



Board Agenda Item 8

DATE: November 6, 2018

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director of Internal Services/Chief Information Officer

SUBJECT: Agreements for Alarm Maintenance, Repair, Inspection, & Monitoring

RECOMMENDED ACTION(S):

1. Hear and Consider appeal from Tri-Signal Integration Inc. (Tri-Signal Integration) regarding recommended award of the Agreements for Alarm Maintenance, Repair, and Inspection Services to Nobico Inc., dba Integrated Electronics (Integrated Electronics) for Notifier Systems (Section 1 of the County's Request for Quotes (RFQ)) and to HCI Systems, Inc. (HCI Systems) for General Fire Alarm System (Section 2 of the RFQ).
2. Determine whether to grant or deny appeal from Tri-Signal Integration. In the event your Board grants one or both items on appeal, the following related actions are identified, as applicable:
 - a. If your Board grants the appeal relating to the Agreement for Alarm Maintenance, Repair, and Inspection Services for Notifier Systems (Section 1 of the RFQ), thereby waiving the defect in Tri-Signal integration's bid, authorize the Director of Internal Services/Chief Information Officer (Director/CIO) to approve and execute an Agreement with Tri-Signal Integration in the form of the Agreement on file with the Clerk of the Board for Alarm Maintenance, Repair, and Inspection Services for Notifier Systems (Section 1 of the RFQ), but based on the bid provided by Tri-Signal Integration, subject to approval as to legal form by County Counsel and as to accounting form by the Auditor-Controller/Treasurer-Tax Collector (\$553,000) [this action item would be instead of recommended action 3, below]; and/or
 - b. If your Board grants the appeal relating to the Agreement for Alarm Maintenance, Repair, and Inspection Services for General Fire Alarm System (Section 2 of the RFQ), authorize the Director/CIO to approve and execute an Agreement with Tri-Signal Integration in the form of the Agreement on file with the Clerk of the Board for Agreement for Alarm Maintenance, Repair, and Inspection Services for General Fire Alarm System (Section 2 of the RFQ), but based on the bid provided by Tri-Signal Integration, subject to approval as to legal form by County Counsel and as to accounting form by the Auditor-Controller/Treasurer-Tax Collector (\$300,000) [this action item would be instead of recommended action 4, below].
3. Approve and authorize the Chairman to execute Agreement with Integrated Electronics to provide Alarm Maintenance, Repair, and Inspection Services for Notifier Systems (Section 1 of the RFQ), effective upon execution, not to exceed five consecutive years, which includes a three-year base agreement with two optional one-year extensions (\$734,000).

4. **Approve and authorize the Chairman to execute Agreement with HCI Systems to provide Alarm Maintenance, Repair, and Inspection Services for General Fire Alarm System (Section 2 of the RFQ), effective upon execution, not to exceed five consecutive years, which includes a three-year base agreement with two optional one-year extensions (\$360,000).**
5. **Approve and authorize the Chairman to execute Agreement with Geil Enterprises Inc., dba Valley Security & Alarm (Geil Enterprises) to provide Alarm Maintenance, Repair, and Inspection Services for Intrusion Alarm Systems (Section 3 of the RFQ), effective upon execution, not to exceed five consecutive years, which includes a three-year base agreement with two optional one-year extensions (\$229,000).**
6. **Approve and authorize the Chairman to execute Agreement with Kertel Communications, Inc., dba Sebastian (Sebastian) to provide Alarm Monitoring services (Section 4 of the RFQ), effective upon execution, not to exceed five consecutive years, which includes a three-year base agreement with two optional one-year extensions (\$55,000).**

The County's RFQ solicited competitive bids for the maintenance, repair, inspection, and monitoring of fire and intrusion alarm systems for County occupied buildings. The RFQ is divided into four sections: Section 1 (Notifier Systems); Section 2 (General Fire Alarm System); Section 3 (Intrusion Alarm Systems); and Section 4 (Alarm Monitoring).

The Appeal: It is recommended that your Board first hear and consider the appeal from Tri-Signal Integration regarding recommended award of the Agreements for Alarm Maintenance, Repair, and Inspection Services to Integrated Electronics for Notifier Systems (Section 1 of the RFQ) and to HCI Systems for General Fire Alarm System (Section 2 of the RFQ). Both the County Administrative Officer (CAO) and the Purchasing Manager have reviewed and considered the appeal pursuant to the County's appeal process and recommend that the appeal be denied.

