



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: LeRonne L. Armstrong
Chief of Police

SUBJECT: PMAM False Alarm Management
Contract

DATE: February 19, 2021

City Administrator Approval

Date: Apr 1, 2021

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 Ninety Six Thousand and Twenty Dollars (\$196,020) Per Year, For A Total Contract Amount Not To Exceed Nine Hundred Eighty Thousand One Hundred Dollars (\$980,100); and 2) Appropriate Said Funds From The False Alarm Fund (2411) Balance For The Administration of the False Alarm Reduction Program.

EXECUTIVE SUMMARY

The Oakland Police Department (OPD) is requesting City Council approval of a resolution authorizing a contract with PMAM Corporation for an estimated amount of \$196,020 per year from July 1, 2021 through June 30, 2023, plus three additional one-year options to renew for a total amount not to exceed \$980,100 over a five-year period. PMAM Corporation will charge the City a flat fee of \$5 per permit and/or renewals and late fees. The City will also pay postage costs associated with sending bills, reminders and/or any publication or announcement requested by OPD. The city will be reimbursed through permit fees paid by alarm registrants.

PMAM Corporation was deemed the most qualified vendor after OPD conducted a request for proposals (RFP) in June 2020. This contract will allow OPD to continue the administration of the False Alarm Reduction Program after the current contract expires on June 30, 2021.

BACKGROUND / LEGISLATIVE HISTORY

The False Alarm Reduction Program was implemented by OPD in November 2003 by Ordinance No. 13015 C.M.S., and amended in 2010, 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. For example, if there are 6,000 false alarms a year (**see Table 1 on page 3**), and an officer spends 30 minutes responding to each false alarm, it would take at least 3,000 hours over one year to respond to each false alarm call; it would likely (on average) take

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approximately two full time officers to respond to each call (if calls happened sequentially so officers could spend an entire shift responding). The full loaded annual cost of two officers would be over \$400,000. In reality, as OPD cannot employ officers for such a task – the time spent responding to false alarms means that each officer is then not available to respond to other important public safety calls for service.

Fees also assist in encouraging residents and businesses to properly use and maintain their alarm systems, thus reducing false alarms. The program allows OPD to redirect police resources to crime prevention, recover costs associated with responding to false alarms, and partially deter false alarms. During the initial implementation, OPD staff was able to implement the alarm registration and permit aspect of the program; however, OPD did not have adequate staffing or resources to collect and process fines. It was determined that it was therefore in the City's best interest to outsource the administration of the program. In 2010, 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) 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. That 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: PMAM Corporation and 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. That RFP resulted in the current contract in the total amount of \$891,000 over a 5-year period starting July 1, 2016, and it ends on June 30, 2021. This contract was authorized by the City Council via Resolution No. 86181 C.M.S.

In June 2020 an RFP was conducted, and PMAM was selected again as the most qualified vendor for false alarm management services. A different alarm system company also submitted a bid, and a third company made an inquiry, but did not submit a bid. The RFP panel selected PMAM as the most qualified vendor based on experience, technical systemic readiness, and adequate staffing.

ANALYSIS AND POLICY ALTERNATIVES

The False Alarm Reduction Program, in accordance with the Program Ordinance approved by the City Council, requires new alarm users to register for a permit from the City of Oakland prior to installing and activating an alarm system. First-time alarm users choose their monitoring company and usually purchase their alarm unit from them. The monitoring company provides their new client with a permit registration form which is completed, and they collect a permit registration fee to begin the registration process. The monitoring company sends the registration form and fee to PMAM Corporation, which is the program administrator contracted by the City of Oakland, and they issue a permanent permit number. During the waiting period, the alarm user receives a temporary number. Upon registering for the permit, the alarm user is in compliance,

and the alarm system is activated and monitored by their monitoring company. After activation, when there is an alarm, the monitoring company will represent them and contact OPD for dispatch to the alarm site. Each year PMAM will directly bill the alarm user for the annual permit registration fee which is \$25 for residents, \$35 for businesses, and \$15 for qualified low-income seniors. False alarm fines for residential or commercial permit holders are \$84 for burglary and \$156 for panic or robbery. These funds are used to support both OPD's administration of the program as well as some of the costs OPD's bears in providing a patrol response to false alarms. Therefore, the false alarm fees paid to OPD provide the needed funds to support the approximately \$196,000 annual false alarm program contract cost.

