

**CITY OF CHULA VISTA
CONTRACTOR/SERVICE PROVIDER SERVICES AGREEMENT
WITH PM AM CORPORATION
TO PROVIDE SECURITY ALARM MANAGEMENT SERVICES**

This Agreement is entered into effective as of October 15, 2018 (“Effective Date”) by and between the City of Chula Vista, a chartered municipal corporation (“City”) and **PM AM Corporation**, a Texas Corporation (“Contractor/Service Provider”) (collectively, the “Parties” and, individually, a “Party”) with reference to the following facts:

RECITALS

WHEREAS, on June 28, 2018, the City issued Request for Proposal (RFP) # P27-17/18 to seek qualified companies to provide security alarm management services; and

WHEREAS, Contractor/Service Provider was selected as a result of the RFP process and has been providing security alarm management services for the Police Department since 2013; and

WHEREAS, Contractor/Service Provider warrants and represents that it is experienced and staffed in a manner such that it can deliver the services required of Contractor/Service Provider to City in accordance with the time frames and the terms and conditions of this Agreement.

[End of Recitals. Next Page Starts Obligatory Provisions.]

OBLIGATORY PROVISIONS

NOW, THEREFORE, in consideration of the above recitals, the covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, City and Contractor/Service Provider hereby agree as follows:

1. SERVICES

1.1 Required Services. Contractor/Service Provider agrees to perform the services, and deliver to City the “Deliverables” (if any) described in the attached Exhibit A, incorporated into the Agreement by this reference, within the time frames set forth therein, time being of the essence for this Agreement. The services and/or Deliverables described in Exhibit A shall be referred to herein as the “Required Services.”

1.2 Reductions in Scope of Work. City may independently, or upon request from Contractor/Service Provider, from time to time, reduce the Required Services to be performed by the Contractor/Service Provider under this Agreement. Upon doing so, City and Contractor/Service Provider agree to meet and confer in good faith for the purpose of negotiating a corresponding reduction in the compensation associated with the reduction.

1.3 Additional Services. Subject to compliance with the City’s Charter, codes, policies, procedures and ordinances governing procurement and purchasing authority, City may request Contractor/Service Provider provide additional services related to the Required Services (“Additional Services”). If so, City and Contractor/Service Provider agree to meet and confer in good faith for the purpose of negotiating an amendment to Exhibit A, to add the Additional Services. Unless otherwise agreed, compensation for the Additional Services shall be charged and paid consistent with the rates and terms already provided therein. Once added to Exhibit A, “Additional Services” shall also become “Required Services” for purposes of this Agreement.

1.4 Standard of Care. Contractor/Service Provider expressly warrants and agrees that any and all Required Services hereunder shall be performed in accordance with the highest standard of care exercised by members of the profession currently practicing under similar conditions and in similar locations.

1.5 No Waiver of Standard of Care. Where approval by City is required, it is understood to be conceptual approval only and does not relieve the Contractor/Service Provider of responsibility for complying with all laws, codes, industry standards, and liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of the Contractor/Service Provider or its subcontractors.

1.6 Security for Performance. In the event that Exhibit A Section 4 indicates the need for Contractor/Service Provider to provide additional security for performance of its duties under this Agreement, Contractor/Service Provider shall provide such additional security prior to commencement of its Required Services in the form and on the terms prescribed on Exhibit A, or as otherwise prescribed by the City Attorney.

1.7 Compliance with Laws. In its performance of the Required Services, Contractor/Service Provider shall comply with any and all applicable federal, state and local laws, including the Chula Vista Municipal Code.

1.8 Business License. Prior to commencement of work, Contractor/Service Provider shall obtain a business license from City.

1.9 Subcontractors. Prior to commencement of any work, Contractor/Service Provider shall submit for City's information and approval a list of any and all subcontractors to be used by Contractor/Service Provider in the performance of the Required Services. Contractor/Service Provider agrees to take appropriate measures necessary to ensure that all subcontractors and personnel utilized by the Contractor/Service Provider to complete its obligations under this Agreement comply with all applicable laws, regulations, ordinances, and policies, whether federal, state, or local. In addition, if any subcontractor is expected to fulfill any responsibilities of the Contractor/Service Provider under this Agreement, Contractor/Service Provider shall ensure that each and every subcontractor carries out the Contractor/Service Provider's responsibilities as set forth in this Agreement.

1.10 Term. This Agreement shall commence on the earlier to occur of the Effective Date or Contractor/Service Provider's commencement of the Required Services hereunder, and shall terminate when the Parties have complied with all their obligations hereunder; provided, however, provisions which expressly survive termination shall remain in effect.

2. COMPENSATION

2.1 General. For satisfactory performance of the Required Services, City agrees to compensate Contractor/Service Provider in the amount(s) and on the terms set forth in Exhibit A, Section 4. Standard terms for billing and payment are set forth in this Section 2.

2.2 Detailed Invoicing. Contractor/Service Provider agrees to provide City with a detailed invoice for services performed each month, within thirty (30) days of the end of the month in which the services were performed, unless otherwise specified in Exhibit A. Invoicing shall begin on the first of the month following the Effective Date of the Agreement. All charges must be presented in a line item format with each task separately explained in reasonable detail. Each invoice shall include the current monthly amount being billed, the amount invoiced to date, and the remaining amount available under any approved budget. Contractor/Service Provider must obtain prior written authorization from City for any fees or expenses that exceed the estimated budget.

2.3 Payment to Contractor/Service Provider. Upon receipt of a properly prepared invoice and confirmation that the Required Services detailed in the invoice have been satisfactorily performed, City shall pay Contractor/Service Provider for the invoice amount within thirty (30) days. Payment shall be made in accordance with the terms and conditions set forth in Exhibit A and section 2.4, below. ~~At City's discretion, invoices not timely submitted may be subject to a penalty of up to five percent (5%) of the amount invoiced.~~

2.4 Retention Policy. ~~City shall retain ten percent (10%) of the amount due for Required Services detailed on each invoice (the "holdback amount"). Upon City review and determination of Project Completion, the holdback amount will be issued to Contractor/Service Provider.~~

2.5 Reimbursement of Costs. City may reimburse Contractor/Service Provider's out-of-pocket costs incurred by Contractor/Service Provider in the performance of the Required Services if negotiated in advance and included in Exhibit A. Unless specifically provided in Exhibit A, Contractor/Service Provider shall be responsible for any and all out-of-pocket costs incurred by Contractor/Service Provider in the performance of the Required Services.

