



CITY OF OAKLAND

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AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Ahsan Baig

SUBJECT: Domain Awareness Center (DAC), Phase 2 Contract Award
DATE: January 10, 2014

City Administrator

Date

Approval

1/16/14

COUNCIL DISTRICT: City Wide

RECOMMENDATION

Staff requests that the City Council approve the resolution 1) authorizing the City Administrator or her designee to negotiate and execute a professional services agreement with Schneider Electric Inc to provide professional services for design/build/maintain services represented in Phase 2 of the City and Port Joint Domain Awareness Center (DAC) project for an amount not to exceed \$1,600,000, and 2) in case negotiations fail with Schneider Electric Inc, the City Administrator or her designee is authorized to negotiate and enter into a Contract with another vendor on the DAC Phase 2 evaluations ranking list, without returning to Council, and for the purpose of meeting the grant performance deadlines

EXECUTIVE SUMMARY

A resolution has been prepared for City Council approval which authorizes the City Administrator or her designee to negotiate and execute a Professional Services Agreement with Schneider Electric Inc for Phase 2 of the Joint City-Port Domain Awareness Center in an amount not to exceed \$1,600,000 for Phase II of the project This agreement will enable the City to engage Schneider Electric Inc to provide Professional Services which will include additional Design, Integration, Upgrade and Maintenance of the City of Oakland/Port of Oakland Joint Domain Awareness Center (DAC) The contract agreement is for Phase 2 of the project The DAC Phase 1 of the project has already been completed

DAC Phase 2 work will primarily consist of the following major tasks and deliverables

- 1 Integrating additional City and Port systems into the Physical Security Information Management System (PSIM),
- 2 Development of operational Workflows and Standard Operating Procedures (SOP), which will be implemented in the PSIM software platform, and
- 3 System maintenance and support

Item _____
Public Safety Committee
January 28, 2014

A detailed Statement of Work (SOW) is being developed with the collaboration of City staff, Port and Schneider engineers, to further define the work plans, deliverables, and timelines. The detailed SOW will be part of the Agreement, signed by both parties.

OUTCOME

The Department of Information Technology (DIT), in collaboration with the Port of Oakland, Oakland Police Department (OPD) and Oakland Fire Department (OFD) staff will work with Schneider Electric Inc. which will provide Professional Services to Design/Build/Maintain the City of Oakland/Port of Oakland Joint Domain Awareness Center. City staff and contracted project management staff will ensure that Schneider Electric Inc. meet all the project deliverables under the Professional Services agreement scope of work satisfactorily and within the project timeline of no later than May 30, 2014.

BACKGROUND/LEGISLATIVE HISTORY

The City of Oakland and Port of Oakland have jointly developed and advanced the Domain Awareness Center (DAC) initiative in an effort to consolidate a network of existing security, safety, and emergency management systems to enhance protection of, and response to, critical City/Port facilities, utility infrastructure, roadways, etc.

The City of Oakland released the original Request for Proposal (RFP) titled "City of Oakland/Port of Oakland Joint Domain Awareness Center – Provide Professional Services to Design/Build/Maintain City of Oakland/Port of Oakland Joint Domain Awareness Center" in October 2012. The scope of services in that RFP included two parts: A) Design-Build-Maintain Technology Linkage System and B) Design-Build Existing Building Improvements. Implementation of both parts was to be funded by the American Recovery and Reinvestment Act (ARRA) Port Security Grant Program.

Phase 1 of DAC Implementation was completed in June 2013. This phase completed a percentage of Part A (Design-Build-Maintain technology linkage System) and fully completed Part B (Design-Build Existing Building Improvements).

After the successful completion of Phase I, staff recommended to continue the Phase 2 integration effort with the same vendor who implemented Phase 1, primarily for continuity of services to save time. On July 2013, Council authorized the City Administrator to amend the 2013 DAC contract with Phase 1 vendor, by increasing the amount to be paid up to \$2 million dollars. However, as a result of the community feedback on nuclear work and that the vendor had been sued by another jurisdiction, staff demanded additional information from the vendor, SAIC. Upon further inquiries, the vendor acknowledged their engagement in the nuclear weapons work. As a result, the City Administrator Office (CAO) directed the staff to return to Council, and seek authorization to publish the RFP for Phase 2 work. Subsequently, staff returned to the City Council on Nov 19, 2013 for direction on how to proceed with selecting a Phase 2 vendor. The City Council directed staff to proceed with a revised RFP to select a Phase 2 vendor.

Additionally there was a subsequent, substantive change in grant funding requirements, and as a result of both circumstances the City/Port developed a revised, phased implementation plan in order to address such changes and ensure the DAC day-to-day operations would "go live" by July 1, 2014

In late November 2013, following Council approval on November 19, 2013, the City released a Supplemental Request for Proposals (SRFP) to find a vendor that could address the needs for Phase 2 of the project. The consulting service requirements were included in a Supplemental Request for Proposals and distributed to the five consulting firms short listed in the original October 2012 RFP process.

