

# Memo



**Date:** August 25, 2010  
**File:** 7120-08  
**To:** City Manager  
**From:** Jason Brolund, Assistant Fire Chief  
**Subject:** OMEGA MONITORING AGREEMENT  
  
Report Prepared by: Candace Friesen

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## Recommendation:

THAT COUNCIL authorizes the City to enter into a five (5) year Agreement with Omega Monitoring Inc. in the form attached to the Report of the Assistant Fire Chief dated August 25, 2010 with respect to the ongoing monitoring of Fire Alarms by the Kelowna Fire Department Dispatch Centre;

AND THAT the Mayor and City Clerk be authorized to execute the Agreement.

## Purpose:

To authorize the execution of a renewed five (5) year agreement with Omega Monitoring for the ongoing monitoring of Fire Alarms by the Kelowna Fire Department Dispatch Centre.

## Background:

Omega Monitoring Inc. has been in the fire alarm monitoring business since 1993. Omega and the City of Kelowna Fire Department have partnered since that time in the monitoring of fire alarms for the area, within the fire dispatch centre.

Omega purchases all the hardware required for the business, solicits and adds customers to the system, looks after all maintenance and upgrades. Omega does all the invoicing and collections. The fire department provides the dispatchers on a 24 hour per day basis to monitor and respond to alarms.

When the fees have been collected by Omega, a portion is then paid to the City of Kelowna fire department for the monitoring services. The payment is based on the going market rate for this type of service, with a premium for the fact that the monitoring is performed by professional dispatchers located within the fire dispatch centre. The payment has been consistent across the term of the previous contract and extends into the new contract, despite a trend of reductions in the industry.

## Revenue Projections:

2010	2011	2012	2013	2014	2015
\$52,000	\$54,000	\$56,000	\$58,000	\$60,000	\$62,000

A handwritten signature in blue ink, located in the bottom right corner of the page.

The previous five (5) year agreement with Omega expired in 2003 and has been operating on a year to year basis since that time. Omega would like to formalize a new, long term agreement with the City for their monitoring services and the fire department is in agreement.

The agreement will be for a term of five (5) years and will have an automatic renewal for five (5) additional 1 year terms providing the City fulfils its obligations to perform its monitoring duties as required. The City or Omega may cancel this contract with one (1) year notice.

**Considerations not applicable to this report:**

**Internal Circulation:**

**Legal/Statutory Authority:**

**Legal/Statutory Procedural Requirements:**

**Existing Policy:**

**Financial/Budgetary Considerations:**

**Personnel Implications:**

**External Agency/Public Comments:**

**Community & Media Relations Comments:**

**Alternate Recommendation:**

Submitted by:



J. Brolund, Assistant Fire Chief

Approved for inclusion:



General Manager, Corporate Sustainability

cc: Director, Financial Services

File:

THIS AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_ 2010

BETWEEN:

THE CITY OF KELOWNA  
A municipal corporation having its offices at:  
1435 Water Street, in the City of Kelowna,  
Province of British Columbia  
(Herein after called the "City")

OF THE FIRST PART

AND

OMEGA MONITORING INC.  
100-1751 Harvey Avenue  
Kelowna BC V1Y 6G4  
(Herein after called "Omega")

OF THE SECOND PART

NOW THEREFORE in consideration of the terms and conditions set out in this agreement and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Omega agrees to operate and maintain fire alarm reporting equipment for their subscribers that at all times is in full compliance with the CAN/ULC-S559 standard and other relevant standards.
2. Omega shall pay for all costs of the operation and maintenance for alarm reporting, equipment and system except where noted in this contract and except the cost of the monitoring performed by the City.
3. The City shall at its own cost, monitor the fire alarm reporting systems installed by Omega.

#### 4. INSURANCE

Omega shall, without limiting its obligations or liabilities under this Agreement, procure and maintain, at its own expense and cost, the insurance policies listed in Appendix A and A1, attached hereto and made a part of this Agreement. The insurance policies shall be maintained continuously from the date of commencement of the Work or Services provided under this Agreement until the end date of this Agreement.