2.6 Exclusions. City shall not be responsible for payment to Contractor/Service Provider for any fees or costs in excess of any agreed upon budget, rate or other maximum amount(s) provided for in Exhibit A. City shall also not be responsible for any cost: (a) incurred prior to the Effective Date; or (b) arising out of or related to the errors, omissions, negligence or acts of willful misconduct of Contractor/Service Provider, its agents, employees, or subcontractors.

2.7 Payment Not Final Approval. Contractor/Service Provider understands and agrees that payment to the Contractor/Service Provider or reimbursement for any Contractor/Service Provider costs related to the performance of Required Services does not constitute a City final decision regarding whether such payment or cost reimbursement is allowable and eligible for payment under this Agreement, nor does it constitute a waiver of any violation by Contractor/Service Provider of the terms of this Agreement. If City determines that Contractor/Service Provider is not entitled to receive any amount of compensation already paid, City will notify Contractor/Service Provider in writing and Contractor/Service Provider shall promptly return such amount.

3. INSURANCE

3.1 Required Insurance. Contractor/Service Provider must procure and maintain, during the period of performance of Required Services under this Agreement, and for twelve months after completion of Required Services, the policies of insurance described on the attached Exhibit B, incorporated into the Agreement by this reference (the "Required Insurance"). The Required Insurance shall also comply with all other terms of this Section.

3.2 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions relating to the Required Insurance must be disclosed to and approved by City in advance of the commencement of work.

3.3 Standards for Insurers. Required Insurance must be placed with licensed insurers admitted to transact business in the State of California with a current A.M. Best's rating of A V or better, or, if insurance is placed with a surplus lines insurer, insurer must be listed on the State of California List of Eligible Surplus Lines Insurers (LESLI) with a current A.M. Best's rating of no less than A X. For Workers' Compensation Insurance, insurance issued by the State Compensation Fund is also acceptable.

3.4 Subcontractors. Contractor/Service Provider must include all sub-Contractor/Service Providers/subcontractors as insureds under its policies and/or furnish separate certificates and endorsements demonstrating separate coverage for those not under its policies. Any separate coverage for sub-Contractor/Service Providers must also comply with the terms of this Agreement.

3.5 Additional Insureds. City, its officers, officials, employees, agents, and volunteers must be named as additional insureds with respect to any policy of general liability, automobile, or pollution insurance specified as required in Exhibit B or as may otherwise be specified by City's Risk Manager.. The general liability additional insured coverage must be provided in the form of an endorsement to the Contractor/Service Provider's insurance using ISO CG 2010 (11/85) or its equivalent; such endorsement must not exclude Products/Completed Operations coverage.

3.6 General Liability Coverage to be "Primary." Contractor/Service Provider's general liability coverage must be primary insurance as it pertains to the City, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers is

wholly separate from the insurance provided by Contractor/Service Provider and in no way relieves Contractor/Service Provider from its responsibility to provide insurance.

3.7 No Cancellation. No Required Insurance policy may be canceled by either Party during the required insured period under this Agreement, except after thirty days' prior written notice to the City by certified mail, return receipt requested. Prior to the effective date of any such cancellation Contractor/Service Provider must procure and put into effect equivalent coverage(s).

3.8 Waiver of Subrogation. Contractor/Service Provider's insurer(s) will provide a Waiver of Subrogation in favor of the City for each Required Insurance policy under this Agreement. In addition, Contractor/Service Provider waives any right it may have or may obtain to subrogation for a claim against City.

3.9 Verification of Coverage. Prior to commencement of any work, Contractor/Service Provider shall furnish City with original certificates of insurance and any amendatory endorsements necessary to demonstrate to City that Contractor/Service Provider has obtained the Required Insurance in compliance with the terms of this Agreement. The words "will endeavor" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents, or representatives" or any similar language must be deleted from all certificates. The required certificates and endorsements should otherwise be on industry standard forms. The City reserves the right to require, at any time, complete, certified copies of all required insurance policies, including endorsements evidencing the coverage required by these specifications.

3.10 Claims Made Policy Requirements. If General Liability, Pollution and/or Asbestos Pollution Liability and/or Errors & Omissions coverage are required and are provided on a claims-made form, the following requirements also apply:

a. The "Retro Date" must be shown, and must be before the date of this Agreement or the beginning of the work required by this Agreement.

b. Insurance must be maintained, and evidence of insurance must be provided, for at least five (5) years after completion of the work required by this Agreement.

c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a "Retro Date" prior to the effective date of this Agreement, the Contractor/Service Provider must purchase "extended reporting" coverage for a minimum of five (5) years after completion of the work required by this Agreement.

d. A copy of the claims reporting requirements must be submitted to the City for review.

3.11 Not a Limitation of Other Obligations. Insurance provisions under this section shall not be construed to limit the Contractor/Service Provider's obligations under this Agreement, including Indemnity.

3.12 Additional Coverage. To the extent that insurance coverage provided by Contractor/Service Provider maintains higher limits than the minimums appearing in Exhibit B, City requires and shall be entitled to coverage for higher limits maintained.

4. INDEMNIFICATION

4.1. General. To the maximum extent allowed by law, Contractor/Service Provider shall protect, defend, indemnify and hold harmless City, its elected and appointed officers, agents, employees and volunteers (collectively, “Indemnified Parties”), from and against any and all claims, demands, causes of action, costs, expenses, (including reasonable attorneys’ fees and court costs), liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions, negligence, or willful misconduct of Contractor/Service Provider, its officials, officers, employees, agents, and contractors, arising out of or in connection with the performance of the Required Services, the results of such performance, or this Agreement. This indemnity provision does not include any claims, damages, liability, costs and expenses arising from the sole negligence or willful misconduct of the Indemnified Parties. Also covered is liability arising from, connected with, caused by or claimed to be caused by the active or passive negligent acts or omissions of the Indemnified Parties which may be in combination with the active or passive negligent acts or omissions of the Contractor/Service Provider, its employees, agents or officers, or any third party.

