



AGENDA MEMORANDUM

First Reading for the City Council Meeting of December 4, 2018
Second Reading for the City Council Meeting December 11, 2018

DATE: December 4, 2018

TO: Keith Selman, Interim City Manager

FROM: Mike Markle, Police Chief
MikeMa@cctexas.com
(361) 886-2601

Kim Baker, Assistant Director of Financial Services-Purchasing Division
KimB2@cctexas.com
(361) 826-3169

Five-Year Service Agreement for Security Alarm Permitting and False Alarm Management System Services for a total not to exceed \$575,000

CAPTION:

Ordinance authorizing a five-year service agreement with PM AM Corporation, Dallas, Texas, for security alarm permitting and false alarm management system services for an estimated amount of \$575,000; appropriating \$115,000 in additional revenue into the General Fund; and amending the budget.

PURPOSE:

Approval of this five-year service agreement with PM AM Corporation will provide security alarm permitting and false alarm management system services for the Police Department.

BACKGROUND AND FINDINGS:

The agreement will secure a firm to provide security alarm permitting and false alarm management system and administration services to include acquiring all relevant and required equipment, licenses, and services for the Police Department. Since 2014, the Police Department has collected over \$2,261,265 in revenue from this service.

The Purchasing Division conducted a Request for Proposal processes to obtain proposals for the new contract. The City received one responsive, responsible proposal for RFP No. 1428 Security Alarm Permitting and False Alarm Management System and is recommending the award to PM AM Corporation, based on Best Value to the City. Comparison: Under the current contract, the contractor collects all funds, deposits them into their bank account, retains 28% of all revenue collected, and sends the rest to the City. With our recommendation to award the contract to PM AM Corporation, the City will receive 81% of all revenue collected - with the contractor retaining only 19% resulting in a savings for the City. All funds will now be deposited into a lockbox in the City's name,

and then the City will remit payment to the vendor for their fees. This agenda item changes the Fiscal Year (FY) 2019 operating budget by appropriating the negotiated fee of \$115,000 for FY2019. The net impact to the budget for FY2019 is zero because both revenue and expenditures will be increased in the General Fund by the same amount.

ALTERNATIVES:

Not applicable.

OTHER CONSIDERATIONS:

Not applicable.

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

Non-emergency.

DEPARTMENTAL CLEARANCES:

Police Department

FINANCIAL IMPACT:

X Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2018-2019	Current Year	Future Years	TOTALS
Line Item Budget	\$115,000.00	\$460,000.00	\$575,000.00
Encumbered / Expended Amount	\$0.00	\$0.00	\$0.00
This item	\$115,000.00	\$460,000.00	\$575,000.00
BALANCE	\$0.00	\$0.00	\$0.00

Fund(s): General - 1020

Comments: The five-year do not exceed contract value is \$575,000 which is being appropriated from the revenue collected through the security alarm permitting and false alarm management program.

RECOMMENDATION:

Staff recommends approval of the ordinance as presented.

LIST OF SUPPORTING DOCUMENTS:

Service Agreement
Evaluation Matrix