 2008/2009 service year sees the removal of services at Central Law Courts and the May Holman Centre, the budgeted cost for services has increased compared to the 2007/2008 service year. This is in effect primarily due to the significantly increased resource hour requirements for court security and custody services in outer metropolitan and regional courts.

Service Year	Court Security and Court Custody Hours	Prisoner Movement Hours	Contractor Administration and Overheads	Total Service Delivery Hours	Cost (\$)	
1	2000/2001	293,720	137,741	n/a	431,461	\$16,170,010
2	2001/2002	271,513	126,037	n/a	397,550	\$17,409,990
3	2002/2003	299,031	122,950	n/a	421,981	\$17,852,587
4	2003/2004	307,835	116,047	n/a	423,882	\$18,661,675
5	2004/2005	333,687	126,149	n/a	459,836	\$20,971,714

6	2005/2006	320,124	164,034	n/a	484,193	\$20,672,111
7	2006/2007	313,877	119,252	n/a	433,129	\$22,186,912
8	2007/2008	379,757	185,316	51,857	616,930	\$25,324,287
9	2008/2009	221,430	216,133	53,408	490,972	\$28,084,812 <sup>1</sup>

## **Total Expenditure**

As shown in the previous table, incorporating the Administration Fee of \$360,351 and the Performance Linked Fee of \$940,517, Global Solutions Limited was paid a total of \$25,324,287 in 2007/2008.

## **3 – V MAJOR CHALLENGES 2008/2009**

### **(a) Managing Demand for Services**

Throughout the life of the contract, there has been an increasing demand for court related services, which has affected the overall delivery of services under the contract. The Department of Corrective Services and the Department of the Attorney General will, in 2008/2009, face the challenge of addressing these issues and needing to identify longer-term solutions to tackle the demand pressures.

There is no easy solution to resolving the service demands on courts, particularly as the success rate of the Western Australia Police in solving crimes increases. It cannot be emphasised enough that upstream effects (crime rate, clear up rates, more police officers, and population growth) will have downstream impacts, and the effects of growth in criminal lodgements on potential CS&CS business needs to be modelled. The demand on the courts to ensure that people are dealt with in a timely and efficient manner will lead to an increase in the number of sitting hours and days.

Issues the Department of Corrective Services and the Department of the Attorney General will need to manage are:

- an increase in the number of staff required by Global Solutions Limited, and attendant increase in training and permits;
- competing demand between courts and prisoner transport;
- the use of significant overtime resources to meet staffing shortfalls; and
- alternative methods of meeting service demand, including increased use of video conferencing for courts.

### **(b) Magistrate Services to the East Kimberley**

In the May 2008 Budget, the Government announced an increase in Magistrate services to the East Kimberley. This results in the need to provide additional court related services to the region.

The resident Magistrate services commenced in Kununurra on 1 September, 2008. To provide the court security, court custody and prisoner movement needs of the East Kimberley, the Department of Corrective Services has proposed a variation to the contract which will take affect during the 2008/2009 Service Year.

In addition, the Indigenous Justice Task Force operations in the East Kimberley have increased demand for court related services to the District Court in the region. The impact of the Task Force will continue throughout 2008, leading to a further increase in the demand for services during the next year.

<sup>1</sup> Less any Performance Linked Fee Reduction

These additional services will cost approximately \$610,000, partially funded in the May 2008 State budget, and both the Department of the Attorney General and the Department of Corrective Services will seek additional funding through the mid-year budget review.

**(c) Review of the Permit Structure**

The demand for services in 2008/2009 is expected to increase by 40,000 hours. The addition of services to Kununurra and Carnarvon - and the secure outpatient facility at Royal Perth Hospital - has increased demand for prisoner movement services by 37,500 hours. Global Solutions Limited will require additional staff to meet the increasing demand for services.

As at July 2008, Global Solutions Limited was approximately 60 staff short of the number required to operate the contract to the requisite level of demand. To examine these matters, the two departments will work with Global Solutions Limited to address issues that impact on its ability to attract and retain staff. Issues include:

- development of a recruitment strategy that addresses both current shortages and attrition for the remaining years of the contract;
- issuing of Restricted Permits, leading to a reduction in training time, or staggered training time (due to the requirement to train for specific tasks only); and
- reviewing Permits for work between the Court Security and Custodial Services Contract and the Western Liberty Group Contract.