The following firms submitted proposals in response to the November 2013 Supplemental RFP

- 1 G4S Technology LLC
- 2 Motorola Solutions, Inc
- 3 Schneider Electric Inc

The selection process was divided into two steps, the first step included the proposals review and the second is the oral presentation by each vendor. In step one of the selection process, each of the vendor proposals was evaluated by a City-Port Evaluation committee comprised of six staff members, including two members of the Port of Oakland, two members of Department of Information Technology (DIT) and two members of the Oakland Fire Department (OFD). Oakland Police Department only reviewed the proposals, but could not participate in the ranking of the proposals or in the oral interviews. Based on the short timeline for this phase of the project, all three proposers were automatically moved on to the second step of the selection process.

For the second step of the selection process, the three firms were invited to present their proposals and participate in a question and answer (Q & A) session in the presence of the City-Port Evaluation committee. The Evaluation committee included the same members that evaluated the proposals. The committee evaluated the presentations and selected a finalist with the highest combined scores for all categories evaluated which included the proposal submitted, the in-person presentation and Q&A sessions. The committee's scoring of the firms concluded that Schneider Electric Inc. would be the most suitable consulting firm selected to perform the services. G4S Technology LLC came in second and Motorola Solutions, Inc. was third. The appropriate notification emails are sent to all the bidders. As a result, Schneider Electric Inc. has been invited to participate in contract negotiations and develop a detailed project management plan, including scope of work with the payment milestones.

ANALYSIS

Objective

The main objective of the professional services agreement with Schneider Electric Inc is for the vendor to provide the services needed to complete Phase 2 of the Joint City Port Domain Awareness Center (DAC) This has been defined as the DAC Design/Build/Maintain phase which will primarily consist of 1) integrating additional City and Port systems into the Physical Security Information Management System (PSIM), 2) development of end user workflows in the PSIM software platform, and 3) system maintenance

Methodology

The methodology used is detailed in the Supplemental Request for Proposals (SRFP), the original Request for Proposal (RFP) are restricted For Official Use Only (FOUO) and considered as the Security Sensitive Information (SSI) documentation

As previously stated, major deliverables will include

- 1 The completion of the Design-Build-Maintain Technology Linkage System (TLS)
- 2 Maintenance of specified systems
- 3 Further Development and implementation of CONOPS (Concept of Operations)

Because of the grant performance deadlines, all this work needs to be completed by June 2014 for invoices processing and reconciliation

Due Diligence Process:

As a result of the circumstances that led to the disqualification of SAIC from continuing onto Phase II, staff included in the selection of this new vendor an enhanced due diligence process Staff adopted a multi-prong due diligence process to perform a due diligence background check on each of the vendors backgrounds, relevant experience, and complaint/litigation history The process included the reference check and utilizing the various search engines for each company's business and contracting practices Each one of the findings identified by staff are included in Attachments A and B, included with this staff report Background checks, references and compliance with City policies were addressed with great scrutiny In an effort to insure full disclosure and knowledge of the full range of issues relative to the successful proposer, staff conducted a thorough reference and history check

Schneider Electric Inc.: Schneider Electric Inc has a long and rich history in the electrical power and industrial equipment business, with more than 100 years in operation Schneider Electric Inc is a provider of industrial equipment, and its core expertise is in power distribution and transmission equipment and industrial cooling technologies The company has 140,000 employees in more than 100 countries As an international company Schneider Electric Inc grew

from the “Creuson foundries” a company which manufactured armaments. During the first half of the 20th century Schneider abandoned armament manufacturing and turned to construction, iron, steel works and electricity as its core business focus. Since the start of the 20th century Schneider has acquired many companies (APC, Merlin Germ, Lee Technologies, Telvent, Umflair and Viridity, among others) that bring key technologies and services for the data center, such as uninterruptible power supply (UPS), power and cooling management and IT infrastructure management.

Based on the information submitted and background check performed, staff found Schneider Electric Inc. in compliance with the City’s Nuclear Free Zone Ordinance. As noted in the brief history below, Schneider Electric Inc. was involved in armaments in 1891 but moved out of that industry into the first half of the 20th century.

A brief history of Schneider Electric Inc. is as follows:

19th century

- **1836** The Schneider brothers took over the Creuson foundries. Two years later, they created Schneider & Cie.
- **1891** Having become an armaments specialist, Schneider innovated by launching itself into the emerging electricity market.

First half of the 20th century

- **1919** Installation of Schneider in Germany and Eastern Europe via the European Industrial and Financial Union (EIFU). In the years that followed, Schneider associated with Westinghouse, a major international electrical group. The Group enlarged its activity to manufacturing electrical motors, electrical equipment for power stations and electric locomotives.
- **Post war** Schneider gradually abandoned armaments and turned to construction, iron and steel works and electricity. The company was completely reorganized in order to diversify and open up to new markets.