4.2. Modified Indemnity Where Agreement Involves Design Professional Services. Notwithstanding the forgoing, if the services provided under this Agreement are design professional services, as defined by California Civil Code section 2782.8, as may be amended from time to time, the defense and indemnity obligation under Section 1, above, shall be limited to the extent required by California Civil Code section 2782.8.

4.3. Costs of Defense and Award. Included in Contractor/Service Provider’s obligations under this Section 4 is Contractor/Service Provider’s obligation to defend, at Contractor/Service Provider’s own cost, expense and risk, any and all suits, actions or other legal proceedings that may be brought or instituted against one or more of the Indemnified Parties. Subject to the limitations in this Section 4, Contractor/Service Provider shall pay and satisfy any judgment, award or decree that may be rendered against one or more of the Indemnified Parties for any and all related legal expenses and costs incurred by any of them.

4.4. Contractor/Service Provider’s Obligations Not Limited or Modified. Contractor/Service Provider’s obligations under this Section 4 shall not be limited to insurance proceeds, if any, received by the Indemnified Parties, or by any prior or subsequent declaration by the Contractor/Service Provider. Furthermore, Contractor/Service Provider’s obligations under this Section 4 shall in no way limit, modify or excuse any of Contractor/Service Provider’s other obligations or duties under this Agreement.

4.5. Enforcement Costs. Contractor/Service Provider agrees to pay any and all costs City incurs in enforcing Contractor/Service Provider’s obligations under this Section 4.

4.6. Survival. Contractor/Service Provider’s obligations under this Section 4 shall survive the termination of this Agreement.

5. FINANCIAL INTERESTS OF CONTRACTOR/SERVICE PROVIDER.

5.1 Form 700 Filing. The California Political Reform Act and the Chula Vista Conflict of Interest Code require certain government officials and Contractor/Service Providers performing work for government agencies to publicly disclose certain of their personal assets and income using a Statement of Economic Interests form (Form 700). In order to assure compliance with these requirements, Contractor/Service

Provider shall comply with the disclosure requirements identified in the attached Exhibit C, incorporated into the Agreement by this reference.

5.2 Disclosures; Prohibited Interests. Independent of whether Contractor/Service Provider is required to file a Form 700, Contractor/Service Provider warrants and represents that it has disclosed to City any economic interests held by Contractor/Service Provider, or its employees or subcontractors who will be performing the Required Services, in any real property or project which is the subject of this Agreement. Contractor/Service Provider warrants and represents that it has not employed or retained any company or person, other than a bona fide employee or approved subcontractor working solely for Contractor/Service Provider, to solicit or secure this Agreement. Further, Contractor/Service Provider warrants and represents that it has not paid or agreed to pay any company or person, other than a bona fide employee or approved subcontractor working solely for Contractor/Service Provider, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Contractor/Service Provider further warrants and represents that no officer or employee of City, has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, the proceeds hereof, or in the business of Contractor/Service Provider or Contractor/Service Provider's subcontractors. Contractor/Service Provider further agrees to notify City in the event any such interest is discovered whether or not such interest is prohibited by law or this Agreement. For breach or violation of any of these warranties, City shall have the right to rescind this Agreement without liability.

6. REMEDIES

6.1 Termination for Cause. If for any reason whatsoever Contractor/Service Provider shall fail to perform the Required Services under this Agreement, in a proper or timely manner, or if Contractor/Service Provider shall violate any of the other covenants, agreements or conditions of this Agreement (each a "Default"), in addition to any and all other rights and remedies City may have under this Agreement, at law or in equity, City shall have the right to terminate this Agreement by giving ~~five (5)~~ thirty (30) days written notice to Contractor/Service Provider. Such notice shall identify the Default and the Agreement termination date. If Contractor/Service Provider notifies City of its intent to cure such Default prior to City's specified termination date, and City agrees that the specified Default is capable of being cured, City may grant Contractor/Service Provider up to ~~ten (10)~~ thirty (30) additional days after the designated termination date to effectuate such cure. In the event of a termination under this Section 6.1, Contractor/Service Provider shall immediately provide City any and all "Work Product" (defined in Section 7 below) prepared by Contractor/Service Provider as part of the Required Services. Such Work Product shall be City's sole and exclusive property as provided in Section 7 hereof. Contractor/Service Provider may be entitled to compensation for work satisfactorily performed prior to Contractor/Service Provider's receipt of the Default notice; provided, however, in no event shall such compensation exceed the amount that would have been payable under this Agreement for such work, and any such compensation shall be reduced by any costs incurred or projected to be incurred by City as a result of the Default.

6.2 Termination or Suspension for Convenience of City. City may suspend or terminate this Agreement, or any portion of the Required Services, at any time and for any reason, with or without cause, by giving specific written notice to Contractor/Service Provider of such termination or suspension at least ~~fifteen (15)~~ thirty (30) days prior to the effective date thereof. Upon receipt of such notice, Contractor/Service Provider shall immediately cease all work under the Agreement and promptly deliver all "Work Product" (defined in Section 7 below) to City. Such Work Product shall be City's sole and exclusive property as provided in Section 7 hereof. Contractor/Service Provider shall be entitled to receive just and equitable compensation for this Work Product in an amount equal to the amount due and payable under this Agreement for work satisfactorily performed as of the date of the termination/suspension notice plus any additional remaining

Required Services requested or approved by City in advance that would maximize City's value under the Agreement.

6.3 Waiver of Claims. In the event City terminates the Agreement in accordance with the terms of this Section, Contractor/Service Provider hereby expressly waives any and all claims for damages or compensation as a result of such termination except as expressly provided in this Section 6.

6.4 Administrative Claims Requirements and Procedures. No suit or arbitration shall be brought arising out of this Agreement against City unless a claim has first been presented in writing and filed with City and acted upon by City in accordance with the procedures set forth in Chapter 1.34 of the Chula Vista Municipal Code, as same may be amended, the provisions of which, including such policies and procedures used by City in the implementation of same, are incorporated herein by this reference. Upon request by City, Contractor/Service Provider shall meet and confer in good faith with City for the purpose of resolving any dispute over the terms of this Agreement.