**(d) Changes to the Performance Measures**

The 2008/2009 contract year will see the introduction of new performance measures intended to effect improvements in:

- delays to court, due to the non-arrival of prisoners;
- delivery of prisoners to medical appointments, reducing cancellations and re-scheduling;
- the performance of Hospital Sits, reducing the need for prison officers to cover the shortfall; and
- contractual reporting by Global Solutions Limited.

**(e) Knowledge Information Systems**

Data and information were previously provided through various computer interfaces, with the final data received through a software program called Cognos. Some of these interfaces, however, do not communicate in the same computer language, causing problems when transferring data between systems. This is further complicated by the fact that data is sometimes stored in one system in a manner that differs to the way it is stored in another system.

The Department of Corrective Services is in the process of identifying technological solutions to the difficulties outlined above. It is anticipated new systems will be in place during 2008/2009, to ensure that the measurement of supply and demand can be more accurately predicted for the 2009/2010 reporting period.

### **3 – VI CONCLUSION**

With the Court Security and Custodial Services Contract now entering its ninth service year, and due to expire in 2011 following completion of the second extended term, no further options to extend the contract remain. Between now and the contract's expiry in July 2011, the need exists for a review and evaluation of the current arrangements and a determination of what future or ongoing requirements exist for the delivery of these services, and how Government can best meet these needs. This will include consideration of the following:

- the future needs/requirements of users/clients;
- the contract and its effectiveness and useability;
- the Departments' and the Contract Management Team's performance;
- developments in the marketplace and the general environment;
- available options for future service delivery; and
- planning requirements for any future procurement.

This will need to be done concurrently with the ongoing management of the services delivered under the contract until its expiry in 2011. As can be seen from the content of this report, that poses significant challenges for all the parties involved in the contract.

**SECTION 4**

**CBD COURTS PROJECT  
COURT SECURITY AND CUSTODIAL SERVICES  
CONTRACT**

## **4 – I BACKGROUND**

In June 2005, the State entered into a 27 year PPP with WLG for the provision of facilities and services associated with the operation of courts in the Perth Central Business District (CBD). This initiative is referred to as the CBD Courts Project.

The Facilities Agreement of the PPP requires WLG to design, construct and maintain the:

- new District Court Building (DCB) and pedestrian tunnel under Hay Street to the Central Law Courts (CLC) (Stage 1);
- custodial areas of CLC (Stage 2); and
- security systems in CLC (Stage 3).

Construction of DCB was achieved during May 2008 with Stage 2 works to be completed in October 2008 and Stage 3 works to be completed during 2009.

The Services Agreement of the PPP includes CS&CS provided by GSL under contract to WLG. These services commenced on 3 June 2008 and are subject to the requirements of the Act. This report is submitted in accordance with Section 45 of the Act for the period 3 June 2008 to 30 June 2008.

## **4 – II OPERATIONS 2007/2008**

### **(a) Contract Governance**

Prior to the commencement of services under PPP in June 2008, the governance arrangements for the DCB Courts Project reflected the primary activities of project management (planning, procurement, design and construction). These arrangements consist of an interagency Project Control Group reporting to an interagency Project Steering Committee and will continue until the completion of the Stage 3 works. With the commencement of services, some additional governance arrangements were introduced to reflect the shift in activity from facility provision to services delivery.

These additional governance arrangements consist of a committee structure as contemplated by the Services Agreement and formal delegations by the Department of the Attorney General (DotAG), Director General (as the Principal to the Services Agreement) to the Executive Director, Court and Tribunal Services (CTS) with respect to the Act and management of the CBD Courts Project.

### **(b) Committee Structure**

The governance arrangements for the CBD Courts Project Services Agreement consist of the following committees:

<b>Title</b>	<b>Chairperson</b>	<b>Focus</b>
Management Board	Director General (DotAG)	Contract strategic direction, governance and performance (meets quarterly)
Management User Group	Chief Judge (District Court)	Operational service delivery requirements and standards (meets monthly)
Working Committee	CBD Courts Project Contract Administrator (DotAG)	Contract management and service provision (meets monthly)
Operations Planning Committee	Executive Manager District Court (DotAG)	Operational planning, and communication (meets weekly)

### **(c) Delegations**

In addition to the management delegations that exist within DotAG's departmental governance framework irrespective of the WLG PPP, the following delegations have been given to the Executive Director, CTS:

- responsibility for the day to day management of the CBD Courts Project effective from 30 May 2008; and
- all functions under the Act in relation to the relevant sections of the Services Agreement for the CBD Courts Project effective from 30 May 2008.