Late 20th century

- **1981-1997** Schneider Group continued to focus on the electrical industry by separating from its non-strategic activities. This policy was given concrete form through strategic acquisitions by Schneider Group: Telemecanique in 1988, Square D in 1991 and Merlin Gerin in 1992.
- **1999** Development of Installation, Systems and Control with the acquisition of Lexcel, Europe’s number two in electrical distribution. In May 1999, the Group was renamed Schneider Electric Inc. to more clearly emphasize its expertise in the electrical field. The Group engaged in a strategy of accelerated growth and competitiveness.

Early 21st century

2000-2009 Period of organic growth, positioning itself in new market segments UPS (uninterruptible power supply), movement control, building automation and security through acquisitions of APC, Clipsal, TAC, Pelco, and Xantrex, becoming the global specialist in energy management

- o **2010** Schneider Electric Inc strengthens its lead in the development of the Smart Grid, with the acquisition of the distribution activities of Areva T&D
- o **2011** Schneider Electric Inc acquires leading software firm Telvent to reinforce its solution capability for the smart grid, intelligent transportation, and mission-critical infrastructure

Staff performed Internet search on Schneider Electric Inc to determine the company's past performance and any troubling indicators in dealings with Local, State and Federal agencies Variety of Internet Websites Sources were used, Google, BING, Gartner, pogo org, public intelligence, BBB, and GovtLoop etc These preliminary checks were performed to acquire a general understanding of troubled projects and company reputation via a web search A test repetition of the methodology may produce different results due to searching criteria and database indexing Each company's name was entered into the search engine with one of the "qualifiers" For each company and each qualifier, the first five pages of results were checked for any material that may be of interest Items of interest were documented including the original URL link in the attached document

According to Gartner, a world renowned IT research firm, Schneider Electric Inc continues to diversify its business with a strategy of leveraging its core business to become an energy management company To this end, over the past 10 years, the company has been acquiring assets that have positioned it as a provider of technologies and solutions for the IT industry—namely, data centers Since 2011, Schneider Electric Inc has also been making a stronger push with its IT Business and software solutions, in particular, as a way to differentiate from other IT solution providers and system integrators

The Internet search on Schneider revealed the following legal cases and settlements

1. Micciche v. Schneider Electric

APC, a subsidiary of Schneider, settled a lawsuit related to failure to properly pay overtime and benefits

http://www.classactionlawsuitsonline.net/Schneider/images/stories/schneiderelectric_micciche_notice.pdf

2. Schneider Electric dismisses biomass lawsuit against Vancouver

Schneider sued the City over a halted project, then later dropped the lawsuit

http://www.oregonhve.com/clark-county/index.ssf/2011/11/schneider_electric_dismisses_b.html

3. ***Schneider Electric Recalls 15 million APC Surge Protectors Due to Fire Hazard***
Product recall <http://www.cpsc.gov/en/Recalls/2014/Schneider-Electric-Recalls-APC-Surge-Protectors/>
4. ***Firm wins IPR lawsuit against Schneider (Xinhua)***
A Chinese low-voltage product company won a patent infringement lawsuit against French Schneider Electric http://www.chinadaily.com.cn/china/2007-09/29/content_6146686.htm
5. ***Digi International Fights Back Against Patent Creeps***
Patent holder suing Schneider and other firms over IP
<http://www.joelmurphy.net/digi-international-fights-back-against-patent-creeps/>

During the due-diligence process, staff inquired with Schneider Electric Inc about some of the lawsuit and litigation cases in various courts. The response received from Schneider management is included in this report as an attachment, and states that most of these cases are related to the patent infringements and intellectual property.

Moving forward, the project team consisting of staff members from DIT, OPD, and OFD will keep the City Administrator's Office and the Executive Management of OPD, OFD, and DIT informed on the progress of the project on a monthly basis once the contract is executed.

PUBLIC OUTREACH/INTEREST

The system upgrades will increase the Emergency Operations Center's (EOC's) ability to provide timely and accurate data to first responders, law enforcement and other public safety personnel in the City and Port of Oakland.

Public outreach is also being conducted in coordination with this project, and in generating privacy and data retention policies which will govern the appropriate management of technologies by City/Port staff and contractors as it relates to privacy laws, requirements and safeguards that will be incorporated in joint City-Port Domain Awareness Center operations.

COORDINATION

The Department of Information Technology has coordinated with OPD and OFD to select the best technical and cost-effective solution to meet the operational and functional needs. The Department of Information Technology has consulted with the City Attorney, Contracts and Compliance Office, and the Budget Office in preparation of this report.

