



Administrative Report

H.9., File # 25-0899

Meeting Date: 8/19/2025

To: MAYOR AND CITY COUNCIL
From: JOE HOFFMAN, CHIEF OF POLICE

TITLE

APPROVE AN AGREEMENT WITH PHOENIX GROUP INFORMATION SYSTEMS FOR FALSE ALARM PERMIT MANAGEMENT AND FEE COLLECTION SERVICES FOR AN AMOUNT NOT TO EXCEED 16% OF THE FEES COLLECTED FOR THE TERM AUGUST 19, 2025 TO AUGUST 19, 2027

EXECUTIVE SUMMARY

Approval of the proposed Agreement Phoenix Group Information Systems (Phoenix Group) would allow the City to more effectively manage the renewal and cost recovery process for fire and burglar alarm permits by utilizing a more efficient and streamlined fee collection process. The proposed Agreement would replace the existing Agreement with Central Square and lower the administrative service cost from 30% to 16% of the fees collected.

BACKGROUND

On July 12, 2022, the City of Redondo Beach entered into a three-year agreement with Central Square Technologies to manage alarm permits for both residential and commercial properties with monitored burglar and/or fire alarms. The Agreement allowed for two one-year extensions. The Agreement is in accordance with the City's Alarm Ordinance outlined in Title 3 Public Safety of the Redondo Beach Municipal Code. The Ordinance establishes requirements for permit applications and imposes fees for emergency responses to more than three false alarms within a 12-month period.

From inception, the City has received numerous complaints, from both the public and internal staff, concerning the quality of customer service provided by Central Square. In addition to these concerns, numerous errors have been identified, which have resulted in delayed payment processing, billing inaccuracies, unresolved account issues, and lost revenue for the City. Furthermore, the company's representatives have demonstrated a significant lack of responsiveness, leading to considerable staff time being spent on supporting affected residents. These ongoing issues have prompted staff to explore long-term corrective measures.

In February, 2025 the City initiated efforts to solve the customer service and financial issues experienced throughout the Agreement with Central Square. To address the concerns, the Police Department met with Phoenix Group, a Santa Ana-based company that provides comparable services. Phoenix Group offers improved communication, faster response times, and a more personalized level of customer service. They provide direct access to key personnel for issue

resolution and a customized website interface tailored to the City's needs. Additionally, the company offers a proven track record of high customer satisfaction, a more favorable cost-sharing structure, and more than 33 years of experience supporting government agencies. Phoenix Group is backed by a dedicated team specializing in sales, service, and contract management, and is recognized for its commitment to customer service and program integrity. Given these advantages, Phoenix Group was selected as the most feasible vendor to replace Central Square.

Notably, the City would retain a higher percentage of fee revenue under a contract with Phoenix Group-only 16% would be paid to the vendor, compared to 30% under the current Agreement.

Partnering with a vendor that delivers improved customer service, a consistent billing and appeals processes, dedicated support resources, and favorable financial terms is expected to enhance compliance with the Alarm Ordinance and better serve the needs of the community. This transition will also enable the Police Department to reduce the public safety resources currently dedicated to resolving issues.

Phoenix Group's public agency customers have historically seen at least 85% of their false alarm invoices paid. As such, the City expects to increase the collection rate and overall revenue produced by the program.

COORDINATION

Preparation of the agreement was coordinated with the City Attorney's Office and the Financial Services Department.

FISCAL IMPACT

There are no development or implementation costs associated with the proposed Agreement. The Agreement will be funded through collected revenue, with 16% of the total collections due to the Phoenix Group.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Agmt - Phoenix Group Information Systems
- Insurance - Phoenix Group Information Systems