



Contra Costa County
Public Works
D e p a r t m e n t

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DATE: July 17, 2012

TO: Purchasing Department

FROM: Roland Hindsman, Facilities Maintenance Manager
Rob Wise, Lead Electronic System Specialist

SUBJECT: DENALECT ALARM MONITORING CONTRACT

Our monitoring contract is up for renewal again and it has been suggested we go out for competitive bid. The following alarm history will explain why this would not be an economical practice.

Over 20 years ago, when our group took over the maintenance of the County's security systems, no standard for the security equipment or monitoring company was in place. This lack of continuity caused many problems.

We have previously and currently sole sourced this issue, as seen by previous justification letter attached to original P.O. #06954, #24643, #33851 and #37468.

Maintenance:

Having a variety of systems made it very difficult to stock the needed parts for repairs or modifications.

Not having the part in stock to perform the needed repairs meant a system could be down for an extended period of time, thus leaving the building, property, and employees vulnerable.

This variety of systems meant having a variety of monitoring companies. These companies used different communication formats, requiring the technicians to possess the installation, programming, and format information to all the systems.

The decision was made to standardize on a security system that would reduce our inventory and cut down repair times while being user friendly.

We selected a versatile and economical system that would conform to a variety of monitoring companies' formats. This did however narrow the field of compatible monitoring companies.

Users:

With so many different security systems installed and so many different monitoring companies, an employee moving from one building to another would be confused on the system's operation and which company to call if they caused a false alarm.

This contributed to the fines and "no response" status imposed on the County by various police agencies. Policy departments have strict false alarm policies. After a number of false alarms they may fine the department or put them on a "no response" status. Standardizing on one system helped the employees become comfortable with all the systems installed in the numerous buildings they worked in. With the reduction of false alarms and several dealings with the police departments, the fines subsided and all the systems returned to "full response" status.

The only problem then was which monitoring company to call if an employee caused a false alarm.

Consolidating Monitoring:

The advantages of contracting with one monitoring company became apparent. Denalect Alarm already monitored most of the existing security systems, due to a long-standing relationship between them and the Sheriff's Department. Denalect maintained alarm communication equipment for the Sheriff at 651 Pine Street, Martinez. Denalect became the logical choice.

Radio Transmission:

The security systems used phone lines for communicating to the monitoring company. Failures of the phone line due to the phone company, or the common practice of burglars cutting the line, render the security system useless. The solution for this was to have radio transmitters installed on all the security systems. All signals including phone line failure would be sent by radio transmission.

The only company, at the time, to have radio coverage throughout the County was Denalect; therefore, Denalect was once again the logical choice for our monitoring company.

Radio transmitters became a standard component of our security systems.

The radios we adopted used a frequency licensed to Denalect. We have been buying radios from Denalect for a number of years now, totaling approximately 235.

Changing Monitoring Companies:

Changing monitoring companies at this time would be cost prohibitive for the following reasons:

All the radio transmitters would have to be replaced to communicate with another company's monitoring station. This is assuming that another company now has full coverage of the County. The new radio will most likely not work with our current control equipment, which means replacing them also.

Installing new radios and control equipment would be expensive, not to mention the labor costs to replace and reprogram the systems.

Estimated Cost:

Radio transmitter: 235 sites @ \$300.00 each = \$70,500

Control equipment: 235 sites @ \$250.00 each = \$58,750 (if needed)

Labor: 235 sites @ \$200.00 each = \$47,000

Currently, our monthly monitoring charge per site is \$30.00. This cost is more than reasonable for a system with radio and phone communications.

Upon meeting with Bay Alarm Company for a competitive bid, they informed me that due to the proprietary radio frequency and the cost to change over, they would not be able to compete for the contract unless we would "lock" in for 5 years.

With Denalect, we are not currently "locked" in a contract per account, and we may add or cancel accounts at any time.

With this in mind, I would recommend renewing the Denalect monitoring contract for a minimum of two years.

Please call me at 925-313-7052 with any questions.