COST SUMMARY/IMPLICATIONS

If approved, this resolution will authorize the Department of Information Technology in coordination with the Oakland Police and Fire Departments to enter into a professional services agreement with Schneider Electric Inc in an amount not to exceed \$1,600,000 for Phase 2 of the DAC project City of Oakland/Port of Oakland Joint Domain Awareness Center Phase 2 is being funded by a combination of FY09 and FY10 Federal Port Security Grant Program (PSGP) funds, granted to the Port of Oakland and sub-granted to the City of Oakland via a Port-City MOU that has been approved by the City Council and the Port of Oakland Board

FISCAL IMPACT

There is no fiscal impact to the General Fund All DAC Phase 2 Professional Services costs will be paid from the FY09 and FY10 PSGP grant funds, U S Department of Homeland Security Fund (2123), Emergency Management Services Division (20711) a grant project to be determined, and Emergency Management Service Program (PS21), the full grant funds will be appropriated to the Miscellaneous Federal Grants Accounts (46129)

SUSTAINABLE OPPORTUNITIES:

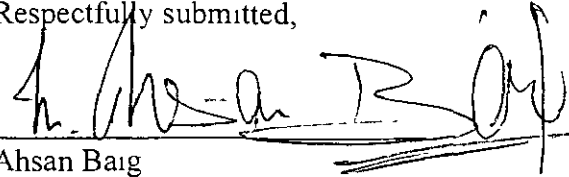
Economic The new solution will enhance Emergency Operations Center capabilities for effective and efficient methods for communicating information to the City and Port's first responders

Environmental There are no environmental issues associated with this report

Social Equity The services provided through this initiative will assist the community through improved first responder services

- For information regarding this report, please contact Ahsan Baig at (510) 238-3010

Respectfully submitted,



Ahsan Baig
Interim Director/CIO
Department of Information Technology

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ATTACHMENTS (3)

- (A) DAC Phase 2 - Vendor Reference Feedback
- (B) DAC Phase 2 - Vendor Background Search using Internet
- (C) DAC Phase 2 – Email response from Schneider related to the lawsuit settlements

DAC Phase 2 Vendor Reference Feedback

1 REFERENCE CHECK METHODOLOGY FOR DAC PHASE 2

- 1 References were pulled from each vendor's proposal, most contacts were from "References" or from "Project Experience" All contacts in the proposal were noted and contacted as long as they were not a part of the proposing vendor or sub-contractor companies
- 2 Motorola included a reference contact that was a current employee, and a member of the proposing team in the interview process, though he was not part of the company at the time the reference project took place He was not contacted for a reference
- 3 Contacts were first called by telephone, and if not answered, a message was left requesting a call back
- 4 An email was also sent requesting a call back for those contacts that an email address was provided for
- 5 Upon verbal communication with the contact, these four questions were asked, if given the time, in addition to any information the contact freely wished to share
 - a Would you work with this firm again given past experiences?
 - b What were strengths and weaknesses of deliverables?
 - c Was work performed on time and on budget?
 - d Were there challenges? If so, how did this vendor work through those challenges?

Answers and notes from each contact are below, please reference the original questions above

2 SCHNEIDER ELECTRIC INC

2.1 [REDACTED]

[REDACTED]

[REDACTED]

- a Yes But the project was four years ago and he hasn't done much work with them since Most of the project was transferred to the IT department after completion The IT department does continue to work with them and he believe has continued to award maintenance contracts to them on the project Mr Quesada is in the Engineering department, they use Schneider for smaller jobs
- b The project managers weren't as good with paperwork and billing as Mr Quesada would have liked The closeout inspections turned up items that needed to be fixed, but Schneider did fix all of them Most of the items that needed be fixed were done by local sub-contractor tradesmen They had some issues with the tradesmen that Schneider contracted, the work in PA wasn't up to par, but the work in NJ was good

- c Mostly yes, they had a lot of challenges, but was probably not much to do with Schneider Scheduled was pushed several times to complete on a tight schedule No claims were made on the completed project
- d They were reasonably cooperative They had challenges working with the different trades, particularly since the work was on a bridge between two states and two union territories One of the major issues that happened was when a NJ tradesman did work in PA, against union agreements
- e Follow up questions if given his field of usual potential bidders, would Schneider be considered as a potential candidate for future projects? Reply was that yes, they would be considered for additional work, or at least not disqualified

2.2 [REDACTED]
[REDACTED]
[REDACTED]

- 1 They are two years into the project with six months left to go He highly recommends Schneider They have been great to work with and have handled issues with suppliers Very highly recommended

Marshall was very happy with Schneider and did not offer additional information for the other questions

2.3 [REDACTED]
[REDACTED]
[REDACTED]

Number not in service

Emailed 12-19-2013

2.4 [REDACTED]
[REDACTED]
[REDACTED]

- a Yes They have received several maintenance renewals on the original contract The contract and renewals have been multi-million dollars
- b Strengths Technically capable, adaptive to the changing needs If he had to assign a weakness, and he didn't think this was really a weakness but more part of dealing with a governmental entity, but they have had challenges keeping billing paperwork straight between multiple jobs
- c Yes They justified all scope changes
- d The main challenges of the project were the adjustment of scope over the projects execution time He said they did well to meet the challenges