Tri-Signal Integration failed to provide a quote for quarterly inspections of all life safety devices in the facility for Notifier Systems (Section 1 of the RFQ), which required quarterly inspections, in addition to annual inspection, of all life safety devices. Accordingly, Tri-Signal Integration's bid for Notifier Systems (Section 1 of the RFQ) was deemed incomplete by the Purchasing Manager. (But if your Board grants Tri-Signal Integration's appeal relating to its bid for Notifier Systems (Section 1 of the RFQ), this means your Board would be waiving the defect in Tri-Signal Integration's bid for that Section of the RFQ, pursuant to page 5 of the RFQ, which states, "The County reserves the right to reject any and all bids and to waive informalities or irregularities in bids.")

Although Tri-Signal Integration's bid for General Fire Alarm System (Section 2 of the RFQ) had the lowest cost, Tri-Signal Integration's bid was also evaluated in regards to Tri-Signal Integration's past performance, in accordance with the RFQ. Despite having the lowest pricing for General Fire Alarm System (Section 2 of the RFQ), once Tri-Signal Integration's past performance was factored in, Tri-Signal Integration was not deemed to be the vendor offering the services, products, prices, delivery, equipment and system to the best advantage of the County, per the terms of the RFQ, for Section 2 (General Fire Alarm System).

Recommended Agreements: It is recommended that your Board approve and authorize the proposed agreements with Integrated Electronics, HCI Systems, Geil Enterprises, and Sebastian. Approval of these recommended actions will allow for the maintenance, repair, inspection, and monitoring of fire and intrusion systems Countywide.

Options based upon appeal decision:

RFQ Section, Description	Vendor Options, Depending on Appeal Outcome
County of Fresno	Page 2

Section 1: Notifier Alarm System	Nobico (Integrated Elec.)	or	Tri-Signal
Section 2: General Fire Alarm	HCI Systems	or	Tri-Signal
Section 3: Intrusion Systems	Geil (Valley Alarm)		
Section 4: Alarm Monitoring	Kertel (Sebastian)		

This item pertains to locations Countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, the Internal Services Department - Security Division (ISD Security) will not have the means to ensure that intrusion and life safety systems are maintained, repaired, inspected, and monitored.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. All costs are recovered through charges to user departments. Sufficient appropriations and estimated revenues are included in ISD Security Org 8970 FY 2018-19 Adopted Budget and will be included in subsequent annual budget requests.

DISCUSSION:

ISD Security is responsible for the maintenance and operation of fire and intrusion alarm systems throughout the County. The safety of County employees and residents depend on the operation of these critical systems.

On June 28, 2018, ISD Security issued a Request for Quotation (RFQ) No. 18-061, through the ISD Purchasing division to solicit competitive bids for the maintenance, repair, inspection, and monitoring of fire and intrusion alarm systems for County occupied buildings, with a closing date of August 2, 2018.

The RFQ is divided into four sections: Section 1 (Notifier Systems); Section 2 (General Fire Alarm System); Section 3 (Intrusion Alarm System); and Section 4 (Alarm Monitoring). Bidders were instructed to bid on any or all of the four sections. Pursuant to the terms of the RFQ, award would be made to the vendor(s) offering the services, products, prices, delivery, equipment and system deemed to be to the best advantage of the County. Past performance (County contracts within the past seven years) and references may factor into awarding of a contract, per the RFQ:

AWARD: Award will be made to the vendor(s) offering the services, products, prices, delivery, equipment and system deemed to be to the best advantage of the County. Past performance (County contracts within the past seven years) and references may factor into awarding of a contract. The County shall be the sole judge in making such determination. Award Notices are tentative: Acceptance of an offer made in response to this RFQ shall occur only upon execution of an agreement by both parties or issuance of a valid written Purchase Order by Fresno County Purchasing. (RFQ, page 5).

One June 29, 2018, Addendum number 1 was released, which contained a corrected RFQ Attachment.

On July 13, 2018, a vendor conference was held at the Purchasing division warehouse.

On July 31, 2018, Addendum number 2 was released, which revised a page of the RFQ, addressed vendor questions, contained revised RFQ Attachments and Exhibits, and extended the RFQ closing date from August 2, 2018 to August 14, 2018.

Purchasing received six bids by the August 14, 2018 closing date. Bids were received from Geil Enterprises, HCI Systems, Integrated Electronics, Matson Alarm Company (Matson), Sebastian, and Tri-Signal

Integration. The bidders for each section were:

Section 1 (Notifier Systems) - Tri-Signal Integration, Integrated Electronics, and Matson.

