



Agenda Report

May 21, 2018

TO: Honorable Mayor and City Council

FROM: Finance Department

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH PUBLIC SAFETY CORPORATION FOR FALSE ALARM PERMITTING AND COLLECTION MANAGEMENT SERVICES

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action proposed herein is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment; and
2. Authorize the City Manager to enter into a contract, as the result of a competitive selection process, as specified by Section 4.08.047 of the Pasadena Municipal Code (P.M.C.), with Public Safety Corporation for false alarm permitting and collection management services in an amount not to exceed of \$180,000 which includes the base contract amount of \$150,000 for a four-year term and a \$30,000 contingency to provide for any necessary change orders; and
3. To the extent this action could be considered a separate procurement subject to the Competitive Selection Process, it is recommended that the City Council grant the contract an exemption pursuant to P.M.C. Section 4.08.049(B), contracts for which the City's best interests are served.

BACKGROUND:

In September of 2016, the City's Fire Department initiated a Request for Proposals to obtain services for false fire alarm management services. In January 2017, a selection process was conducted and a contract was awarded to Public Safety Corporation (PSC) in the amount of \$74,999. Since implementation, the outsourcing of this function has proven reliable and efficient and revenue collections have increased. Since 2017, the City has awarded Public Safety Corporation one, multi-year contract via a competitive selection process which has increased revenue by \$156,000 for a total amount

generated of \$180,000. On April 5, 2018, the City Manager approved an extension for a four-year term.

As a result of the successful performance of PSC under their current contract, Finance Department staff conducted research to determine if a program will work as well for false alarm permitting and collections. After meeting with several firms that perform such work, the Finance Department is requesting that the City Council approve a contract which would piggyback on the existing contract with the same pricing terms. It is in the City's best interest to continue to work with the existing contractor to ensure consistency in service delivery.

The Finance Department currently handles all police alarm services, which includes issuing permits for both commercial and residential systems, monitoring false alarms, and invoicing and collecting fee payments. False alarms occur when the alarm system is triggered by a non-emergency situation and police respond without incident. Fees of \$139 per occurrence are assessed upon the second and subsequent occurrences in a 12-month period. In contracting this function with PSC, the firm would handle the permitting process, the daily download and assessment of police Computer Aided Dispatch (CAD) records data, and invoicing and collection of fees.

PSC has over 19 years of experience in providing false alarm services and currently contracts with approximately 315 agencies in support of over 500 governmental agencies in the United States and Canada. PCS currently contracts with 38 cities in California, including Los Angeles, San Diego, Pomona, and Riverside. Due to longstanding relationships with numerous alarm companies in various states, PSC regularly obtains customer data to review new and returning customers for each jurisdiction they handle. This information is compared with the CAD alarm incident data and initial permittee listings provided by the City to determine fee assessments. PSC's client cities report an overall reduction in the number of false alarms, an increase in permits issued, and a decrease in the number of unpermitted locations. The Finance Department's accounts receivable staff will work closely with PSC to ensure that the City's standards of customer service, confidentiality, and responsiveness are maintained and regularly monitored.

If PSC is selected, the City anticipates an increase in revenues as well as greater efficiencies that will allow staff resources to be directed in other areas. Increased revenues will provide much needed funding to the City's General Fund, will promote responsible use of alarm systems, and will enable public safety resources to be utilized more effectively over time. PSC services would be paid on a 10 percent revenue share contingency basis for revenue derived from false alarm permitting, billing, and collection services.

COUNCIL POLICY CONSIDERATION:

The proposed contract furthers the City Council's strategic planning goals of ensuring public safety, promoting the City's quality of life and local economy, and maintaining fiscal responsibility and stability.

ENVIRONMENTAL ANALYSIS:

The proposed contract has no environmental impact; it is exempt from CEQA review pursuant to State CEQA Guidelines and Section 15061 (b) (3), the general rule that CEQA only applies to projects that may have an effect on the environment.

FISCAL IMPACT:

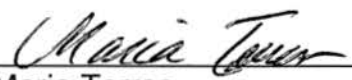
PSC will receive 10 percent of the collected police false alarm revenue. Collections are anticipated to increase once the contract is in place with a projected annual net total revenue increase of \$85,000.

Respectfully submitted,



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Approved by:



STEVE MERMELL
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Attachment (1)
Attachment A – Taxpayer Protection Act