## 5. INDEMNIFICATION

Omega shall save and hold harmless the City, its officers, agents, servants and employees from and against all suits or claims alleging damage or injury (including death) to any person or property that may occur or that may be alleged to have occurred, in the course of the performance of this Agreement. Whether such claim shall be made by an employee of Omega, or by a third party and whether or not it shall be claimed that the alleged damage or injury (including death) was caused through a willful or negligent act or omission of any of its subcontractors or any of their officers, servants or employees, save and except in a case where the alleged damage, injury (including death) was caused through a willful or negligent act or omission of any of the officers, servants or employees of the City or those for whom the City is, in law, responsible. Omega shall defend any and all such actions and pay all legal charges, costs and other expenses arising wherefrom, save and except in a case where the alleged damage, injury (including death) was caused through a willful or negligent act or omission of any of the officers, servants or employees of the City or those for whom the City is, in law, responsible.

## 6. The City hereby agrees to the following obligations:

To respond to alarms received at the fire hall in a professional and expedient manner.

To assist Omega with resolving issues that effect monitoring procedures.

To call emergency customer contacts to inform them there is a problem with their system and that it may not be monitored, should the situation arise.

To fax to Omega reports that need to be addressed by Omega as issues or problems are identified.

To train all dispatchers on the new system and have one main trainer contact after the original training from Omega.

To train the dispatchers on the use of the instruction manual after the original training has been completed by Omega.

To supply an internet connection to remotely connect to Omega's equipment for support and maintenance purposes.

## 7. Omega Monitoring hereby agrees to the following obligations:

To be responsible for all hardware, upgrade and maintenance costs.

To respond to system related emergencies 24 hours a day, 7 days a week with trained technical staff.

To use best efforts to obtain and maintain emergency customer contact telephone lists and provide such lists to the City as required.

To supply the initial training for all dispatchers and to "train the trainer" (being a City employee) as major system changes occur.

To pay the City for services rendered.

8. Omega shall invoice their subscribers directly and annually in advance. Omega shall pay to the City \$264 plus all applicable taxes for each subscriber, the number of subscribers being confirmed by the Fire Department and Omega, unless otherwise stated by this agreement, on or before March 31 in each and every year of the term of this agreement. The City will not be charged or paid for subscribers that leave the system and have to be paid refunds or subscribers that join the system after the official count between Omega and the Fire Department is finalized for the year.

Omega will reserve the right to negotiate different charges for the subscriber and will pay the City proportionately with the same terms and conditions as above.

Without waiving any right of action of the City in the event of late payment or default of payment of the monies due herein, Omega shall pay a penalty of two percent per month or any portion thereof compounded monthly (26.82percent per annum) effective from the day the amount is due. In order to reflect prevailing interest rates, the City may review and adjust the penalty rate from time to time.

9. The agreement will be for a five (5) year term commencing on the 1<sup>st</sup> day of June 2010 and ending the 31<sup>st</sup> day of December 2015 and is subject to automatic renewal for five further one-year terms unless notice of termination is given one (1) year prior to the anniversary date of the Agreement. If required, the City and Omega shall review the fees covered by this agreement and may negotiate a change in the amount of fees.
10. This Agreement and any rights and remedies arising out of this Agreement, shall be construed in accordance with the laws of British Columbia.

#### 11. CONFIDENTIALTY

Omega shall keep confidential for an unlimited period of time all communications, plans, specifications, reports or other information used in connection with this Agreement except:

- 11.2.1 those requiring disclosure by operation of law; or
- 11.2.2 any disclosure authorized in writing by the City or
- 11.2.3 those in the public domain through no act or omission of Omega.

Omega shall, by employing written agreements, bind all employees, sub-consultants and agents to the obligations required by this Article.

IN WITNESS WHEREOF the parties hereunto set their hand on the day and year first above written.