Section 2 (General Fire Alarm System) - Sebastian, Tri-Signal Integration, HCI Systems, and Integrated Electronics

Section 3 (Intrusion Alarm System) - Sebastian, HCI Systems, Matson, Integrated Electronics, and Geil Enterprises.

Section 4 (Alarm Monitoring) - Sebastian, HCI Systems, Integrated Electronics, and Matson.

All bids were evaluated by ISD Purchasing, and a bid tabulation was prepared. A tentative award notice was sent to all six responding bidders. Due to an error in the initial analysis of award for "Section 2 - General Fire Alarm System", a revised bid tabulation was prepared and a second tentative award notice was sent to all bidders. It was initially thought that quarterly inspections were required for Section 2 - General Fire Alarm System, but upon further review, it was noted that quarterly inspections were not required for Section 2 - General Fire Alarm System.

Tri-Signal Integration Bids; Appeals:

A. Overview:

Tri-Signal Integration failed to provide a quote for quarterly inspections of all life safety devices in the facility for Section 1 (Notifier Systems), which required quarterly inspections, in addition to annual inspection, of all life safety devices. Accordingly, Tri-Signal Integration's bid for Notifier Systems (Section 1 of the RFQ) was deemed incomplete by the Purchasing Manager, and the County did not evaluate that bid in determining that Integrated Electronics offered the services, products, prices, delivery, equipment and system deemed to be to the best advantage of the County, per the terms of the RFQ, for Section 1 (Notifier Systems).

Although Tri-Signal Integration's bid for General Fire Alarm System (Section 2 to the RFQ) had the lowest cost, Tri-Signal Integration's bid was also evaluated in regards to Tri-Signal Integration's past performance, in accordance with page 5 of the RFQ. Therefore, despite having the lowest pricing for General Fire Alarm System (Section 2 to the RFQ), once Tri-Signal Integration's past performance was factored in, Tri-Signal Integration was not deemed to be the vendor offering the services, products, prices, delivery, equipment and system to the best advantage of the County, per the terms of the RFQ, for Section 2 (General Fire Alarm System).

B. The appeal process:

On September 17, 2018, Tri-Signal Integration submitted an appeal to the Purchasing Manager on the basis of "Contradictions, procurement errors, quotations rating discrepancies, legality of procurement context, conflict of interest, and inappropriate or unfair competitive procurement..." and cited five points of concern:

- 1) General Requirement on page 17 of the RFQ, "States all work should be in full compliance with current rules and regulations of all applicable codes..."
- 2) Device counts for the JJC campus "...were not broken down by building, not allowing information to breakdown each building as asked in the RFQ... No Company can break down this site due to the above referenced information in this section."
- 3) "Quotations sheets specifies a quarterly cost and annual cost with a total amount for both... This would double the cost, providing an incorrect bid cost proposal."
- 4) "Exhibits A and B... for Notifier Systems and General Fire Systems are identical... how can one of the 2 bids be arbitrarily be accepted and the other Rejected?"

- 5) Referencing email dated September 14, 2018 from Purchasing staff citing, "The revised bid tab removed the notation from Section 2 (General fire) that quarterly inspections were not provided, which resulted in Tri-Signal Integration, HCI, and Integrated all being considered for award for this section."

On September 26, 2018, the Purchasing Manager denied the appeal, and individually addressed each of the concerns as follows:

- 1) Item 1 of appeal is "...not clear. County has followed NFPA code in the RFQ."
- 2) Item 2 "...is not an appealable item. Attachment A of the RFQ was only informational. No other vendor addressed this as an issue."
- 3) "Some units required a quarterly some an annually and both a quarterly and annually. This was a requirement of the Request for Quotation and was on the quotation schedule."
- 4) "The "FA" column on both quotation sheets dictated whether the inspections were to be done quarterly or annually. Your quotation sheet was not complete for the Notifier section. Three areas of cost were missing from your Notifier quotation sheet. Your quotation schedule was not rejected, it was incomplete."
- 5) "Your statement above is correct, an error was determined in the first analysis of the bids. A re-analysis on this section was done and a second tentative award notice was sent out. Tri-Signal Integration was low bid on the section but past performance factored in and HCI was tentatively awarded this section. Past performance is listed on page 5 of the award section of the RFQ."

The Purchasing Manager provided information to Tri-Signal Integration on its right under the RFQ to continuing the appeal process to the County Administrative Officer (CAO).

