

# AGENDA REPORT

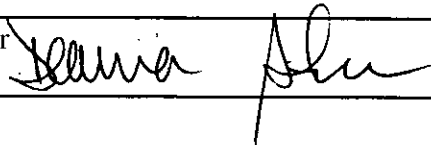
TO: DEANNA J. SANTANA  
CITY ADMINISTRATOR

FROM: Sean Whent  
Interim Chief of Police

SUBJECT: Contract with PMAM Corporation to  
Administer False Alarm Reduction Program

DATE: May 30, 2013

City Administrator  
Approval



Date

6/10/13

COUNCIL DISTRICT: City-Wide

## RECOMMENDATION

Staff seeks approval from the City Council to authorize the City Administrator or her designee to: 1) award a contract to PMAM Corporation for the administration of the False Alarm Program, in an amount not to exceed \$5 per permit, for a 3 year period and for a total cost not to exceed \$450,000; 2) authorize the City Administrator to appropriate \$220,000 from the False Alarm Fund (2411) balance, in fiscal years 2013-14, 2014-15, and 2015-16, for the administration of the false alarm reduction program.

## EXECUTIVE SUMMARY

On September 23, 2012, staff conducted a Request for Proposals (RFP) process to identify a vendor to provide alarm program administration services. Upon completion of the RFP process a total of four proposals were received and reviewed. Based on the bid amount and qualifications, staff selected PMAM Corporation as the most qualified vendor to perform the functions required by the Oakland Police Department (OPD) to administer the False Alarm Reduction Program.

Among the four vendors that responded to the RFP, PMAM offered the most competitive pricing options. PMAM's proposed charges are \$5.00 per permit on actual revenues collected for new permits and for permit renewals. Based on 30,000 annual permits, the estimated cost of this contract is \$150,000 per year. Estimated total contract cost of \$450,000 for FY2013-16. This is a significant savings compared to the current PMAM contract, and compared to the bids from other vendors, that the City received. The typical bid that OPD received on the RFP was over \$200,000 per year to administer the false alarm reduction program. Revenue and expenses related to this program will be administered through the False Alarm Reduction Program Fund

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(2411), Fiscal Services Division Organization Code (106510), and False Alarm Reduction Program (P378820).

### **OUTCOME**

This contract will allow OPD to implement the False Alarm Reduction Program, with the purpose of achieving the following outcomes:

- Enhance customer services to develop and maintain productive relationships with the community;
- Reduce number of false alarms and redirect police resources to critical public safety priorities;
- Recoup City costs associated with responding to false alarms;
- Recoup City costs associated with false alarm reduction efforts such as community outreach and the maintenance of a permitting system.

### **BACKGROUND/LEGISLATIVE HISTORY**

The False Alarm Reduction Program was implemented by OPD in November 2003 to address issues associated with the large number of false alarms which the Department responds each year. Alarm users are required to obtain a permit from the City of Oakland prior to alarm use. The permit is obtained by completing a registration form, which is supplied by the alarm company when there is a request for an alarm system. The alarm user is required to complete the registration and pay the registration fee to the alarm company. Alarm permits are \$25 each year for residents, \$35 each year for businesses and \$15 for low income seniors. The Oakland Police Department issues the alarm permit.

The current contract to administer the false alarm reduction program was awarded on July 21, 2009, and will expire on June 30, 2013. City Council Resolution Number 82233 C.M.S. authorized the Oakland Police Department to go through the competitive bid process in order to select a vendor for the administration of the false alarm reduction program – including billing and collections.

On September 23, 2012, staff conducted a Request for Proposals (RFP) process to identify a vendor to provide alarm program administration services. The pre-proposal conference with prospective vendors was held on October 15, 2012. OPD received responses from four firms: PMAM Corporation, Public Safety Corporation dba CryWolf, Alarm Program Systems, LLC, and Municipal Dynamics. In November, 2012 OPD a panel of OPD staff reviewed the proposals and interviewed representatives from each firm. In December, 2012 OPD staff selected PMAM as the lowest competitive bidder.