6.5 Governing Law/Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any action arising under or relating to this Agreement shall be brought only in San Diego County, State of California.

6.6 Service of Process. Contractor/Service Provider agrees that it is subject to personal jurisdiction in California. If Contractor/Service Provider is a foreign corporation, limited liability company, or partnership that is not registered with the California Secretary of State, Contractor/Service Provider irrevocably consents to service of process on Contractor/Service Provider by first class mail directed to the individual and address listed under "For Legal Notice," in section 1.B. of Exhibit A to this Agreement, and that such service shall be effective five days after mailing.

7. OWNERSHIP AND USE OF WORK PRODUCT

All reports, studies, information, data, statistics, forms, designs, plans, procedures, systems and any other materials or properties produced in whole or in part under this Agreement in connection with the performance of the Required Services (collectively "Work Product") shall be the sole and exclusive property of City. No such Work Product shall be subject to private use, copyrights or patent rights by Contractor/Service Provider in the United States or in any other country without the express, prior written consent of City. City shall have unrestricted authority to publish, disclose, distribute, and otherwise use, copyright or patent, in whole or in part, any such Work Product, without requiring any permission of Contractor/Service Provider, except as may be limited by the provisions of the Public Records Act or expressly prohibited by other applicable laws. With respect to computer files containing data generated as Work Product, Contractor/Service Provider shall make available to City, upon reasonable written request by City, the necessary functional computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

8. GENERAL PROVISIONS

8.1 Amendment. This Agreement may be amended, but only in writing signed by both Parties.

8.2 Assignment. City would not have entered into this Agreement but for Contractor/Service Provider's unique qualifications and traits. Contractor/Service Provider shall not assign any of its rights or responsibilities under this Agreement, nor any part hereof, without City's prior written consent, which City may grant, condition or deny in its sole discretion.

8.3 Authority. The person(s) executing this Agreement for Contractor/Service Provider warrants and represents that they have the authority to execute same on behalf of Contractor/Service Provider and to bind Contractor/Service Provider to its obligations hereunder without any further action or direction from Contractor/Service Provider or any board, principle or officer thereof.

8.4 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one Agreement after each Party has signed such a counterpart.

8.5 Entire Agreement. This Agreement together with all exhibits attached hereto and other agreements expressly referred to herein, constitutes the entire Agreement between the Parties with respect to the subject matter contained herein. All exhibits referenced herein shall be attached hereto and are incorporated herein by reference. All prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are superseded.

8.6 Record Retention. During the course of the Agreement and for three (3) years following completion of the Required Services, Contractor/Service Provider agrees to maintain, intact and readily accessible, all data, documents, reports, records, contracts, and supporting materials relating to the performance of the Agreement, including accounting for costs and expenses charged to City, including such records in the possession of sub-contractors/sub-Contractor/Service Providers.

8.7 Further Assurances. The Parties agree to perform such further acts and to execute and deliver such additional documents and instruments as may be reasonably required in order to carry out the provisions of this Agreement and the intentions of the Parties.

8.8 Independent Contractor. Contractor/Service Provider is and shall at all times remain as to City a wholly independent contractor. Neither City nor any of its officers, employees, agents or volunteers shall have control over the conduct of Contractor/Service Provider or any of Contractor/Service Provider's officers, employees, or agents ("Contractor/Service Provider Related Individuals"), except as set forth in this Agreement. No Contractor/Service Provider Related Individuals shall be deemed employees of City, and none of them shall be entitled to any benefits to which City employees are entitled, including but not limited to, overtime, retirement benefits, worker's compensation benefits, injury leave or other leave benefits. Furthermore, City will not withhold state or federal income tax, social security tax or any other payroll tax with respect to any Contractor/Service Provider Related Individuals; instead, Contractor/Service Provider shall be solely responsible for the payment of same and shall hold the City harmless with respect to same. Contractor/Service Provider shall not at any time or in any manner represent that it or any of its Contractor/Service Provider Related Individuals are employees or agents of City. Contractor/Service Provider shall not incur or have the power to incur any debt, obligation or liability whatsoever against City, or bind City in any manner.

8.9 Notices. All notices, demands or requests provided for or permitted to be given pursuant to this Agreement must be in writing. All notices, demands and requests to be sent to any Party shall be deemed to have been properly given or served if personally served or deposited in the United States mail, addressed to such Party, postage prepaid, registered or certified, with return receipt requested, at the addresses identified in this Agreement at the places of business for each of the designated Parties as indicated in Exhibit A, or otherwise provided in writing.

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SIGNATURE PAGE
CONTRACTOR/SERVICE PROVIDER SERVICES AGREEMENT

IN WITNESS WHEREOF, by executing this Agreement where indicated below, City and Contractor/Service Provider agree that they have read and understood all terms and conditions of the Agreement, that they fully agree and consent to bound by same, and that they are freely entering into this Agreement as of the Effective Date.

PM AM CORPORATION

CITY OF CHULA VISTA

BY: _____
PANKAJ KUMAR
CHIEF EXECUTIVE OFFICER

BY: _____
MARY CASILLAS SALAS
MAYOR

ATTEST

BY: _____
Kerry K. Bigelow, MMC
City Clerk

APPROVED AS TO FORM

BY: _____
Glen R. Googins
City Attorney

EXHIBIT A
SCOPE OF WORK AND PAYMENT TERMS

1. Contact People for Contract Administration and Legal Notice

A. City Contract Administration:
Chula Vista Police Department
Jonathan Alegre, Police Administrative Services Administrator
315 Fourth Avenue, Chula Vista, CA 91910
(619) 476-2570
jalegre@chulavistapd.org

For Legal Notice Copy to:
City of Chula Vista
City Attorney
276 Fourth Avenue, Chula Vista, CA 91910
619-691-5037
CityAttorney@chulavistaca.gov

B. Contractor/Service Provider Contract Administration:
PM AM CORPORATION
Pankaj Kumar, Chief Executive Officer
5430 LBJ Freeway, Suite 370, Dallas TX 75240
(972) 831-7401
pankajk@pmam.com

For Legal Notice Copy to:
[same as above]

2. Required Services

A. General Description:

PM AM Corporation shall provide security alarm management services on behalf of the City, including but not limited to:

- A self-service web portal allowing residents to apply for a permit, pay fees and fines, update contact information, and view alarm incidents.
- A secure web portal for the City to access alarm data through various reports and queries. Reports should be exported in both PDF and Excel format.
- Offer a toll-free support center for alarm inquiries, with customer service representatives available Monday to Friday from 8:00 a.m. to 5:00 p.m. Pacific Standard Time.
- Administer billing and collections processing for all City alarm users.
- Track the count of alarm permits, update alarm user information, and provide reporting to the City on permit registration status.

