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OAKLAND

2016 APR 28 PM 2:08

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Sean Whent
Chief of Police

SUBJECT: PMAM Corporation Contract

DATE: March 9, 2016

City Administrator Approval

Date:

4/27/16

RECOMMENDATION

Staff Recommends That The City Council Approve a Resolution Authorizing The City Administrator Or Designee To: 1) Award a Contract To PMAM Corporation For The Administration Of The False Alarm Reduction Program For Two (2) Years, Plus Three (3) Discretionary One-Year Extensions, For One Hundred Seventy-Eight Thousand Two Hundred Dollars (\$178,200) Per Year, Contingent Upon Available Funding, For A Total Contract Amount Not To Exceed Eight Hundred Ninety-One Thousand Dollars (\$891,000); and 2) Appropriate Said Funds From The False Alarm Fund (2411) Balance For The Administration of the False Alarm Reduction Program.

EXECUTIVE SUMMARY

Adoption and Approval of this resolution will authorize a contract with PMAM Corporation for an estimated amount of \$178,200 per year from July 1, 2016 through June 30, 2018, plus three one-year options to renew for an amount not to exceed \$891,000. PMAM Corporation will charge a flat fee of \$5 per permit and/or renewal plus actual postage costs associated with sending bills, reminders and/or any publication or announcement requested by OPD, for administering the False Alarm Reduction Program.

PMAM Corporation was deemed the most qualified vendor after OPD conducted a Request for Proposals (RFP) process in July 2015. This contract will allow OPD to continue the administration of the False Alarm Reduction Program after the current contract expires on June 30, 2016.

BACKGROUND / LEGISLATIVE HISTORY

The City of Oakland implemented the False Alarm Reduction Program with Ordinance No. 12969 C.M.S. in July 2009, which created Oakland Municipal Code (OMC) Chapter 8.02, "Burglar Alarm Systems." OMC 8.02 was then amended in in April 2010 with Ordinance No. 13015 C.M.S., to address the large number of false alarms that OPD was responding to each year. The purpose of the fees authorized by this ordinance is to offset a portion of the expense that OPD incurs as a result of false alarm response. Fees also assist in encouraging residents and businesses to properly use and maintain their alarm systems, thus reducing false alarms.

Item: _____
Public Safety Committee
May 10, 2016

The program allows OPD to redirect police resources to crime prevention, recover cost associated with responding to false alarms, and reduce the number of false alarm calls. During the initial implementation, OPD staff was able to implement the alarm registration and permit aspect of the program but lacked adequate staffing and resources to collect the fines. It was determined that it was in the City's best interest to outsource the program administration. In 2010, Alarm Tracking and Billing Services (ATB) was contracted to administer the program and in 2011 they were acquired by PMAM Corporation.

In 2012, staff conducted a Request for Proposals (RFP) to identify a vendor to provide alarm program administration services. The PMAM Corporation (PMAM – referring to PM and AM false alarm coverage) was the most qualified vendor and was selected to perform the functions required by OPD for this program. PMAM was contracted from July 1, 2013 to June 30, 2016 in the amount of \$450,000, with a contract amendment for \$242,796 for a total amount of \$692,796. The current contract was authorized by City Council Resolution No. 84501 C.M.S. and amended by Resolution No. 85392 C.M.S.

In July 2015, an RFP was again conducted to identify a vendor to provide alarm program administration services. Two vendors responded to the RFP: 1) PMAM Corporation; and 2) Alarm Program Systems, LLC. The RFP interview panel included staff from OPD, the City Administrator's Office and the Treasury Division. The panel interviewed both vendors and PMAM was selected as the most qualified vendor to administer the program.

ANALYSIS AND POLICY ALTERNATIVES

The False Alarm Reduction Program requires alarm users to obtain a permit from the City of Oakland prior to alarm use. The permit is obtained by completing a registration form supplied by the alarm company providing the alarm system. Alarm users are required to complete the registration form and pay the permit fee to the alarm company. Alarm permits are \$25 each year for residents, \$35 each year for businesses, and \$15 each year for qualified low-income seniors. False alarm fines for residential or commercial permit holders are \$84 for burglary and \$156 for panic or robbery. Since 2010, the program has been successful in reducing the number of false alarms which occur, allowing OPD personnel to focus more on actual emergencies within the City. Table 1 below provides the number of false alarms since 2010 and the percent decrease from 2010.

