

# Agenda Report

January 9, 2023

**TO:** Honorable Mayor and City Council

**FROM:** Department of Finance

**SUBJECT: CONTRACT AWARD TO CENTRALSQUARE TECHNOLOGIES LLC  
DBA SUPERION LLC FOR INTRUSION FALSE ALARM PERMITTING  
AND COLLECTION MANAGEMENT SERVICES**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is not a "project" subject to the California Environmental Quality Act (CEQA) as defined in Section 21065 of CEQA and Sections 15060 (c)(3), and 15378 (b)(5) of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the action;
2. Authorize the City Manager to enter into a five-year contract with CentralSquare Technologies LLC DBA Superior LLC for management services of intrusion alarm permitting and false alarm penalties, with a service fee of 15 percent of net collections. Competitive bidding is not required pursuant to City Charter section 1002 (F) (contracts for professional or unique services); 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 Fiscal Year 2022, the City's Fire Department entered into a second contract with CentralSquare Technologies LLC DBA Superior LLC (CentralSquare) for cost recovery services for false fire alarm billing after conducting a Request for Proposal (RFP) process. City Council authorized the contract on August 16, 2021 and the vendor has continued to successfully manage the fire false alarm billing and payment process. The Finance Department also contracted with the same company, formerly operating under the name Public Safety Corporation, for intrusion false alarm management and

collection services after City Council approval of a four-year contract on May 21, 2018. Unlike fire false alarms which result in the false dispatch of Fire Department crews due to a malfunctioning fire alarm system, intrusion false alarms occur when the intrusion alarm system is triggered by a non-emergency situation and the police respond without incident. The Fire Department issues permits for fire alarm systems and the Finance Department issues permits for intrusion alarm systems. Each department manages separate databases of permittees and monitors false alarm occurrences to issue their respective penalties. The Police Department's implementation of the Versaterm Computer Aided Dispatch/Records Management System (CAD/RMS) software application, which began soon after contract award, delayed implementation of these services through CentralSquare. As the Versaterm CAD/RMS application is now in place and operational, the CentralSquare software implementation is now feasible as it requires integration with the CAD/RMS application to import false alarm call data.

CentralSquare offers an online permitting and payment processing software platform and a toll-free customer service support line with staff available to accept payments and answer questions from citizens and businesses regarding billing and permit policies. The call center is located at their facility in Florida. Notices can also be mailed to customers who prefer written correspondence. Customer support and correspondence is available in several languages and is compliant with Payment Card Industry (PCI) Data Security Standards to meet all payment processing regulatory requirements. The software also enables the City to easily access various dashboards and detailed reports to track customer data and associated financial and alarm permit status information for each account.

In addition, CentralSquare provides false alarm permitting and management services to approximately 500 cities and counties throughout the United States and Canada. Through the use of their false alarm permitting software, online payment system and ongoing relationships with numerous alarm companies, they have a track record of increasing the alarm permitting participation rate by as much as 50 percent and revenue collection rate by 75 percent or more. Their outreach efforts to issue permits and impose prompt sanctions for false alarm calls often leads their clients to receive a 40 to 80 percent reduction in the number of false alarm incidents, thereby conserving police department resources for their client agencies.

The Finance Department currently handles all police intrusion alarm services, including issuing permits for commercial and residential systems, monitoring false alarm occurrences, and invoicing and collecting fee payments. The City regulation pertaining to intrusion false alarms, Pasadena Municipal Code Chapter 5.24, which was recently amended by the City Council on December 5, 2022, will require annual permit renewals (in lieu of a four-year permit). The Finance Department recommends the services provided by CentralSquare, as they have been successfully managing the fire false alarm permits for over five-years and they possess the staffing levels needed to meet the anticipated increased workload associated with transitioning to annual permitting and payment processing. The fee for these services is 15 percent of net collections for the proposed five-year contract term. If a contract is approved, the Finance Department anticipates increased revenues and the ability to utilize staff resources in other areas.

**COUNCIL POLICY CONSIDERATION:**

This action supports the City Council's strategic goal to maintain fiscal responsibility and stability.

**ENVIRONMENTAL ANALYSIS:**

The action proposed herein is not a "project" subject to the California Environmental Quality Act (CEQA) in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(3) and 15378 (b)(5). The authorization of a contract for intrusion false alarm permitting and management services is an organizational and administrative action that would not result in direct or indirect physical changes in the environment. Since the action is not a "project" subject to CEQA, no environmental document is required.


**FISCAL IMPACT:**

CentralSquare will receive 15 percent of the net collected intrusion false alarm revenue. Collections are anticipated to increase as a result of this contract. Sufficient funds have been appropriated for these services in the adopted Fiscal Year 2023 Operating Budget, Non-Departmental Citywide account under line item 10120016-811400 (General Fund-Non-Departmental-Citywide Obligations-Other Contract Services).

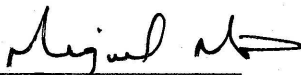
Respectfully submitted,

  
MATTHEW E. HAWKESWORTH  
Director of Finance

Prepared by:

  
Maria Torres  
Management Analyst IV  
Department of Finance

Approved by:

  
MIGUEL MÁRQUEZ  
City Manager