- Work directly with alarm companies to exchange new and discontinued alarm user account information.
- Track the count of false alarms for each alarm site and determine when locations shall be placed on Verified Response status.
- Provide educational resources for alarms users of best practices for reducing/eliminating false alarms. An online training course shall be available to educate alarm users how to reduce false alarms or to fulfill the requirement of the first violation fine waiver.

B. Detailed Description:

ALARM MANAGEMENT SOLUTION

PMAM Corporation shall use its 100% web-based solution, False Alarm Management Solution (FAMS), to track and store alarm permit information, alarm incidents, accounts receivables in real-time. The City of Chula Vista shall have access to multiple portals allowing them to search or cross-reference permit information by alarm user name, address and multiple search criteria to view the account history and alarm enforcement actions. These portals shall allow the city staff to review and audit all the data associated with permits, billings, collections, as well as run ad hoc reports as needed.

PM AM Corporation shall maintain robust data and financial controls for safe and reliable administration of the alarm program.

PM AM Corporation is SSAE-16, SOC I certified through BDO USA, LLP.

FAMS resident self-service portal shall be accessible to residents to register their alarm systems or update their contact information online. The self-service portal shall be custom-designed to match the City website appearance and shall be integrated with the City’s existing website, striving to create a safe, transparent, and risk-free environment for the community. The portal shall make the permit application process easy and accurate, and completed applications shall be presented to the resident for review prior to submission. PM AM Corporation’s custom-designed videos, available at the resident portal, shall empower residents in learning the permitting and payment processes.

PM AM Corporation shall deploy its mobile strategy and launch its full-service Smartphone apps for iOS and Android devices. Using these apps, residents shall be able to perform 8 key functions, including alarm permit registration easily and conveniently. Residents shall also be able to contact PM AM customer support staff to complete the alarm registration via telephone as well.

CUSTOMER SUPPORT CENTER

The City of Chula Vista shall have a dedicated toll-free number for its alarm users to contact a Customer Support Center managed by PM AM Corporation. Alarm users shall also have an option to email PM AM customer support staff, or request call back from PM AM support team for a quick resolution.

PM AM Customer Support Center shall be available Monday to Friday from 8:00AM to 5:00PM Pacific Standard Time.

Customer Support Center shall provide services in English, Spanish, as well as offer translation services in 175+ different languages.

PM AM Corporation shall provide an option for inbound callers to leave a voicemail message for those calling after normal business support hours. PM AM Corporation shall return any voice mail messages the next business day.

PM AM Customer Care and Collections representatives shall be rigorously trained to communicate honestly, courteously and transparently as required by the Fair Debt Collection Practices Act and other state and federal laws. All invoices and communication shall clearly communicate that PM AM Corporation is collecting a debt on behalf of the City of Chula Vista, and shall include factual details that reasonably support the validity of the debt.

PM AM Corporation understands that the City has high customer service expectations. PM AM Corporation shall seek the highest degree of professionalism and courtesy from their service representatives and provide extensive customer service training to each employee before they start taking live calls.

IMPORT OF FALSE ALARM INCIDENTS

PM AM Corporation and the City shall collaborate to transfer alarm information from the City to FAMS on an ongoing basis at no additional cost to the City and ensure accurate and timely transmission of data from the City to FAMS.

False alarm incidents shall be imported into FAMS on a daily basis. Incidents shall be matched to the alarm accounts within 24 to 48 hours of receiving the data from the City.

PM AM Corporation and City of Chula Vista shall work together to establish processes, which allow the transfer of Computer Aided Dispatch (CAD) alarm data to the FAMS system. The City of Chula Vista in its Request For Proposal # P27-17/18 has requested an automated interface between its Motorola Premier One CAD and FAMS. PM AM Corporation confirms its experience and ability to interface with Motorola Premier One CAD, should the City decide to go this direction.

ALARM NOTIFICATIONS

PM AM Corporation shall generate automated call notifications to notify the alarm users of false alarm incidents or verified response status within 3 to 5 business days of the receipt of alarm data from the City.

BILLING PROCESS

Based on its customizable rule-based solution, FAMS shall adopt the billing criterion and all associated fees, including false alarms charges that are billable based on location type (residential, commercial, exempt), false alarm count, and the total fine for each location.

Billing shall be processed on a weekly basis.

FAMS shall generate invoices for false alarm fines, registration, renewals, interest charges etc. and reminders for unpaid invoices via email, physical mail and/or mobile strategy.

PM AM Corporation shall use their rule-based billing process to track the permit renewal dates and send accurate permit renewal notices to alarm users. Reports shall be reviewed by PMAM Corporation's Billing Specialist to verify all permit registration and renewal notifications have been processed correctly.

Invoices shall be sent 45 days prior to the permit expiration date, thus providing ample time to residents to pay and remain compliant with the City's Ordinance.

PM AM Corporation and City staff shall work together to finalize the content of the invoices based on City requirements.

COLLECTIONS PROCESS

PM AM Corporation shall take full responsibility of collecting all fees, fines and charges of delinquent accounts.

PM AM Corporation shall offer multiple payment options to Chula Vista alarm users:

- Checks or money-orders
- Credit Cards, Debit cards and E-checks via:
 - Pay via phone using by calling Customer Support Center
 - On-line, via self-service web portal
 - Via iPhone/Android app
 - Via Interactive Voice Response (IVR) over the weekends

PM AM Corporation shall partner with Authorize.Net and EVO Merchant Services as a payment gateway hosted software application on PM AM Corporation's server, which shall authorize credit card payments between the self-service website and each credit card processor. Information such as credit card numbers, amount, and customer name shall be encrypted and passed to the credit card processor, who shall process the payment through the Visa/MasterCard network. All payments shall be made in compliance with PCI.