Table 1: Total number of false alarms per year: 2010-2015

Year	False alarm Count	Percentage Reduction from 2010
2010	9,077	-----
2011	8,133	-10%
2012	8,107	-11%
2013	7,634	-16%
2014	7,121	-22%
2015	6,927	-24%

PMAM Corporation issues the alarm permits and false alarm fines on behalf of OPD. In addition, PMAM Corporation provides the following services:

- Full web-based system known as the False Alarm Management System (FAMS)
- Citizen portal on the City website
- Revision to the current alarm ordinance
- Education and support materials to the public
- Training to City staff and alarm companies on the FAMS
- Live helpdesk from 8am – 4pm PST

PMAM Corporation will charge a flat fee of \$5 per permit and renewal plus actual postage cost associated with sending bills, reminders and/or any publication or announcement requested by OPD. The cost of the contract is based on an estimated 30,000 permits per year and 60,000 pieces of mail distributed per year. OPD is requesting a two-year at \$178,200 per year for an initial contract amount of \$356,400, plus three discretionary one-year extensions in the amount of \$178,200 per year, for a total contract amount not to exceed \$891,000.

FISCAL IMPACT

The estimated annual cost of the contract is based on a \$5.00 fee for 30,000 permits (new and renewal) per year plus 60,000 pieces of mail distributed at the bulk mail rate of \$0.47 cents per year. Below is the annual cost breakdown.

Table 2: Total Estimated Annual Cost to City (Permits and Postage)

	Estimate	Cost	Annual Cost
New and Renewal Permits	30,000	\$5.00	\$150,000.00
Postage (Bill/Reminder)	60,000	\$0.47	\$28,200.00
		Total	\$178,200.00

Table 3: False Alarm Reduction Program - Total Estimated Cost per Year with PMAM Contract

Contract Year	Fiscal Year	Amount
Year 1	FY 2016-17	\$178,200.00
Year 2	FY 2017-18	\$178,200.00
Year 3	FY 2018-19	\$178,200.00
Year 4	FY 2019-20	\$178,200.00
Year 5	FY 2020-21	\$178,200.00
	Total Contract	\$891,000.00

The annual cost associated with the contract, will be paid from Fund 2411, Organization 106510, Account 54919, Project P378820, Program PS01.

Fund Source	Organization	Account	Project	Program	Amount
2411	106510	54919	P378820	PS01	\$178,200/yr.
Total Expenditure					\$178,200/yr.

Table 4: False Alarm Program Revenue Received by the City in Past Years

Year	Permit Revenue	False Alarm Revenue	Late fees & Others	Total Revenue Received	Fees Paid to PMAM *	Net Revenue to Oakland
2010	\$595,737	\$460,680	\$5,416	\$1,080,452	\$50,750	\$1,029,702
2011	\$603,596	\$543,924	\$13,400	\$1,187,169	\$96,120	\$1,091,049
2012	\$630,265	\$654,886	\$62,880	\$1,380,419	\$99,395	\$1,281,024
2013	\$684,499	\$625,953	\$121,346	\$1,461,860	\$112,885	\$1,348,975
2014	\$725,420	\$497,757	\$21,623	\$1,274,130	\$127,530	\$1,146,600
2015	\$768,275	\$649,705	\$13,266	\$1,470,535	\$124,680	\$1,345,855

* Fees are based on \$5 per permit or renewal permit. PMAM will also deduct postage (\$0.47 currently) per permit/mailing, starting in 2016 with new contract.

PUBLIC OUTREACH / INTEREST

The RFP announcement was posted on iSupplier and also advertised via the Oakland Tribune. There was no further outreach necessary other than posting on the City's website.

COORDINATION

This report was reviewed by the Office of the City Attorney, the Budget Office, and the Controller's Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this resolution and contract.

Environmental: A reduction in false alarms will translate to a reduction in noise pollution and peace disturbances throughout the City.

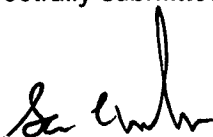
Social Equity: The City's False Alarm Reduction Program helps OPD to most effectively deploy its resources in such a manner as to promote greater public safety in the City. The program fees encourage responsible use of burglary alarms. This more responsible use has led to less false alarms occurring in the city in recent years. OPD can better focus resources on effective crime deterrence when less false alarm calls are generated.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Approve a Resolution Authorizing The City Administrator Or Designee To: 1) Award a Contract To PMAM Corporation For The Administration Of The False Alarm Reduction Program For Two (2) Years, Plus Three (3) Discretionary One-Year Extensions, For One Hundred Seventy-Eight Thousand Two Hundred Dollars (\$178,200) Per Year, Contingent Upon Available Funding, For A Total Contract Amount Not To Exceed Eight Hundred Ninety-One Thousand Dollars (\$891,000); and 2) Appropriate Said Funds From The False Alarm Fund (2411) Balance For The Administration of the False Alarm Reduction Program.