Detailed roles and responsibilities have also been documented for individual executive and management positions within DotAG in relation to the management and administration of the Services Agreement.

### **(d) Contract Management**

Contract management associated with the Services Agreement is undertaken by the CTS division of DotAG. A dedicated contract management team actively monitors, manages and reports WLG's performance at the contractual level while also endeavouring to foster a long term cooperative relationship in order to ensure the partnership is a success for both the State and WLG. Members of this team meet or are in contact with WLG on a daily basis to deal with contractual and operational issues as they arise and develop strategies for improvement.

A Contract Management Plan, Framework and associated Procedures Manual have been developed by the contract management team to effectively manage this Contract. The core processes addressed by these documents relate to:

- performance reporting and monitoring;
- relationship management, dispute resolution and issue management;
- governance, probity and compliance;
- knowledge and information management;
- change management;
- contingency planning; and
- ongoing review.

Considerable attention is also given at the executive level to ensuring the relationship between the State and WLG remains positive in the face of the challenges that the early days of any significant contractual arrangement present. WLG have been responsive in this regard and have been working closely with GSL to implement strategies for improvement. This has included the preparation of an action plan by GSL to address a range of operational and strategic issues, including the challenge of recruiting and maintaining sufficient skilled staff resources in the current labour environment.

### **Transition and Services Commencement**

The commencement of services under the CBD Courts Project coincided with the opening and occupation of the DCB on 3 June 2008. The transition of District Court operations from CLC was achieved relatively smoothly with a full list of court proceedings commencing within one week of the DCB being opened. To prepare for the transition of CS&CS to the DCB, an extensive range of custodial area commissioning tests were undertaken by GSL, in association with WLG and the department, prior to service commencement. This enabled GSL staff to become familiar with operating in the new facilities and to identify operational or building related issues that needed addressing prior to the service commencement.

### **Contractor Performance**

The first weeks of operation of the DCB saw a number of significant teething issues arise as the occupants and WLG service providers familiarised themselves with the new physical, operational and contractual environment they were in. The most significant issue in terms of CS&CS was that of delayed commencement of court proceedings due to the late delivery of PIC to court. This occurred on 60 occasions with 25% of these being more than 30 minutes late. In this respect, the contractor did not have sufficient staff or equipment resources available to meet the service demands and this problem was compounded by building faults, including custodial lift breakdowns and electronic door control management difficulties.

The contractor failed to utilise the State's Custodial Services Support System (C3S) to record PIC hours and movements. This does not represent a critical failure in terms of service provision; however, it resulted in limitations in the accuracy of records of times that persons were held in custody, data upon which the contractor is remunerated.

With respect to court security services the contractor struggled to provide gallery guards for all court proceedings and several instances of security breaches occurred. These included potential weapons passing undetected through security checkpoints, unauthorised access to secure zones and areas of the building being left unsecured.

## **4 – III      REVIEWS**

### **(a)      Office of the Inspector of Custodial Services (OICS) Custody Centre Review**

The Office of the Inspector of Custodial Services (OICS) inspected the DCB custody centre and associated circulation zones in the building during June

2008. The overall assessment of the facilities as documented in OICS Report 55 was very positive with design of both security and amenity being found to far exceed anything that has previously been achieved in Western Australia. Fourteen key findings were identified and agreed to by the department and action plans have been identified and, in some cases, implemented for each of them. None of the key findings limited the use of the custody facilities with regards to services commencement.

**(b) Audit of Readiness**

The Department's readiness for services commencement under PPP was the subject of an internal audit during May 2008. The audit identified eight issues for consideration relating primarily to the documentation of contract management, monitoring and reporting procedures. None of these issues were assessed as being critical. Of the 12 recommendations made regarding these issues, six have been implemented and all but one will be completed by 31 October 2008.

## **4 – IV CONTRACT COMPLIANCE**

**(a) Key Performance Indicators and Abatements**

The contractor is required to meet certain key performance indicators (KPI) in the provision of services under PPP and is required to monitor and report its performance against KPI on a monthly basis. The department also conducts targeted monitoring to verify the contractors self reporting in this regard.

Failure to meet KPI can result in payment abatements being imposed against WLG with the value of the abatements determined through the application of specified formulae contained in the Services Agreement. A total of 467 KPI failure points were applied by the department for custodial services and a further 86 KPI failure points were applied by the State for court security services. These failures related primarily to PIC being delivered late to court and security breaches, resulting in payment abatements of \$245,109.