## ANALYSIS

The proposed contract term will be effective July 1, 2013 through June 30, 2016, with an option to extend. PMAM Corporation will provide the following services:

- Fully 100% Web-based system
- Citizen portal on the City Web site, the citizen is guided through the permit registration, payment process and how to establish their login by an animated, talking guide, that will be available in English, Spanish and Chinese
- Revision to the present alarm ordinance
- Public Communication and Awareness Campaign
- Provide Education and Support Materials to the public
- Training to City Staff on the FAMS

Information about the pre-proposal conference was included in the RFP.

OPD received responses from four firms: PMAM Corporation, Public Safety Corporation dba CryWolf, Alarm Program Systems, LLC, and Municipal Dynamics.

All four firms were qualified to perform the services specified in the RFP and were invited to interview to address the general questions related to how each would implement the proposed scope of work. Based on each firm's proposal, Technology, Customer Services, Pricing, and RFP Requirements, staff recommends award of the alarm administration contract to PMAM Corporation. PMAM will be responsible for providing a secure Web-based Application and management for accurate billing and accounting services for registrations, false alarm fees and correspondence with residents and businesses. PMAM will identify, recommend, and assist in implementing best alarm program practices. Although Alarm Program Systems provides overall better technology in comparing with the other three firms, PMAM Corporation has the highest overall rating in comparison with the rest of the firms. In addition, PMAM has successfully reduced the numbers of false alarms since the program was re-established in 2009 through education and quality assurance.

## PUBLIC OUTREACH/INTEREST

An announcement of the RFP and a notice was published in the Oakland Tribune (Bay Area Newspaper Group), San Francisco Chronicle, The Oakland El Mundo, and The Oakland Post. Information about the pre-proposal conference was included in the RFP and made available to all respondents who made a request.

## COORDINATION

The Budget Office and City Attorney's Office has been consulted in preparation of this report.

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COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

\$150,000

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

	Estimate	Cost/permit	Annual Cost
Pennit processed by PMAM	30,000	\$ 5.00	\$150,000
All other invoice and processes	\$ -	\$ -	\$ -
<b>Total Cost</b>	<b>N/A</b>	<b>N/A</b>	<b>\$150,000</b>

PMAM has agreed to administer all other fees associated with the false alarm reduction program, at no additional cost.

3. SOURCE OF FUNDING:

Revenue and expenses related to this program will be administered through the False Alarm Reduction Program Fund (2411), Fiscal Services Division Organization Code (106510), and False Alarm Reduction Program (P378820).

3. FISCAL IMPACT:

Approval of this resolution will authorize the City Administrator to enter into a contract with PMAM Corporation, in an amount not to exceed \$5.00 per alarm permit, for the administration of the OPD false alarm reduction program. The estimated cost of the contract is \$150,000 annually. In addition to the estimated \$150,000 annual contract costs, an additional \$70,000 per year is needed for contingency and to purchase office supplies, educational material, and to pay for other City expenses associated with administering the program. Contingency is needed, because actual contract costs may exceed \$150,000 if more than 30,000 permits are processed in a fiscal year.

FISCAL/POLICY ALIGNMENT

The False Alarm Reduction Program was established to reduce the number of false alarms through education and quality assurance, and to recover the cost of responding to false alarms. False Alarm service fees are \$84 for General False Alarm and \$156 for Robbery/Panic False Alarm. These fees are not subject to false alarm service fees if alarm dispatch requests canceled

prior to officers' arrival. This program has been successful. A summary of false alarm calls for each fiscal year are outlined below:

YEAR	# of Alarm Calls	# of False Alarm Calls	% of False Alarm Calls	% Change
FY2010*	6803	4215	62%	
FY2011	17120	8055	47%	-24%
FY2012	18780	8379	45%	-5%
FY2013**	15204	6624	44%	-2%

\* March 2010-Jun 2010  
 \*\* July 2012-May 2013

**PAST PERFORMANCE, EVALUATION AND FOLLOW-UP**

On October 1, 2010, OPD awarded the contract for alarm program administration to ATB Services. PMAM acquired ATB in November 2011, and has administered OPD's False Alarm Reduction Program since that time. PMAM paid for performance of the scope of services at 21% of total program income, not to exceed the 21% of total program income paid monthly. As indicated in the chart below, the number of permits had been increased substantially since the contract awarded and the number of alarm calls per owner has been decreased.