All payments received via credit cards, debit cards, e-check shall be posted in real-time with a copy of the confirmation sent to the alarm user immediately. All payments received by checks or money-order shall be posted within 1 to 3 days of receipt.

PM AM Corporation shall issue refunds from the alarm program bank account on behalf of the City of Chula Vista for over payments. As a part of its monthly reconciliation, PM AM Corporation shall provide a monthly report online as well as through email to the City staff for all refunds issued.

In accordance with the City of Chula Vista Alarm Ordinance Chapter 9.06, failure to pay alarm fines results in 10% basic penalty along with a delinquency charge of 1.5% per month to the alarm user.

To maximize the effectiveness on collection accounts, PM AM Corporation shall apply their process-driven comprehensive collections process which includes:

- Sending invoices via physical mail (USPS), email and/or mobile strategy
- Courtesy email reminders every week for unpaid invoices past the due date
- Automated phone calls on bi-weekly basis
- Courtesy phone calls by PM AM staff on bi-weekly basis

PM AM Corporation shall employ proactive and reactive skip-tracing procedures to process return mail and track alarm users, in order to clear outstanding balances in a timely fashion.

PM AM Corporation shall utilize technology to track Forwarding Address changes to track and reach out to debtors and forward outstanding invoice information to the correct addresses.

PM AM Corporation shall integrate perform skip tracing through cities' water/utilities databases, if the process is approved by the City.

PM AM Corporation shall present the City with other solutions to perform skip tracing utilizing several other informational databases. These databases include:

- Online Criss-Cross Directories

- Google
- Contacting the alarm companies
- Yellow Pages

PM AM Corporation shall use processes for eliminating mailing errors for the City. This shall include using forwarding information for alarm users to reduce incorrect addresses, wasted mailings, as well as utilizing latest industry leading solutions to obtain updated and current address information prior to mailing.

PM AM Corporation shall work with a third-party collection agency for delinquent alarm accounts on behalf of the City and does not assume full rights to any alarm accounts. PM AM Corporation shall extend full cooperation to City staff and the third-party collection agency in collection matters after the accounts are handed over. All data pertaining to the security alarms is owned by the City and shall be returned to the City upon termination of services with PM AM Corporation.

PM AM Corporation shall work with City staff to launch the third-party collection activity as proposed by the City and shall notify each alarm user with an outstanding balance of the City's initiative and the request for payment. Alarm users who fail to pay the outstanding balance within 180 days of invoice due date shall be referred to the third-party collection agency for credit bureau reporting.

The City shall be able to monitor the progress of the collection accounts on an ongoing basis. The City's Finance Director/Treasurer shall also have the authority to recall or remove from the affected bureaus and PM AM Corporation shall execute the same and provide documentation to the City's Finance Director/Treasurer.

PM AM Corporation shall not offer or accept a compromise settlement on accounts without written approval from the City's designee and shall continue to work with the City on case-by-case basis or by setting parameters agreeable to the City's designee to offer such settlements on delinquent accounts.

The City and PM AM Corporation shall have 100% transparency for the credit bureau reporting. PM AM Corporation shall create a process after due diligence and exploration with the City officials and Federal laws. The City and PM AM employees shall be able to assign delinquent accounts (over 180 days past due) for the credit bureau reporting after the approval from the City's Finance Director/Treasurer.

PM AM Corporation agrees to the City's right to withdraw a delinquent account from collection and/or legal activity to be performed by PM AM staff. In cases where the account is withdrawn or no money has been collected, PM AM Corporation shall not receive or charge the City any money for such accounts.

In the event a person or organization engages an attorney or notifies PM AM that he or she refuses or is incapable of paying the debt, PM AM Corporation shall cease communication with the debtor immediately. If an attorney is engaged, PM AM Corporation shall only attempt to collect through communications with the attorney as required by the Fair Debt Collection Practices Act. At no point shall any PM AM employee mislead, threaten, or harass the debtor in efforts to collect.

PM AM Corporation shall create an end-to-end collections process in consultation with the City staff to ensure each step is transparent, visible and is in accordance with the City's expectations.

When a third-party collection agency is used, PMAM Corporation shall receive 12% revenue share of the net balance collected after the third-party collection agency has been paid.

In case the City opts for a lockbox, the lockbox charges shall be paid by the program before the foregoing split of revenue. A local address shall be obtained if the City opts for lockbox.

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ALARM PERMITS

PM AM Corporation's FAMS shall track permit registration status (active, cancelled, expired, suspended, verified response etc.), as well as false alarm responses for both registered and unregistered locations. FAMS shall generate and mail false alarm notifications, invoices, reminders to both registered and unregistered locations.

City staff and the alarm companies shall have real-time access to their customers along with the registration status and shall be able to export this data from FAMS as needed.

FAMS shall track the alarm locations identified as unregistered through the alarm incident data as well as alarm company new customer data set and assigns a temporary account number. These locations shall be engaged through alarm fee, registration invoices along with the City's information sheet. Once the alarm fee is paid, the account shall be converted to a permanent permit number along with merging the newly obtained information from the alarm users.

PM AM Corporation shall track and report the status change of an account on monthly basis as well as the percentage change over the contract period. FAMS has several reports which can easily accommodate this data set. PM AM Corporation shall work with the City staff to incorporate changes in a format needed by the City.

On monthly basis, PM AM Corporation shall engage directly with the alarm companies to request alarm installations data on behalf of the City of Chula Vista.

Once the data is received from the alarm companies, PM AM Corporation shall scrub the provided data against the permit data and all locations found to be unregistered shall be notified of the ordinance requirements and shall be sent an alarm registration invoice along with the information sheet of the City's alarm program and the permit application. PM AM Corporation shall enter this data into FAMS within 30 days of receipt from the alarm company, which includes, but not limited to, alarm user name, address, alarm company account number, temporary account number as assigned by FAMS and the permit status. This alarm data should be readily available to the City in real time.

PM AM Corporation shall provide a report to the City listing the variances between the alarm installations and the number of permitted locations via the FAMS administrative portal within 30 days of receipt of data from the alarm companies.

FAMS reports shall provide City staff with electronic listing of new registrations and permits renewed in real-time. This report shall be generated in PDF or Excel format. PM AM Corporation shall work with the City to make changes to its existing reporting to include the changes in registration status in the report as well.