In determining the extent to which abatements would be enforced, consideration was given to the significance of individual service failures with respect to their impact on court operations and the level of operational risk involved. This meant that abatements were not applied to a considerable number of non critical service failures in recognition of the infancy of the service provision and the need to balance punitive actions with relationship building.

**(b) Service Demand and Payments**

Eight hundred and sixty one PIC were managed by the contractor with a total of 6556 PIC hours being reported, resulting in an average of 7.6 hours/PIC which is significantly higher than historical figures of approximately 5 hours/PIC. This difference is largely the result of the contractor's resourcing challenges and the inefficiencies that inevitably occur while staff become familiar with new facilities and associated teething issues. The number of PIC hours was 19% higher than the maximum anticipated hours for the period.

Payments made to WLG by the State for the provision of court security, user management and custodial services are detailed in the table below.

User Management and Court Security	\$219,740
Custodial Services	\$208,232
less abatements specific to CSCS services	-\$245,109
less reduction for 95% apportionment	-\$9,143
<b>Subtotal (exclusive of GST)</b>	<b>\$173,720</b>
GST	\$17,372
<b>Total payment made (inclusive of GST)</b>	<b>\$191,092</b>

**(c) Disputes**

Disputes occurred between the State and WLG on several payment issues related to the June 2008 invoice. The State and WLG have worked cooperatively to resolve these disputes without resorting to referring them to an independent expert. Several disputes remain unresolved.

**User Management and Court Security Charge**

The State withheld payment of \$73,334 invoiced by WLG for user management and court security services. This payment was withheld on the basis that the State considers this represents double charging by WLG, however, it is likely that a portion of the disputed amount will be payable for those services which are calculated as being above the fixed amounts already priced into the base payment to WLG. The State has not yet received a formal response from WLG on this issue.

**Additional Invoiced PIC Hours**

The State withheld payment of \$10,108 for additional PIC hours claimed by WLG as being above the fixed amounts already priced into the base payment to WLG. The State disputed this amount on the basis that the data upon which it was based was questionable. The State has not yet received a formal response on this issue from WLG.

**Application of Abatements**

The State applied \$202,217 of abatement for CS&CS above that reported by WLG and withheld this additional amount from the June 2008 invoice payment. WLG has indicated that a formal response regarding the State's position on abatements for services provided in June will be provided with the intention of demonstrating mitigating circumstances that would justify abatement relief for those months. The State has not yet received a formal response on this issue.

**(d) Contract Variations**

No variations to the contract relevant to court security and custodial services were entered into during the reporting period, however, consideration was given to excising services at the Supreme Court building from the CBD Courts Project and leaving them in the CS&CS Contract. This will be progressed during the 2008 by way of a variation in discussion with the Department of Corrective Services.

#### **4 – V MAJOR CHALLENGES 2008/2009**

- (a)** Achieving and maintaining service levels consistent with the standards required by the contract in an environment of increased demand for services and a competitive labour market.
- (b)** Maintaining a healthy partnership between the State, WLG and its service providers in the context of some of the performance issues currently being experienced.
- (c)** Bedding down the new facilities during the first 12 months operations. Commissioning and service commencement of the new CLC custody centre during October and November 2008.
- (d)** Maintenance of operations around the security and internal refurbishment of the CLC during the early part of 2009.

### 3 – VII APPENDIX

Table: Performance Measures

No.	Performance Measure	% of Fee
1	Number of Serious Self Harms per review period	5
2	Number of Serious Assaults per review period	5
3	Number of times the Contractor fails to report a critical or major incident per review period	15
4	Number of times the Contractor or an employee of the Contractor breaches legislation per review period	10
5	Percentage of complaints correctly managed by the Contractor	5
6	Percentage of persons not delivered to court on time resulting in a court delay	15
7	Percentage of persons not delivered to a medical appointment causing the cancellation or rescheduling of the appointment.	10
8	Number of Non-Compliances with a Performance Improvement Request during the review period	15
9	Percentage of agreed Funeral Escorts undertaken by the Contractor during the review period	5
10	Percentage of Hospital Sits provided by the contractor within 3 hours	5
11	Number of incidents where services are not provided due to the non-availability of a suitable vehicle resulting from the contractor's failure to maintain the fleet to the appropriate standard.	10
TOTAL		100