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. The chart below provides the number of false alarms since 2010 and the percent decrease from 2010. The chart ongoing reductions in false alarms point to a correlation between the program and ongoing reductions in false alarms.

Table 1: Total number of false alarms 2010-2019

Year	False alarm Count	Percentage Change Year over Year
2010	9,077	
2011	8,133	-10.40%
2012	8,107	-0.32%
2013	7,634	-5.83%
2014	7,121	-6.72%
2015	6,927	-2.72%
2016	5,957	-14.00%
2017	6,324	6.16%
2018	6,286	-0.60%
2019	5,875	-6.54%

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)
- User 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

For its services, PMAM Corporation will charge the City a flat fee of \$5 per each permit, renewal, and late fee collected, plus actual postage costs associated with sending bills, reminders and/or any publication or announcement requested by OPD. All other incoming revenues are allocated to OPD for operational and related personnel costs of the program. Since its inception, this program has been self-sufficient; revenues generated beyond covering the PMAM contract are used for covering the services listed in the bullet points above. The cost

of the contract is based on an estimated 33,564 permits, renewals and late fees per year and 60,000 pieces of mail distributed per year. OPD is requesting a two-year contract in the amount of \$392,040 plus three discretionary one-year extensions in the amount of \$196,020 per year, for a total contract amount not to exceed \$980,100.

FISCAL IMPACT

There is no negative fiscal impact to the City, as the costs of the program are fully covered by the fees authorized by the Ordinance.

The estimated annual cost of the contract is based on a \$5.00 fee for 33,564 permits (new and renewals) and late fees 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.

Total Estimated Annual Cost:

	Estimate	Cost	Annual Cost
Permit, Renewal, and Late Fees	33,564	\$5.00	\$167,820.00
Postage (Bill/Reminder)	60,000	\$0.47	\$28,200.00
	Total Annual Cost		\$196,020.00

Fiscal Year Cost

Contract Year	Fiscal Year	Amount
Year 1	FY 2021-22	\$196,020.00
Year 2	FY 2022-23	\$196,020.00
Year 3	FY 2023-24	\$196,020.00
Year 4	FY 2024-25	\$196,020.00
Year 5	FY 2025-26	\$196,020.00
	Total Contract	\$980,100.00

The annual cost associated with the contract will be paid from Fund 2411, Organization 106510, Account 54919, Project 1000783, Program PS01.

Fund Source	Organization	Account	Project	Program	Amount
2411	106510	54919	1000783	PS01	\$196,020/yr.
Total Expenditure					\$196,020/yr.

PUBLIC OUTREACH / INTEREST

The RFP announcement was posted on iSupplier and also advertised via the East Bay Times. There was no public outreach during the preparation of this report.

COORDINATION

This report was reviewed by the Office of the City Attorney and the Finance Department's Budget 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.

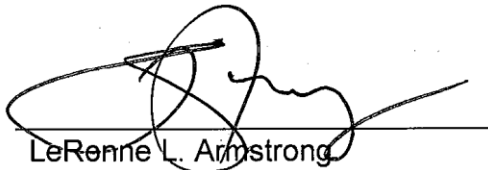
Race and Equity: The expedient operation of the False Alarm Program shifts a large portion of public safety response costs to those citizens causing false alarms and creates an incentive for responsible use of security alarm systems. Therefore, the False Alarm Program enables OPD to maximize resources towards actual emergencies. All residents and visitors benefit from greater public safety when OPD is able to more effectively use available resources.

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 Ninety Six Thousand and Twenty Dollars (\$196,020) Per Year, For A Total Contract Amount Not To Exceed Nine Hundred and Eighty Thousand One Hundred Dollars (\$980,100); 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,



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Oakland Police Department

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False Alarm Reduction Program