PM AM processes shall follow address verification through the City's GIS team before a permit is issued.

After a permit is registered, a copy of the permit decal shall be immediately emailed to the alarm user. In cases where an email address is not available, the decal shall be sent via USPS mail.

Alarm users shall be provided access to login to their secure account to download a copy of the alarm permit template (decal). Additionally, PM AM Corporation shall send the alarm permit template to residents via email and/or USPS mail when a registration or renewal invoice is paid.

PM AM Corporation shall work towards increasing the permitting compliance and engage alarm users through a multi-level strategy to ensure that residents can register for an alarm permit. Some of these strategies are detailed below:

- Water-bill Inserts and Social Media alerts
- Multi- Family and HOA engagement

- PM AM's proprietary Artificial Intelligence/Robotic Algorithms
- Alarm Company Engagement
- Business License Registrations

VERIFIED RESPONSE

In accordance with the City of Chula Vista's Ordinance Chapter 9.06, FAMS shall place an alarm location on Verified Response (VR) status for having four (4) or more false alarms in a 12-month period. FAMS automatically shall generate and email a list of new locations placed on Verified Response to alarms@chulavistapd.org on a daily basis.

In addition to sending email notification to City staff, FAMS shall generate an automatic email notification to the alarm companies if their customer's alarm site is placed or removed from Verified Response including the permit number, alarm site address and the permit status.

APPEALS PROCESS

PM AM Corporation has an online appeal module which shall be launched for Chula Vista alarm users to file appeals:

- In-Person Hearings
 - When a resident elects to have an in-person hearing, the invoice shall provide the needed information for the resident to fill out a form available on the website for alarm users or call FAMS Customer Support Center or, submitting it by email or USPS.
 - Alternatively, in cases where the permit may have been revoked due to excessive false alarms, a revocation notice shall be mailed to the resident, along with the instructions to request an appeal hearing. The FAMS solution shall provide a function similar to the court docket system, where the platform allows the City to schedule the requested hearing in the time slots that the hearing officer has notified FAMS that he or she is available.
- Alternative Process for Appeals by Mail
 - When a resident elects to appeal, the customer service representative shall take the information by phone or by mail shall submit the appeal request on the resident's behalf for the hearing officer to review at his or her convenience.

In the case of both in-person hearings and appeals by phone, the hearing officer shall be able to enter the appeal decision into the FAMS solution. Once this information has been provided, a PMAM customer service representative shall generate a notice to the contestant, providing the appeal's decision.

EDUCATIONAL RESOURCES

PM AM Corporation shall work with the City to create a comprehensive alarm user outreach plan to create public awareness about the alarm ordinance, program purpose and available resources to city residents and businesses through multiple channels.

The plan shall include the following elements:

- Public announcements in community newspapers
- Water bill inserts
- Content of the False Alarm Reduction Academy
- Newsletter updates and website content

PM AM Corporation shall offer an online False Alarm Academy to Chula Vista alarm users. The False Alarm Academy is an online school that shall allow alarm users to learn false alarm prevention strategies and complete a test for understanding how to prevent future incidents. The Academy shall be established as part of an online process with a secure login/password and shall allow the alarm users to complete the training and test as a part of the permit reinstatement requirement as set by the City.

CORRESPONDENCE AND REPORTS

All correspondence issued on behalf of the City shall be approved by City officials and PM AM Corporation shall make any additional changes as required by the City staff at no additional cost.

FAMS shall be programmed to provide well-defined processes to generate City approved letters, invoices and electronic notifications to residences and businesses.

PM AM Corporation shall provide additional reports as requested by the City staff and shall work with the City to provide program information as needed by the City officials within 30 days from the initial request.

PM AM Corporation shall reconcile all deposits on daily, weekly and monthly basis and submit reconciled statements to the City's designee on a monthly basis. These statements shall provide summary of the financial activity performed during the month as well as transaction level details of each such activity in form of a ledger report. The City's designee shall have real-time access to FAMS to generate these statements as required for a specific month or for the complete Fiscal Year by selecting the date range. PM AM and City staff shall work together to review these reports and shall accommodate changes, if needed.

PM AM Corporation shall mail a check for the City's share of revenue for the alarm program to the following address on monthly basis:

Chula Vista Police Department
Attention: Principal Management Analyst
315 Fourth Avenue
Chula Vista, CA 91910

FAMS reporting shall allow the City staff to generate a detailed and summarized aging report in real-time. This report shall be able to be generated in both PDF and Excel format. Additionally, PM AM Corporation shall provide a monthly summarized report for the aging as a part of its monthly reconciliation process to the City.

FAMS offers several reports which can be run by the City staff to generate the following required information:

- A fiscal year-end report, as of June 30 and shall include, but not limited to:
- a. Fund and revenue account number
 - b. Detailed listing of all accounts by type
 - c. Detailed listing of all accounts closed in past year by type
 - d. Detail of all activity by account in past year by type
 - e. Summary of all the above reports

PM AM Corporation shall work with City staff to incorporate any additional details to its existing reports as required by the City at no additional cost.

PM AM Corporation shall hold quarterly meetings between the City staff and PM AM staff as a best-practice initiative on an on-going basis to help the City further reduce its false alarm and increase cost-recovery and to discuss all service and collection results. Additionally, PMAM Corporation shall provide recommendations on how the City can reduce future bad debt. PMAM Corporation shall provide updates to the City on changes in state and federal laws related to credit and collections.

FAMS shall maintain information related to alarm permits, alarm calls, receivables in real time. FAMS technical architecture shall have the capacity to store an enormous amount of data without need to archive. This includes: records supporting each assigned account (correspondence, documents, accounting records, banking records and

other relative evidence) and shall be made available to the City for review upon request. These records shall be maintained for a period of seven (7) years after termination of the collection action on each account. The City reserves the right to perform periodic audits to ensure that all amounts collected are accurately reported and remitted.

3. Term: In accordance with Section 1.10 of this Agreement, the term of this Agreement shall begin **October 15, 2018** and end on **October 14, 2019** for completion of all Required Services.