3 G4S TECHNOLOGY LLC

3.1 [REDACTED]
[REDACTED]
[REDACTED]

- a Yes They did a really good job, were very professional Feels they are trust worthy and a good partner He would hire them again
- b Strengths coordination on the complex project
- c The change orders were reasonable They did have to negotiate to get a reasonable price
- d Sub-contractors had some issues and didn't follow all protocols when doing some cabling Felt they might do a better job hiring subs

Thais Howard
[REDACTED]
[REDACTED]
[REDACTED]

left message 12-19-2013 130pm

4 MOTOROLA SOLUTIONS, INC

4.1 [REDACTED]
[REDACTED]

Left message, 12-19-2013 1212pm

4.2 [REDACTED]
[REDACTED]

- a Yes Have been working with them since 2007 Very professional
- b
 - 1 Strength They threw more resources as the project when it needed it, including assigning a local project manager
 - 2 Weakness The first project manager was based in Cincinnati and he felt they needed a local project manager After trying it for a while, they requested that a local project manager be assigned and one was, which improved the responsiveness
- c Yes So far with this project, everything has been on budget Motorola has worked with them
- d Political challenges with the project City council wanted cameras in all their wards and requested the locations be moved quite a few times Motorola worked with them and made it happen

DAC Phase 2 Vendor Background Search

Note These checks were performed to acquire a general understanding of troubled projects and company reputation via a web search. A test repetition of the methodology produced differing results.

1 BACKGROUND SEARCH METHODOLOGY FOR DAC PHASE 2

- 1 Each company's name was entered into the search engine with one of the "qualifiers". For each company and each qualifier, the next five pages of results were checked for any material that may be of interest. Items of interest were documented including the original URL link.
- 2 Non project related items such as shareholder lawsuits and patent infringement were not included in this document unless they appeared relevant.
- 3 Qualifiers used
 - a "lawsuit"
 - b "failed project"
- 4 Search engines used
 - a Google.com
 - b Bing

2 SCHNEIDER ELECTRIC INC

2.1 MICCICHE V SCHNEIDER ELECTRIC

APC, a subsidiary of Schneider, settled a lawsuit related to failure to properly pay overtime and benefits.
http://www.classactionlawsuitsonline.net/Schneider/images/stories/schneiderelectric_micciche_notice.pdf

2.2 SCHNEIDER ELECTRIC DISMISSES BIOMASS LAWSUIT AGAINST VANCOUVER

Schneider sued the City over a halted project, then later dropped the lawsuit.
http://www.oregonlive.com/clark-county/index.ssf/2011/11/schneider_electric_dismisses_b.html

2.3 ENERGY GIANT CONFIRMS BREACH OF CUSTOMER PROJECT FILES

Telvent a subsidiary of Schneider Electric, had a major breach of their project files by hackers.
http://www.computerworld.com/s/article/9231748/Energy_giant_confirms_breach_of_customer_project_files?pageNumber=1

2.4 SCHNEIDER ELECTRIC RECALLS 15 MILLION APC SURGE PROTECTORS DUE TO FIRE HAZARD

Product recall

<http://www.cpsc.gov/en/Recalls/2014/Schneider-Electnc-Recalls-APC-Surge-Protectors/>

2.5 FIRM WINS IPR LAWSUIT AGAINST SCHNEIDER (XINHUA)

A Chinese low-voltage product company won a patent infringement lawsuit against French Schneider Electric.

http://www.chinadaily.com.cn/china/2007-09/29/content_6146686.htm

2.6 DIGI INTERNATIONAL FIGHTS BACK AGAINST PATENT CREEPS

Patent holder suing Schneider and other firms over IP

<http://www.joelmurphy.net/digi-international-fights-back-against-patent-creeps/>

2.7 MORE PATENT SUITS

<http://www.controleng.com/search/search-smale-display/rockwell-sues-schneider-solara-law-firm-over-patent-enforcement-lawsuits/3c81bd1b66.html>

2.8 LAWSUIT IN PROGRESS, DETAILS UNKNOWN

<http://www.rfcexpress.com/lawsuits/property-damage-product-liability/oklahoma-western-district-court/217079/scottsdale-insurance-company-and-joe-skoda-v-schneider-electnc-usa-inc/summary/>

2.9 ANOTHER LAWSUIT FILED FROM WELSPUN FIRE

Schneider named, among many defendants in a lawsuit over a control room fire
<http://www.arkansasbusiness.com/article/95259/another-lawsuit-filed-from-welspun-fire>

3 G4S TECHNOLOGY LLC

3.1 G4S INVESTIGATED; SERCO TO REPAY \$112 MILLION FOR OVERCHARGING UK THURSDAY DEC 19, 2013 | THE ASSOCIATED PRESS

In July, Britain's attorney general said two firms, Serco and G4S, had charged the government millions for people they were not actually monitoring. In a few cases, offenders they were supposedly monitoring were dead.