On October 5, 2018, Tri-Signal Integration further appealed to the CAO. Tri-Signal Integration's letter to the CAO, dated October 5, 2018, identified three bases for its appeal. The issues are stated in technical terms, but are variations on the same theme. That is, Tri-Signal Integration believes its bids for Notifier Systems (Section 1 to the RFQ) and General Fire Alarm System (Section 2 to the RFQ) are sufficient because Tri-Signal Integration submitted its bids according to minimum code requirements.

The RFQ specified that all work must be in full compliance with all codes, including NFPA 72 (See RFQ, pages 17 and 18). But that does not mean that the County is limited by the code minimum requirements as to the number of times that inspections shall be conducted, because the County specifically requested, in pages 27 and 28 of the RFQ for Section 1 (Notifier Systems), a quote for quarterly inspections, in addition to annual inspection, of all life safety devices in the facility. Tri-Signal Integration failed to provide a quote for quarterly inspections of all life safety devices in the facility for Notifier Systems (Section 1 of the RFQ), which required quarterly inspections, in addition to annual inspection, of all life safety devices. Accordingly, Tri-Signal Integration's bid for Notifier Systems (Section 1 of the RFQ) was deemed incomplete by the Purchasing Manager, and the County did not evaluate that bid in determining that Integrated Electronics offered the services, products, prices, delivery, equipment and system deemed to be to the best advantage of the County, per the terms of the RFQ, for Section 1 (Notifier Systems).

The CAO agreed with the Purchasing Manager and concluded that there is no reason to change the tentative award recommendation. The appeal was denied.

C. Final appeal to your Board:

Tri-Signal Integration's appeal before your Board today is the final appeal allowed under the RFQ (Recommended Action 1, above).

Following the hearing, your Board would need to determine whether to grant or deny the appeal from Tri-Signal Integration (Recommended Action 2, above).

In the event your Board grants one or both items on appeal, Staff has identified related actions (Recommended Actions 2a, 2b, above) needed to authorize the approval and execution of the Agreement(s) with Tri-Signal Integration, as applicable:

- For the Agreement for Alarm Maintenance Services for Notifier Systems (Section 1 of the RFQ), this means Tri-Signal Integration would be awarded the Agreement, but would not be required to provide quarterly inspections.
 - If your Board grants Tri-Signal Integration's appeal relating to its bid for Notifier Systems (Section 1 of the RFQ), this means your Board would be waiving the defect in Tri-Signal Integration's bid for that Section of the RFQ, pursuant to page 5 of the RFQ, which states, "The County reserves the right to reject any and all bids and to waive informalities or irregularities in bids."
 - Approval of this action item would be instead of authorizing the Agreement with Integrated Electronics (Recommended Action 3, above).
- For the Agreement for Alarm Maintenance Services for General Fire Alarm System (Section 2 of the RFQ), this means Tri-Signal Integration would be awarded the Agreement.
 - Approval of this action item would be instead of authorizing the Agreement with HCI Systems (Recommended Action 4, above).

Recommended Agreements:

Purchasing's evaluation determined that bids submitted by the following vendors for their respective services are deemed to be to the best advantage of the County:

- Integrated Electronics to provide maintenance, repair, and inspection services for Notifier Systems (Section 1 to the RFQ).
- HCI Systems to provide maintenance, repair, and inspection services for General Fire Alarm System (Section 2 to the RFQ).
- Geil Enterprises to provide maintenance, repair, and inspection services for Intrusion Alarm Systems (Section 3 to the RFQ).
- Sebastian to provide services for Alarm Monitoring (Section 4 to the RFQ).

Recommended actions three through six approve and authorize award of the Agreements for Notifier Systems (Section 1 of the RFQ) to Integrated Electronics (\$734,000), General Fire Alarm System (Section 2 of the RFQ) to HCI Systems (\$360,000), Intrusion Alarm Systems (Section 3 of the RFQ) to Geil Enterprises (\$229,000), and Alarm Monitoring (Section 4 of the RFQ) to Sebastian (\$55,000).

The recommended Agreements are effective upon execution, with an initial three (3) year term, with two (2) optional one (1) year extensions, upon satisfactory performance and written approval of both parties.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement (Integrated Electronics)
On file with Clerk - Agreement (HCI Systems)
On file with Clerk - Agreement (Geil Enterprises)
On file with Clerk - Agreement (Sebastian)
On file with Clerk - Advance Agenda Material

CAO ANALYST:

Juan Lopez