

Agenda Report

Date: June 23, 2014

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH TRICADE TECNOLOGIES, LLC. TO FURNISH AND DELIVER AN INTERNET PROTOCOL VIDEO SURVEILLANCE SYSTEM FOR THE WATER AND POWER DEPARTMENT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act ("CEQA") §15301 (Existing Facilities);
2. Authorize the City Manager to enter into a purchase order contract with Tricade Technologies, LLC. for an amount not to exceed \$367,208 to furnish and deliver an Internet Protocol ("IP") Video Surveillance System for the Water and Power Department.

BACKGROUND:

The Water and Power Department ("PWP") is in the process of implementing system improvements to enhance security at its facilities throughout the City of Pasadena. Projects currently underway include door and window replacement at the Power Dispatch facility, planned construction of a permanent wall around the TM Goodrich receiving station, and integration of citywide access control systems. PWP is also in the process of replacing the existing outdated surveillance and access control system that provides monitoring and tracks physical access to security perimeters of each facility. Replacement of this aging system will ensure that PWP is adhering to Critical Infrastructure Protection standard 006-3 "Cyber Security – Physical Security of Critical Cyber Assets" as mandated by the North American Electric Reliability Corporation ("NERC").

PWP consulted with the Department of Information Technology ("DoIT") to develop a specification to replace the City's current outdated system with a modern high definition system that would meet NERC requirements and could also be expanded and scaled to support all City facilities when citywide surveillance requirements are defined and funding is available.

The proposed system will improve monitoring of activities near the physical perimeters of PWP structures; provide real-time information about access to all facilities, and provide intelligent video analytics and high definition images of critical facilities such as the power plant, substations and water reservoirs. In addition, the new technology will provide virtual network video recorders and ensure best-practice integration of the hardware and software using a single vendor. System installation, configuration and deployment will be completed by PWP staff. The estimated cost for the project was approximately \$450,000 based on Western States Contracting Alliance and Manufacturer's Suggested Retail Pricing for the hardware and software included in the bid specification.

The first Notice Inviting Bids was published in *The Pasadena Journal* and posted on the City's webpage on January 9, 2014. Although more than 70 prospective bidders accessed the specification from the online posting, only one responsive bid was received and opened on January 23, 2014. It was determined that a single bid may not ensure a comprehensive evaluation of the technology and pricing available for this project. Therefore, the City Council rejected this bid based on PWP's recommendation on March 17, 2014.

After removing the bid security requirement in order to attract a larger pool of prospective bidders, a second Notice Inviting Bids was published in *The Pasadena Journal* and posted on the City's webpage on April 7, 2014. All other details of the specification remained unchanged. Although fifty-five (55) prospective bidders accessed the second set of specifications, again only one responsive bid was received and opened on April 22, 2014.

<u>Vendor:</u>	<u>Bid Amount</u>
Tricade Technologies, LLC, San Diego, CA	\$349,722

PWP has determined that the reason for the very limited response is due to the requirement that a single vendor provide the hardware, software, and the virtual network video recorders but without the installation and full deployment services. This requirement may represent a challenge to smaller vendors who may be able to offer only the software services or the hardware, but not both. In contrast, many larger security system integrators focus on large scale projects that produce turnkey solutions, so this design may not have been considered worthwhile because it doesn't represent a full solution project for larger vendors.

PWP has evaluated the option of separating the software and hardware components of the project to attract additional vendors. Another alternative that was considered would allow a vendor to provide a full-service, turnkey solution that would include installation, deployment and training. Each of these options was ultimately determined to have a significantly higher cost and/or introduce a higher risk to completion of the project. Six local vendors accessed the bid specifications from the online posting, but ultimately chose not to respond. PWP believes that significant savings will be realized by procuring the software and equipment from a single vendor and then using staff for a majority of the installation, configuration and deployment. The bid submitted by Tricade

Technologies, LLC. met all of the requirements of the specification and it is recommended that a contract in an amount not to exceed \$367,208 be awarded to this vendor. The amount includes the base bid plus a 5% contingency for any necessary change orders. The equipment will be under warranty for five years from the commissioning date, and no maintenance expenses are expected during that time.

The recommended IP Video Surveillance System meets the requirement to scale the system to accommodate surveillance equipment on other City facilities and be hosted on PWP's virtualized servers. This solution will ensure compliance with NERC security requirements and with the City's goal to expand the use of virtualization to reduce hardware costs, energy use, and physical space requirements for the majority of its systems.

The proposed contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated thereunder.

COUNCIL POLICY CONSIDERATION:

By providing City employees with a digital high definition surveillance system to monitor and secure facilities, the proposed contract is consistent with the Public Facilities Element of the General Plan and supports the City Council's goal to improve, maintain and enhance public facilities infrastructure and to implement capital improvements that will maintain and rehabilitate infrastructure.

ENVIRONMENTAL ANALYSIS:

The proposed action is exempt from the CEQA pursuant to California CEQA Guidelines Section 15301 (Existing Facilities), which exempts actions such as maintenance, repair and operations relating to existing facilities, mechanical equipment or structures where there is negligible or no expansion of the use. The proposed project is for installation of equipment that will only be used to surveillance city facilities on the corporate network infrastructure and will not add capacity.

FISCAL IMPACT:

The maximum cost of this action is \$367,208. Funding for this action will be addressed by the utilization of existing budgeted appropriations in the following accounts:

Power Capital Fund 411:

CIP 3013	Facility Security Systems	\$267,208
CIP 3119	Management Information Systems	\$75,000

Water Capital Fund 412:

CIP 1025	Management Information Systems	\$25,000
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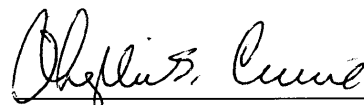
It is expected that approximately 75% (\$275,406) of the funds will be expended in fiscal year 2014 and remaining 25% (\$91,802) in fiscal year 2015.

The following table summarizes the total fiscal impact in fiscal years 2014 and 2015.

Base Contract Amount	\$349,722
Contingency	\$17,486
Not to Exceed Amount	\$367,208
Contract Administration	\$0
Total 2014 Fiscal Impact	\$275,406
Total 2015 Fiscal Impact	\$91,802

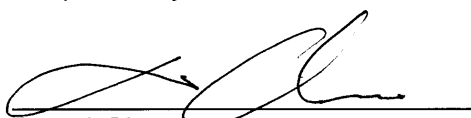
There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



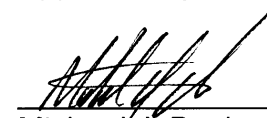
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