Signatures )  
of the CITY OF KELOWNA were hereto affixed: )


\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date

Signatures )  
of Omega Monitoring Inc. were hereto affixed: )

  
\_\_\_\_\_  
Authorized Signatory

*President*  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Title

  
\_\_\_\_\_  
Witness

*Aug. 25 / 2010*  
\_\_\_\_\_  
Date

## Appendix A - Insurance Requirements

### 1. Contractor To Provide

The Contractor shall procure and maintain, at its own expense and cost, the insurance policies listed in section 2, with limits no less than those shown in the respective items, unless in connection with the performance of some particular part of the Work or Services, the City advises in writing that it has determined that the exposure to liability justifies less limits. The insurance policy or policies shall be maintained continuously from commencement of the Work or Services until total completion of the Work or Services or such longer period as may be specified by the City.

### 2. Insurance

As a minimum, the Contractor shall, without limiting its obligations or liabilities under any other contract with the City, procure and maintain, at its own expense and cost, the following insurance policies:

- 2.1 WorkSafe BC Insurance covering all employees of Contractor engaged in the Work or Services in accordance with the statutory requirements of the province or territory having jurisdiction over such employees.
- 2.2 Comprehensive General Liability Insurance
  - (i) providing for an inclusive limit of not less than \$2,000,000 for each occurrence or accident;
  - (ii) providing for all sums which the Contractor shall become legally obligated to pay for damages because of bodily injury (including death at any time resulting therefrom) sustained by any person or persons or because of damage to or destruction of property caused by an occurrence or accident arising out of or related to the Work or Services or any operations carried on in connection with this Contract;
  - (iii) including coverage for Products/Completed Operations, Blanket Contractual, Contractor's Protective, Personal Injury, Contingent Employer's Liability, Broad Form Property Damage, and Non-Owned Automobile Liability.
  - (iv) providing for Completed Operations Liability to continue for a period of 24 months after total completion of the Work or any part of the Work.
  - (v) providing for the use of explosives for blasting; vibration from pile driving or caisson work; the removal of, or weakening of support of such property, building or land, whether such support shall be natural or otherwise; demolition; or any other work below ground level.
  - (vi) including a Cross Liability clause providing that the inclusion of more than one Insured shall not in any way affect the rights of any other Insured hereunder, in respect to any claim, demand, suit or judgement made against any other Insured.
- 2.3 Automobile Liability Insurance covering all motor vehicles, owned, operated and used or to be used by the Contractor directly or indirectly in the performance of the Work or Services. The Limit of Liability shall not be less than \$2,000,000 inclusive, for loss or damage including personal injuries and death resulting from any one accident or occurrence.
- 2.4 All Risks Insurance for loss of or damage to all Contractor's equipment, owned, leased or for which Contractor may otherwise be responsible and used or to be used in the performance of the Work. This insurance shall be for an amount not less than the replacement cost value of the equipment. In the event of loss or damage, Contractor shall if so requested by the City, forthwith replace such lost or damaged equipment. Such All Risks Insurance shall be endorsed to waive all rights of subrogation against the City.

### 3. The City Named As Additional Insured

The policies required by sections 2.2 and 2.3 above shall provide that the City is named as an Additional Insured thereunder and that said policies are primary without any right of contribution from any insurance otherwise maintained by the City.

4. **Contractor's Subcontractors**

The Contractor shall require each of its subcontractors to provide comparable insurance to that set forth under section 2.

5. **Certificates of Insurance**

The Contractor agrees to submit Certificates of Insurance, in the form of Appendix A-1, attached hereto and made a part hereof, for itself and for all of its subcontractors to the Risk Management Department of the City prior to commencing the Work or providing the Services. Such Certificates shall provide that 30 days' written notice shall be given to the Risk Management Department of the City, prior to any material changes or cancellations of any such policy or policies.

6. **Other Insurance**

After reviewing the Contractor's Certificates of Insurance, the City may require other insurance or alterations to any applicable insurance policies in force during the period of this Contract and will give notifications of such requirement. Where other insurances or alterations to any insurance policies in force are required by the City and result in increased insurance premium, such increased premium shall be at the Contractor's expense.