The revelations prompted the government to review all contracts held by Serco and G4S.

The justice ministry said Thursday that G4S was facing further investigation by the Serious Fraud Office over problems with contracts for facilities management in courts.

<http://www.newsdaily.com/business/132a30cbLf4b98442bfL05394932a2f4/serco-to-repay-112-million-for-overcharging-uk>

3.2 TIMELINE: HOW G4S'S BUNGLED OLYMPICS SECURITY CONTRACT UNFOLDED [HTTP://WWW.TELEGRAPH.CO.UK/FINANCE/NEWSBYSECTOR/SUPPORTSERVICES/10070425/TIMELINE-HOW-G4SS-BUNGLED-OLYMPICS-SECURITY-CONTRACT-UNFOLDED.HTML](http://www.telegraph.co.uk/finance/newsbysector/supportservices/10070425/TIMELINE-HOW-G4SS-BUNGLED-OLYMPICS-SECURITY-CONTRACT-UNFOLDED.html)

3.3 G4S BRACED FOR A SECOND SERIOUS FRAUD OFFICE PROBE, AS SHARES TANK OVER FIRM'S GOVERNMENT WORK

[HTTP //WWW THISISMONEY CO UK/MONEY/MARKETS/ARTICLE-2526673/G4S-BRACED-SECOND-SERIOUS-FRAUD-OFFICE-PROBE-SHARES-TANK-FIRMS-GOVERNMENT-WORK HTML#IXZZ2O2JG2WIY](http://www.thisismoney.co.uk/money/markets/article-2526673/g4s-braced-second-serious-fraud-office-probe-shares-tank-firms-government-work.html#IXZZ2O2JG2WIY)

3 4 G4S OLYMPIC SECURITY CONTRACT LOSSES INCREASE TO £88M

Security company agrees settlement with London 2012 organizers over failure to provide enough guards for Games

[HTTP //WWW THEGUARDIAN COM/BUSINESS/2013/FEB/12/G4S-OLYMPIC-SECURITY-CONTRACT-LOSSES](http://www.theguardian.com/business/2013/feb/12/g4s-olympic-security-contract-losses)

3 5 G4S OTHER CONTROVERSIES HAS G4S ALWAYS BEEN THIS CONTROVERSIAL?

In the early 1990s, several prisoners escaped while being transported by G4S predecessor Group 4. In 2010, the company received hundreds of complaints from illegal immigrants held in G4S detention centres, including allegations of assault and racism. G4S insisted that the level of substantiated complaints was extremely low and they were of a minor nature.

Later that year, Angolan detainee Jimmy Mubenga died after being restrained by G4S guards, three of whom were arrested on suspicion of manslaughter. They are currently on bail.

In October 2011, inmates in Birmingham Prison, which is managed by G4S, were locked in their cells for almost a day after a set of keys fitting every cell door went missing. In another incident in August 2011, G4S staff attached an electronic monitoring tag to the false leg of a one-legged criminal, meaning he was able to go out and leave it at home. G4S sacked the two members of staff responsible.

[http //www.theweek.co.uk/olympics/47967/what-g4s-and-has-it-always-been-so-controversial](http://www.theweek.co.uk/olympics/47967/what-g4s-and-has-it-always-been-so-controversial)

3.6 G4S AGM STORMED BY PROTESTERS OVER ITS 'TOXIC CONTRACTS'

ANGRY G4S SHAREHOLDERS BOMBARDED THE SECURITY COMPANY'S BOARD WITH A BARRAGE OF ACCUSATIONS RANGING FROM ITS INVOLVEMENT IN ISRAELI PRISONS, TO THE DEATH OF ASYLUM SEEKER JIMMY MUBENGA, LOW PAY FOR STAFF AND ITS SUITABILITY TO RUN RAPE CRISIS CENTRES IN THE MIDLANDS

[HTTP //JFJFP COM/?P=44509](http://jfp.com/?p=44509)

3.7 IN THE WAKE OF THE OLYMPIC GAMES VETTING SCANDAL, PRIVATE SECURITY COMPANY G4S MAY HAVE HOPED THAT ITS PERIOD ON THE PUBLIC RACK HAD COME TO AN END.