Year	# of Permits	# of Alarm Calls	# of Alarm Calls per Owner
FY2010	13000	24000	1.85
FY2011	27760	17120	0.62
FY2012	30723	18780	0.61
FY2013*	33947	15204	0.45

\* July 2012-May 2013

**SUSTAINABLE OPPORTUNITIES**

**Economic:** A fully functioning outsourced program with adequate budget funding will support a cost-effective program to reduce false alarms and allow OPD to redirect existing police resources to crime reduction efforts. Additionally, a successful program will reduce the considerable costs associated with responding to false alarms.

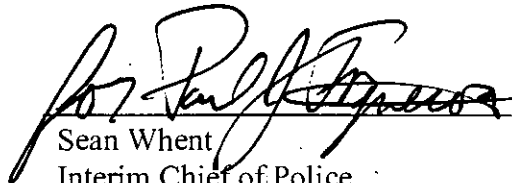
**Environmental:** Reduce noise pollution by reducing false alarms.

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**Social Equity:** A fully functioning False Alarm Reduction Program shifts a large portion of public safety response costs to those citizens causing false alarms, and creates an incentive for responsible use of security alarm systems.

For questions regarding this report, please contact Dinnie Tong, Acting False Alarm Reduction Coordinator or Felicia Silva, Fiscal Service Manager, at 238-3416.

Respectfully submitted,



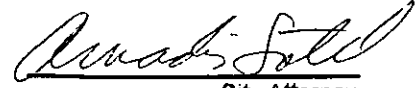
Sean Whent  
Interim Chief of Police  
Oakland Police Department

Reviewed by:  
Gilbert Garcia, Deputy Director  
Bureau of Services

Prepared by:  
Dinnie Tong, Acting False Alarm Reduction Coordinator  
Oakland Police Department-Fiscal Division

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

# OAKLAND CITY COUNCIL

  
City Attorney

2013 JUN 12 PM 5:02 RESOLUTION No. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR HER DESIGNEE TO: 1) AWARD A CONTRACT TO PMAM CORPORATION FOR ADMINISTRATION OF THE ALARM REDUCTION PROGRAM NOT TO EXCEED \$5.00 PER PERMIT FROM JULY 1, 2013 THROUGH JUNE 30, 2016 AND FOR A TOTAL COST NOT TO EXCEED FOUR HUNDRED AND FIFTY THOUSAND DOLLARS (\$450,000); 2) AUTHORIZE THE CITY ADMINISTRATOR TO APPROPRIATE FALSE ALARM FUND (2411) BALANCE OF TWO HUNDRED AND TWENTY THOUSAND DOLLARS (\$220,000) PER FISCAL YEAR FOR A 3 YEAR TERM FROM JULY 1, 2013 THROUGH JUNE 30, 2016 FOR THE ADMINISTRATION OF THE FALSE ALARM REDUCTION PROGRAM**

**WHEREAS**, On September 23, 2012, staff conducted a Request for Proposals (RFP) process to identify a vendor to provide alarm program administration services, a total of four proposals were received and reviewed; and

**WHEREAS**, PMAM Corporation is the lowest responsible bidder for the administration of the false alarm reduction program; and

**WHEREAS**, on October 1, 2010, the Oakland Police Department (OPD) awarded the contract for false alarm program administration to ATB Services; PMAM Corporation acquired ATB Services in November 2011, and has administered OPD's false alarm reduction program since that time, and has successfully administered the false alarm program by increasing public awareness and providing quality assurance to the installation and monitoring of burglar alarm systems; and

**WHEREAS**, the appropriations of the fund balance is necessary for the administration of the False Alarm Reduction Program; now, therefore be it

**RESOLVED**, that the City Council hereby authorizes the City Administrator or her designee to award a contract to PMAM for administration of the False Alarm Program not to exceed \$5.00 per permit from July 1, 2013 through June 30, 2016 at a total contract amount not to exceed \$450,000; and be it

**RESOLVED**, the City Administrator is authorized to appropriate \$220,000 per year from July 1, 2013 through June 30, 2016 from False Alarm (2411) fund balance for the administration of the program; and be it

**FURTHER RESOLVED**, that the City Administrator, or her designee is authorized to complete all required negotiations, certifications, assurances, and documentation to accept, modify, extend and/or amend the proposed contract, except for any increase in the total contract amount, and be it

**FURTHER RESOLVED**, that the proposed contract shall be reviewed and approved as to form and legality by the City Attorney and placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California