7. **Additional Insurance**

The Contractor may take out such additional insurance, as it may consider necessary and desirable. All such additional insurance shall be at no expense to the City. The Contractor shall ensure that all of its subcontractors are informed of and comply with the City's requirements set out in this Appendix A.

8. **Insurance Companies**

All insurance, which the Contractor is required to obtain with respect to this contract, shall be with insurance companies registered in and licensed to underwrite such insurance in the province of British Columbia.

9. **Failure to Provide**

If the Contractor fails to do all or anything which is required of it with regard to insurance, the City may do all that is necessary to effect and maintain such insurance, and any monies expended by the City shall be repayable by and recovered from the Contractor. The Contractor expressly authorizes the City to deduct from any monies owing the Contractor, any monies owing by the Contractor to the City.

10. **Nonpayment of Losses**

The failure or refusal to pay losses by any insurance company providing insurance on behalf of the Contractor or any subcontractor shall not be held to waive or release the Contractor or subcontractor from any of the provisions of the Insurance Requirements or this Contract, with respect to the liability of the Contractor otherwise. Any insurance deductible maintained by the Contractor or any subcontractor under any of the insurance policies is solely for their account and any such amount incurred by the City will be recovered from the Contractor as stated in section 9.

## APPENDIX A-1 – CERTIFICATE OF INSURANCE

**This Certificate is issued to:**

The City of Kelowna  
1435 Water Street  
Kelowna, BC V1Y 1J4

**Insured**

Name: Omega Monitoring Inc. & Omega Communications Ltd.
Address: #100-1751 Harvey Avenue Kelowna, BC V1Y 6G4

**Broker**

Name: CAPRI INSURANCE SERVICES LTD.
Address: 100 - 1500 Hardy Place, Kelowna, BC V1Y 8H2

**Location and nature of operation or contract to which this Certificate applies:**

**Alarm Operations**

Type of Insurance	Company & Policy Number	Policy Dates		Limits of Liability
		Effective	Expiry	
<b>Section 1</b> Comprehensive General Liability including: <ul style="list-style-type: none"> <li>• Products/Completed Operations;</li> <li>• Blanket Contractual;</li> <li>• Contractor's Protective;</li> <li>• Personal Injury;</li> <li>• Contingent Employer's Liability;</li> <li>• Broad Form Property Damage;</li> <li>• Non-Owned Automobile;</li> <li>• Cross Liability Clause.</li> </ul>	Temple Insurance Company as arranged by Elliot Special Risks LP #SECT0012	Oct. 21/09	Oct. 21/10	Bodily Injury and Property Damage  \$ 5,000,000 Inclusive \$ 5,000,000 Aggregate \$ 500.00 Deductible
<b>Section 2</b> Automobile Liability				Bodily Injury and Property Damage \$ Inclusive
<b>Section 3</b> Course of Construction Builders Risk & Boiler and Machinery Insurance <ul style="list-style-type: none"> <li>• "All Risk" Form</li> <li>• City as Named Insured</li> </ul>				"All Risk" coverage for direct physical loss or damage or destruction Amount not to be less than the full Contract Price Boiler and machinery insurance Amount not to be less than the value of boilers, pressure vessels and other insurable objects

It is understood and agreed that the policy/policies noted above shall contain amendments to reflect the following:

1. Any Deductible or Reimbursement Clause contained in the policy shall not apply to the City of Kelowna and shall be the sole responsibility of the Insured named above.
2. The City of Kelowna is named as an Additional Insured.
3. 30 days prior written notice of material change and/or cancellation will be given to the City of Kelowna.

\_\_\_\_\_  
Robyn Wack  
Print Name

\_\_\_\_\_  
*Robyn Wack*  
Authorized Signatory

\_\_\_\_\_  
Insurance Broker  
Title

**Capri Insurance Services Ltd.**  
Company (Insurer or Broker)

**August 25, 2010**  
Date