For questions regarding this report, please contact Juanita M. Velasquez, Administrative Analyst II, at (510) 238-6680.

Respectfully submitted,



Sean Whent
Chief of Police
Oakland Police Department

Reviewed by:
D. Nell Taylor, Fiscal Services Manager

Prepared by:
Juanita M. Velasquez, Administrative Analyst II
False Alarm Reduction Program


City Attorney

2016 APR 28 PM 2:08

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO: 1) AWARD A CONTRACT TO PMAM CORPORATION FOR THE ADMINISTRATION OF THE FALSE ALARM REDUCTION PROGRAM FOR TWO (2) YEARS, PLUS THREE (3) DISCRETIONARY ONE-YEAR EXTENSIONS, FOR ONE HUNDRED SEVENTY-EIGHT THOUSAND TWO HUNDRED DOLLARS (\$178,200) PER YEAR, CONTINGENT UPON AVAILABLE FUNDING, FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED EIGHT HUNDRED NINETY-ONE THOUSAND DOLLARS (\$891,000); AND 2) APPROPRIATE SAID FUNDS FROM THE FALSE ALARM FUND (2411) BALANCE FOR THE ADMINISTRATION OF THE FALSE ALARM REDUCTION PROGRAM

WHEREAS, the City of Oakland and the Oakland Police Department (OPD) monitor alarm activity and identify alarm users so as to contact the appropriate individual in response to an alarm call; and

WHEREAS, Oakland's Burglar Alarm Ordinance No. 12969 C.M.S. authorizes the City to charge permit fees and fees for alarm registration violations to ensure that police responses to false alarms do not diminish the overall availability of police services to Oakland residents; and

WHEREAS, by utilizing information technology companies to manage Oakland's False Alarm Reduction Program, OPD can focus police resources more specifically on crime prevention and related services; and

WHEREAS, the City of Oakland issued a Request for Proposal (RFP) in July, 2015, and PMAM Corporation was selected as the most qualified vendor to administer Oakland's False Alarm Reduction Program; and

WHEREAS, City Council previously passed Resolution No. 84501 C.M.S. approving a contract with PMAM Corporation from July 1, 2013 to June 30, 2016 and amended the contract with Resolution No. 85392 C.M.S. for a total contract amount of \$692,796; and

WHEREAS, PMAM will charge \$5 per permit registration and renewal and actual postage costs estimated at \$178,200 per year; and

WHEREAS, False Alarm refunds and convenience fee service charges will be refunded to PMAM via Direct Payment, per Administrative Instruction (AI)1021; and

WHEREAS, the funds will be appropriated from the False Alarm Reduction Program

Fund (2411), Fiscal Services Division Organization (106510), False Alarm Reduction Project (P378820), and from Agency-wide Administration Program (PS01); now, therefore be it

RESOLVED: That the City Council authorizes the City Administrator, or designee, to award the contract to PMAM Corporation for the administration of the False Alarm Reduction Program from July 1, 2016 through June 30, 2018 plus provide three (3) discretionary one-year extensions, for one hundred seventy-eight thousand two hundred dollars (\$178,200) per year, contingent upon available funding, for a total contract amount not to exceed eight hundred ninety-one thousand dollars (\$891,000); and be it

FUTHER RESOLVED: That PMAM will charge the City \$5.00 per new registration and renewal permit plus postage cost associated with the program; and be it

FUTHER RESOLVED: That all refunds associated with the program will be paid to PMAM via Direct Payment, per AI-1021; and be it

FUTHER RESOLVED: That the City Council authorizes the City Administrator, or designee, to appropriate funds from the False Alarm Fund (2411) Fund balance for the administration of the False Alarm Reduction Program; and be it

FURTHER RESOLVED: That the City Administrator, or designee, is authorized to complete all required administrative and financial actions, including negotiations, certifications, assurances, documentation and related actions as necessary to accept, execute, modify, amend, and/or increase the amount of the contract, without returning to the City Council; and be it

FURTHER RESOLVED: That in accordance with Article IV, section 401 (6) of the City Charter, agreements authorized by this resolution shall be approved by the City Attorney as to form and legality before execution and a copy of the fully executed agreements shall be placed on file with the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, AND PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California