



## **CITY COUNCIL AGENDA REPORT**

**MEETING DATE:** 6/20/2023

**DEPARTMENT:** City Manager

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### **SUBJECT:**

MASTER SERVICES AGREEMENT WITH FLOCK GROUP, INC.

### **RECOMMENDED ACTION(S):**

1. Approve the Master Services Agreement with Flock Group, Inc, for automatic license plate reader cameras.
  2. Authorize the City Manager to sign, and the City Clerk to attest, the Master Services Agreement, substantially in the form attached.
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### **EXECUTIVE SUMMARY:**

The City utilizes license plate reader cameras as a component of its public safety programs. Only sworn personnel of the Orange County Sheriff's Department ("OCSD") may access the cameras, subject to the attached Automated License Plate Readers ("ALPR") Usage and Privacy Policy ("Usage and Privacy Policy") (Attachment 1). The cameras are provided through Flock Group, Inc. ("Flock"), which is a company that specializes in providing license plate reader cameras for municipal police agencies.

On June 29, 2020, the City entered into a three-year Government Agency Customer Agreement ("Agreement") with Flock Group, Inc. (Attachment 2) for the purchase and installation of 10 ALPR cameras. Since entering into the Agreement with Flock, the City Council has approved three amendments (Attachments 3, 4, and 5) to bring the City's total ALPR camera deployment to 50. To date, 44 of the 50 cameras have been installed.

The proposed "Master Services Agreement" includes a five-year term that would "lock in" the current rates the City is paying for the most recently installed cameras and apply that rate to the City's entire system ("New Agreement") (Attachment 6). The New Agreement includes \$735,000 in compensation over a five-year fixed term, which amounts to an annual cost of \$147,000. This compensation amount includes the annual cost of 50 fixed cameras (\$2,500 per year each, plus \$300 annual data retention fee) and two mobile cameras (\$7,000 per year each). Staff recommends the City Council exercise its discretionary authority to enter into the New Agreement with Flock because it is in the best

interest of the City to do so. The proposed 2023-2025 Operating Budget includes funding to cover the costs of the recommended action.

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## **BACKGROUND:**

Public Safety is a top priority for the City of Lake Forest. Currently, there are 44 ALPR cameras installed to enhance public safety through the "Stay Safe Lake Forest" campaign. Staff are currently working with Flock to site, permit, and install an additional 6 cameras, which will bring the City's total camera deployment to 50.

The City entered into the original Agreement with Flock on June 29, 2020. Since that initial Agreement was executed, the City has entered into three amendments. Table 1 below illustrates the history of the City's contractual relationship with Flock.

*Table 1: Contractual History with Flock*

<b>Agreement</b>	<b>Description</b>	<b>Date Executed</b>
Original Agreement	Established the original contractual arrangement with Flock. 10 cameras installed at an annual cost of \$2,500 each.	June 29, 2020
First Amendment	Added 13 cameras at an annual cost of \$2,500 each.	September 7, 2021
Second Amendment	Added 17 cameras at an annual cost of \$2,500 each. Incurred a one-time, per camera implementation fee of \$350. Implemented a \$300 extended data retention plan on all existing cameras. \$300 per-cameras extended data retention plan applies to all current and future cameras.	December 6, 2022
Third Amendment	Added 10 cameras at an annual cost of \$2,500 each. Incurred a one-time, per camera implementation fee of \$350.	March 21, 2023

The ALPR cameras have enhanced the capabilities of OCSD to locate stolen vehicles, identify persons of interest, and conduct investigations. Enhancing public safety is a major component of the City's Strategic Business Plan. The Strategic Plan Initiative #25 - Lake Forest Geo Fence, was to expand ALPR's to

all major intersections and high traffic areas near city borders. This initiative was completed in the third quarter of this fiscal year.

The original Agreement with Flock is set to expire on June 30, 2023. In anticipation of the Agreement's expiration date, staff entered negotiations with Flock to secure favorable pricing for several years going forward. Flock has agreed to apply the current pricing the City is paying for the most recently installed cameras over a five-year term. Because Flock and staff were able to preliminarily agree to this arrangement, the City can avoid the 20% price increase Flock applied to all cameras nationwide effective April 1, 2023.

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## **DISCUSSION:**

The attached New Agreement with Flock includes a compensation amount of \$735,000 over a five-year fixed term. This amounts to \$147,000 per year. The City will have 50 Flock cameras installed on or shortly after July 1, 2023, the effective date of the New Agreement. The base annual cost of each camera would be \$2,500, plus a \$300 per year data retention fee. This amounts to a \$147,000 annual cost for the 50 fixed cameras.

The New Agreement also includes the acquisition of two mobile ALPR cameras. These mobile ALPR cameras would be used by the OCSD in certain "hot spot" areas where vehicle-involved crimes may be occurring that are out of the sight line of the City's fixed cameras.

Flock cameras identify the viewable license plate and other physical vehicle features within the capture frame. The most unique aspect of this product is the user interface software. The software provides a simple searchable database and enables law enforcement to receive hotlist alerts and create custom alerts for license plates under investigation.

Staff's role with the cameras is limited to contract procurement and ongoing contract management. OCSD personnel solely operate the system. OCSD has a Usage and Privacy Policy, which outlines authorized uses of the system (Attachment 1). The Usage and Privacy Policy requires training of OCSD personnel and requires proper security of the data collected. The Usage and Privacy Policy ensures that the data collected by the cameras can only be accessed through a controlled process by trained OCSD personnel.

On March 21, 2023, the Third Amendment to the Agreement was approved by the City Council. At that time, staff mentioned that a new agreement would be presented for City Council consideration that would include a five-year fixed term for the ongoing maintenance of all 50 cameras. Staff recommends the City Council approve the Master Service Agreement with Flock and authorize the City

Manager to sign the agreement. The Master Service Agreement has been reviewed by the City Attorney's Office.

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### **FISCAL IMPACT:**

Approval of the Master Services Agreement will set the annual cost for the 50 fixed cameras at \$147,000 per year for the next five years. If approved, there will be sufficient funds available in the Proposed Fiscal Year 2023-2025 Operation Budget.

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### **ATTACHMENTS:**

1. OCSD Automated License Plate Readers Usage and Privacy Policy
2. Government Agency Customer Agreement with Flock Group, Inc.
3. First Amendment to Agreement with Flock Group, Inc.
4. Second Amendment to Agreement with Flock Group, Inc.
5. Third Amendment to Agreement with Flock Group Inc.
6. Proposed Master Services Agreement with Flock Group, Inc.

Initiated By: Sharlyn De la Paz, Senior Management Analyst  
Submitted By: Sean McGovern, Assistant to the City Manager  
Approved By: Debra Rose, City Manager