But G4S's vetting, it appears, is fraught with failure abroad just as it is in East London – only with far deadlier consequences

Tonight on BBC Scotland, reporter Samantha Poling investigates the the deaths of private security contractors in Iraq and Afghanistan and the lax security standards of the multi-billion pound firms that send young men to war zones and arm them with deadly weapons

<http://www.thebureauinvestigates.com/2012/10/01/leaked-emails-warned-g4s-over-iraq-murders/>

3.8 DUTCH UNION DUMPS G4S FOR AIDING ISRAEL'S HUMAN RIGHTS ABUSES

Abvak Abo, a trade union with 350,000 members in the Netherlands, has ended its relationship with G4S, a private security firm that has equipped Israel's prisons in the occupied West Bank

<http://altahrir.wordpress.com/2013/12/16/dutch-union-dumps-g4s-for-aiding-israels-human-rights-abuses/>

3.9 G4S WIKIPEDIA

List several incidents with varying degrees of citations

http://en.wikipedia.org/wiki/G4S_Secure_Solutions

4 MOTOROLA SOLUTIONS, INC.

4.1 MISREPRESENTATIONS REGARDING PROJECT READINESS

By letter dated November 1, 2010, the County Executive of Santa Clara County, California, requested an investigation of the nearly \$50.6 million Broadband Technology Opportunities Program (BTOP) 1 grant awarded to Motorola Solutions, Inc (formerly Motorola, Inc , hereinafter Motorola) for the project known as the San Francisco Bay Area Wireless Enhanced Broadband (BayWEB) The letter claimed that the application contained misrepresentations and misinformation-and that the selection of Motorola as a grant applicant represented a conflict of interest. Allegations regarding the award had been previously sent to NTIA in September 2010, before the award was accepted by Motorola

<http://www.oig.doc.gov/OIGPublications/OIG-12-016-M.pdf>

4.2 MOTOROLA SOLUTIONS THREATENS LAWSUIT AGAINST MERCER COUNTY

Motorola sues county over losing a non-conforming bid

http://www.ni.com/mercer/index.ssf/2012/06/motorola_solutions_threatens.html

4.3 MOTOROLA SOLUTIONS BEING INVESTIGATED FOR FOREIGN BRIBERY

<http://classactioncentral.com/motorola-solutions-being-investigated-for-foreign-bribery/>

4.4 LAWSUIT: DIGITAL RADIOS AT FAULT IN CINCINNATI LODDS

Radios failed first responders

<http://firechief.com/technology/communications/cincinnati-digital-radio-lawsuit-20110813>

4.5 MICROSOFT, GENERAL ELECTRIC, AND MOTOROLA SOLUTIONS BREAK FROM THE U.S. CHAMBER OF COMMERCE ON CONFLICT MINERALS

<http://www.enoughproject.org/blogs/microsoft-general-electric-and-motorola-solutions-break-us-chamber-commerce-conflict-minerals>

Baig, Ahsan

From Anthony Destefano@schneider-electric.com
Sent Wednesday, January 08, 2014 8:29 AM
To chns@datastew.com, Steve Reinharz@schneider-electric.com
Cc Baig, Ahsan, Domingo, Renee, Barnes, Deborah
Subject RE: DAC Phase 2 Project History Search
Attachments: DRAFT_DAC-Phase2_ProjectHistorySearch-Schneider (3).docx

Chris,

Steve asked me to respond to your request regarding the legal issues involving Schneider Electric.

I reviewed all the claims and decided that our legal department must review them and respond to your request. Our attorneys have advised us that Schneider Electric for legal reasons cannot comment on any of these litigation issues regardless if it's past, present or anticipated litigation. The majority of these litigations have either been settled or dropped. A good portion of them involve patent infringements with other Schneider Electric divisions which are separate legal entities for products which will not be utilized on the DAC Phase 2 project. Furthermore, our attorneys suggest that these litigation issues do not have any direct or indirect relationship to the project or the City of Oakland and would not prevent us from meeting the requirements of this RFP.

If you require any additional information, please feel free to contact me.

Regards,

Tony

Anthony DeStefano | Schneider Electric | Buildings Business | Security Center Of Excellence | National Director, Integrated Security Sales
Phone: +1 201 348 9240 | Mobile: [REDACTED] | Fax: +1 201 348 9530 | Address: 210 Meadowland Parkway, Suite D, Secaucus, NJ 07094, USA

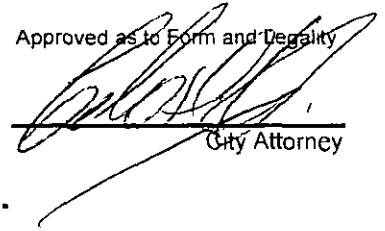
Email: anthony_destefano@schneider-electric.com | Site: www.schneider-electric.com/buildings

From: Chns Millar [<mailto:chris@datastew.com>]
Sent: Monday, January 06, 2014 7:50 PM
To: Steve Reinharz
Cc: Ahsan Baig, Domingo, Renee, Deborah Lusk-Barnes (dbarnes@oaklandnet.com)
Subject: DAC Phase 2 Project History Search

Steve,

In our background search, we discovered a few items that we would like Schneider to provide comment on. Could you please take a look at the attached document and provide a synopsis of the current disposition of each item, the measures put in place to prevent the occurrence from happening again (for adverse items), and/or what measures would be put in place to ensure that City of Oakland would not experience similar adverse situations?