4. Compensation:

A. Form of Compensation

As a third-party administrator, Consultant shall collect revenues on behalf of the City for the City’s Security Alarm Program, which includes permit fees, false alarm fines, late fees, and any other fees or fines associated with the City’s Security Alarm Program. City and Contractor shall share the net revenue collected from the City’s Security Alarm Program:

Item Description	City of Chula Vista share	PM AM Corporation share
Net revenue collected from City’s Security Alarm Program	88%	12%

B. Reimbursement of Costs

City shall pay the bank fees and postage costs associated with the security alarm program. If the City opts for a lockbox, the lockbox charges shall be paid by the City before the foregoing split of revenue.

Notwithstanding the foregoing, the maximum amount to be paid to the Contractor/Service Provider for services performed through October 14, 2019 shall not exceed **\$100,000**.

5. Special Provisions:

Permitted Sub-Contractor/Service Providers: None.

Security for Performance: None.

Notwithstanding the completion date set forth in Section 3 above, City has option to extend this Agreement for **three (3)** additional terms, defined as a one-year increment or every October 15, through October 14, 2022 . The City Manager or Director of Finance/Treasurer shall be authorized to exercise the extensions on behalf of the City. If the City exercises an option to extend, each extension shall be on the same terms and conditions contained herein, provided that the amounts specified in Section 4 above may be increased by up to 0% for each extension. The City shall give written notice to Contractor/Service Provider of the City’s election to exercise the extension via the Notice of Exercise of Option to Extend document. Such notice shall be provided at least 30 days prior to the expiration of the term.

**EXHIBIT B
INSURANCE REQUIREMENTS**

Contractor/Service Provider shall adhere to all terms and conditions of Section 3 of the Agreement and agrees to provide the following types and minimum amounts of insurance, as indicated by checking the applicable boxes (x).

	Type of Insurance	Minimum Amount	Form
<input checked="" type="checkbox"/>	General Liability: Including products and completed operations, personal and advertising injury	\$2,000,000 per occurrence for bodily injury, personal injury (including death), and property damage. If Commercial General Liability insurance with a general aggregate limit is used, either the general aggregate limit must apply separately to this Agreement or the general aggregate limit must be twice the required occurrence limit Additional Insured Endorsement or Blanket AI Endorsement for City* Waiver of Recovery Endorsement	Insurance Services Office Form CG 00 01 <i>*Must be primary and must not exclude Products/Completed Operations</i>
<input checked="" type="checkbox"/>	Automobile Liability	\$1,000,000 per accident for bodily injury, including death, and property damage	Insurance Services Office Form CA 00 01 Code 1-Any Auto Code 8-Hired Code 9-Non Owned
<input checked="" type="checkbox"/>	Workers' Compensation Employer's Liability	\$1,000,000 each accident \$1,000,000 disease policy limit \$1,000,000 disease each employee Waiver of Recovery Endorsement	

Other Negotiated Insurance Terms: NONE.

EXHIBIT C
CONTRACTOR/SERVICE PROVIDER CONFLICT OF INTEREST DESIGNATION

The Political Reform Act¹ and the Chula Vista Conflict of Interest Code² (“Code”) require designated state and local government officials, including some Contractor/Service Providers, to make certain public disclosures using a Statement of Economic Interests form (Form 700). Once filed, a Form 700 is a public document, accessible to any member of the public. In addition, Contractor/Service Providers designated to file the Form 700 are also required to comply with certain ethics training requirements.³

A. Contractor/Service Provider **IS** a corporation or limited liability company and is therefore EXCLUDED⁴ from disclosure.

B. Contractor/Service Provider is **NOT** a corporation or limited liability company and disclosure designation is as follows:

APPLICABLE DESIGNATIONS FOR INDIVIDUAL(S) ASSIGNED TO PROVIDE SERVICES
(Category descriptions available at www.chulavistaca.gov/departments/city-clerk/conflict-of-interest-code.)

<i>Name</i>	<i>Email Address</i>	<i>Applicable Designation</i>
Enter Name of Each Individual Who Shall Be Providing Service Under the Contract – <i>If individuals have different disclosure requirements, duplicate this row and complete separately for each individual</i>	Enter email address(es)	<input type="checkbox"/> A. Full Disclosure <input type="checkbox"/> B. Limited Disclosure (<i>select one or more of the categories under which the Contractor shall file</i>): <input type="checkbox"/> 1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. Justification: <input checked="" type="checkbox"/> C. Excluded from Disclosure

1. Required Filers

Each individual who will be performing services for the City pursuant to the Agreement and who meets the definition of “Contractor/Service Provider,” pursuant to FPPC Regulation 18700.3, must file a Form 700.

2. Required Filing Deadlines

Each initial Form 700 required under this Agreement shall be filed with the Office of the City Clerk via the City's online filing system, NetFile, within 30 days of the approval of the Agreement. Additional Form 700 filings will be required annually on April 1 during the term of the Agreement, and within 30 days of the termination of the Agreement.

3. Filing Designation

The City Department Director will designate each individual who will be providing services to the City pursuant to the Agreement as *full disclosure*, *limited disclosure*, or *excluded from disclosure*, based on an analysis of the services the Contractor/Service Provider will provide. Notwithstanding this designation or anything in the Agreement, the Contractor/Service Provider is ultimately responsible for complying with FPPC regulations and filing requirements. If you have any questions regarding filing requirements, please do not hesitate to contact the City Clerk at (619)691-5041, or the FPPC at 1-866-ASK-FPPC, or (866) 275-3772 *2.

Pursuant to the duly adopted City of Chula Vista Conflict of Interest Code, this document shall serve as the written determination of the Contractor’s requirement to comply with the disclosure requirements set forth in the Code.

1 Cal. Gov. Code §§81000 *et seq.*; FPPC Regs. 18700.3 and 18704.

2 Chula Vista Municipal Code §§2.02.010-2.02.040.

3 Cal. Gov. Code §§53234, *et seq.*

4 CA FPPC Adv. A-15-147 (*Chadwick*) (2015); *Davis v. Fresno Unified School District* (2015) 237 Cal.App.4th 261; FPPC Reg. 18700.3 (Consultant defined as an “individual” who participates in making a governmental decision; “individual” does not include corporation or limited liability company).

Completed by: Joseph Walker, Supervising Public Safety Analyst – Police Department