Also, please provide detail on any other projects/items that might come up that would create adverse conditions around the public acceptance of Schneider as the contractor. It's better to know in advance!



City Attorney

2014 JAN 16 PM 14:31 RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO:

- 1) **NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH SCHNEIDER ELECTRIC INC. TO PROVIDE PROFESSIONAL SERVICES FOR DESIGN/BUILD/MAINTAIN SERVICES REPRESENTED IN PHASE 2 OF THE CITY AND PORT JOINT DOMAIN AWARENESS CENTER (DAC) PROJECT FOR AN AMOUNT NOT TO EXCEED \$1,600,000; AND**
- 2) **IF NEGOTIATIONS FAIL WITH SCHNEIDER ELECTRIC INC, THE CITY ADMINISTRATOR OR HER DESIGNEE IS AUTHORIZED TO NEGOTIATE AND ENTER INTO A CONTRACT WITH ANOTHER VENDOR ON THE DAC PHASE 2 EVALUATIONS RANKING LIST, WITHOUT RETURNING TO COUNCIL**

WHEREAS, Congress and the Obama Administration intended the Port Security Grant Program (PSGP) to be one of the tools in a comprehensive set of measures to strengthen the Nation's critical infrastructure against risks associated with potential terrorist attacks, and

WHEREAS, the Port of Oakland submitted PSGP grant proposals to jointly develop, establish and operate a City/Port Domain Awareness Center (DAC) utilizing the City of Oakland Emergency Operations Center (EOC) to consolidate a network of existing surveillance and security sensor data to actively monitor critical Port facilities, utility infrastructure, City facilities and roadways, and

WHEREAS, on May 23, 2013, the Port of Oakland Board of Directors approved a resolution for the Port of Oakland to enter into a Memorandum of Understanding and Grant Administration Agreement to provide up to two million dollars (\$2,000,000) of supplemental FY09 and FY10 PSGP grant funding with the City of Oakland to further expand the development of the City/Port Domain Awareness Center (DAC) and embark upon Phase 2 of the expansion of the systems integration as well as equipment/system enhancements, and

WHEREAS, on July 30, 2013, the City Council passed Resolution No 84593, approving the appropriation of grant funds required agreements between the City and the Port, and

WHEREAS, on November 19, 2013, the City Council pursuant to Resolution 84725, waived further advertising and the competitive Request For Proposals selection requirements of the Oakland Municipal Code, and authorized the staff to select a vendor from the pool of vendors that responded to the RFP titled, "City of Oakland/Port of Oakland Joint Domain Awareness Center, October 2012" in an amount not to exceed \$2 million dollars. and

WHEREAS, the City seeks to utilize these additional funds to complete Phase 2 of the Domain Awareness Center (Phase 2), and

WHEREAS, the City wishes to negotiate a new contract for Phase 2 work, which consists of, but is not limited to, additional enhancements to the Emergency Operations Center, additional systems' integration such as the Port Geographic Information Systems (GIS) and other key City Public Safety Information Technology systems, and

WHEREAS, the City finds and determines that the services provided pursuant to the agreement authorized hereunder are of a professional, scientific or technical nature and are temporary in nature, and

WHEREAS, the City finds and determines that this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive service, now, therefore, be it

RESOLVED: that the City Administrator or her designee is authorized to accept, appropriate, and administer up to two million dollars (\$2,000,000) of American Recovery and Reinvestment Act (ARRA) supplemental Port Security Grant funds for (PSGP) fiscal years 2009 and 2010 for Phase 2 of the joint Port of Oakland/City Domain Awareness Center (DAC) project, and be it

FURTHER RESOLVED: That the City Administrator or her designee is hereby authorized to execute any amendments or modifications to said Port/City agreement and the Professional Services Contract with Schneider Electric, Inc in an amount not to exceed \$1.6 million dollars, and be it

FURTHER RESOLVED If such negotiations are unsuccessful with Schneider Electric Inc , that the City Administrator is hereby authorized to negotiate and enter into a contract with another vendor on the DAC Phase 2 evaluations ranking list, without returning to Council, and be it

FURTHER RESOLVED That funds to complete this project will be drawn from Fund (2123), Org (20711), Program (PS21), Accounts and Projects to be Determined, and be it

FURTHER RESOLVED: That the City Administrator or her designee is authorized to accept and appropriate said FY 2009 and FY2010 PSGP Grants funds into U S Department of Homeland Security Fund (2123), Emergency Management Services Division (20711) a grant project to be determined, and Emergency Management Service Program (PS21), the full grant funds will be appropriated to the Miscellaneous Federal Grants Accounts (46129), and be it

FURTHER RESOLVED: That the agreement(s) and other actions authorized hereunder shall be reviewed and approved by the Office of the City Attorney for form and legality and filed with the Office of the City Clerk

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE

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

NOES -

ABSENT -

ABSTENTION -

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