

PLACER COUNTY

ADMINISTRATIVE SERVICES DEPARTMENT

MEMORANDUM

TO: Honorable Board of Supervisors

FROM: Jerry Gamez, Director of Administrative Services *J. A.*

DATE: March 11, 2014

SUBJECT: Authorize the Execution of a Five-Year Municipal Lease with Motorola, Inc. in the Amount of \$6,802,651 for the Acquisition of Digital Radio Infrastructure, Authorize the Execution of a Motorola Maintenance Service Agreement in the Amount of \$326,660 and Approve a Technical Budget Revision in the Amount of \$130,000 to support the Countywide Interoperable Radio Network Project.

RECOMMENDATION/ACTION REQUESTED

- A. Countywide Interoperable Radio Network Project:
- 1.) Authorize the execution of a five-year municipal lease agreement with Motorola, Inc. for the acquisition of Project 25 compliant, VHF, digital trunking infrastructure in the amount of \$4,362,487 and Project 25 compliant radio subscriber equipment in the amount of \$2,440,164, with a net County cost of \$6,802,651, funded by the Countywide Radio Network Project Budget, Radio Reserve Funds, Fire Mitigation Fees, County Mitigation Fees, Jurisdictional "Buy-in" Fees, and User Department "Subscriber" Fees;
 - 2.) Authorize the Purchasing Manager to execute a 6-year Motorola Maintenance Service Agreement with a net County cost of \$326,660, funded by the Telecommunication Division's Annual Operating Budget (02100);
 - 3.) Approve a Technical Budget Revision in the amount of \$130,000 within the appropriate accounts of the Countywide Radio Network Budget Unit;
 - 4.) Approve the addition and removal of the appropriate components to the County's Master Fixed Asset List;
 - 5.) Authorize the Purchasing Manager to execute all related procurement documents upon approval by County Counsel and Risk Management and;
 - 6.) Authorize the Director of Administrative Services and the Purchasing Manager to take all other actions necessary to implement the project.

BACKGROUND

On February 4, 2003, your Board approved the Countywide Radio Network Strategic Plan which provided a solution for upgrading the County's aging radio communications systems to a state-of-the-art communications network that incorporates the latest in standards-based technologies, met Federal Communications Commission's (FCC) Public Safety Frequency Spectrum requirements within the appropriate deadlines and significantly enhanced interoperability capabilities essential to effectively protect and serve the citizens of Placer County.

Implementing the Countywide Interoperable Radio Network Project during uncertain economic times and prior to the FCC's January 2013 mandated date to meet Public Safety Frequency Spectrum requirements has proven to be technologically challenging and administratively complex.

Many public safety agencies thorough out the nation elected to meet the FCC's Public Safety Frequency Spectrum requirements by converting their radio systems to a lower cost analog solution that satisfied the minimum FCC requirements. For many, this decision has resulted in diminished radio coverage areas and agencies are now investing substantial funding towards additional infrastructure costs to regain lost radio service coverage areas.

During the past eleven years, Placer County has made significant progress in its phased approach towards implementing a new Countywide Interoperable Radio Network that ensures the County's Public Safety Agencies have the necessary tools to meet their day-to-day communications needs and effectively respond to any disaster, whether natural or man-made.

To date approximately \$12.1 million in Federal Congressional Earmarks, Homeland Security Grants and County/Local Funds have been acquired and allocated towards the implementation of the Countywide Interoperable Radio Network Project. However, State and Federal funding sources have experienced a significant decrease due to the nation's recession and competing priorities for any remaining discretionary funding.

Because of the cost and magnitude of the project, Placer County has required additional time to fully implement the Countywide Interoperable Radio Network Project. As a result, in September 2012 Placer County requested and was granted a 24-month extension waiver from the FCC to satisfy their Public Safety Frequency Spectrum requirements and avoid incurring non-compliance penalties. FCC penalties for non-compliance may include admonishment, license revocation, and/or monetary forfeitures of up to \$16,000 for each violation and up to \$112,500 for any single act or failure to act. Placer County's waiver expires on December 31, 2014.

CURRENT ISSUE

Efforts to secure federal and state funding for the implementation of the Countywide Interoperable Radio Network Project continue. However the need to fully comply with the Federal Communications Commission's Public Safety Frequency Spectrum requirements remains a priority and the need to enhance interoperability capabilities amongst our public safety agencies has never been greater.

Recent multi-jurisdictional incidents have identified the lack of an interoperable communications system in our region. Placer County is a large and geographically diverse County that spans more than 1,500 square miles. As a result, multiple disparate communication systems operate in our County on different frequency bands and utilize different technologies. A common communications system amongst and between the various public safety agencies is essential to effectively support multi-jurisdictional incidents.

Over the years many workarounds have been created to improve interoperable communications. However, these solutions require manual deployment on a case by case basis and have proven helpful but not as effective as a digital radio solution that complies with an open standard and allows systems to be fully interoperable as approved by your Board in February 2003 through the Countywide Radio Network Strategic Plan.

The Countywide Interoperable Radio Network Project was designed to meet current and future public safety and service agency needs and is comprised of three operating zones, Western Zone, I-80 Corridor, and the Tahoe Basin. Since the project's inception, radio infrastructure has been deployed by operating zones based on operational priorities, funding availability, and cost sharing opportunities. To date, the Western Zone is 100 percent complete, the I-80 Corridor is 50 percent complete and the Tahoe Basin is approximately 15 percent complete.

On September 2013, County staff received a proposal from Motorola, Inc. that included the required digital radio infrastructure, subscriber units, and maintenance services to implement the Countywide Interoperable Radio Network Project. These costs include \$4,362,487 for Project 25 compliant, VHF, digital trunking infrastructure, \$2,440,164 for related radio subscriber equipment, and \$326,660 for a six-year Motorola Maintenance Service Agreement. Motorola's proposal is based on the Los Angeles County Radio Communications Agreement pricing structure that supplies State and local government agencies with Motorola radio equipment at a volume discount rate of 20 percent below the manufacturer's list price. In addition, Motorola is extending Placer County with an additional \$830,293 discount and trade-in incentive.

The digital radio infrastructure for the I-80 Corridor and the Tahoe Basin is comprised of two prime site nodes, five RF simulcast sites, two intelli-repeater sites, microwave backhaul equipment, eight dispatch positions, one IP logging recorder, and system spares. The subscriber units are comprised of 155 mobile units, 425 portable units, and 8 desktop console units. The units are public safety grade and have a life expectancy of approximately 15 to 20 years. Approximately 50 percent of the subscriber units countywide have already been acquired and these units will support the Sheriff's Office, Health & Human Services Investigations & Animal Control, Facility Services' Utilities Division, Department of Public Works' Roads/Administration/Automotive/TART/Transit, and the Telecommunications Division. Maintenance services include Infrastructure Repair, Infrastructure Repair with Advance Replacement, and Security Update Services.

In accordance with Purchasing Policy Manual 1.3(e) (3), purchases against another public agency's competitively awarded contract are exempt from competition. Motorola's Los Angeles County Radio Communications Agreement pricing proposal meets this criterion.

Given the significant progress made to date, coupled with the on-going needs to increase interoperability capabilities and meet FCC requirements, County staff evaluated alternate funding solutions that provide for the completion of the Project within the next 12 to 18 months. Today the Department is requesting your Board's approval of a zero percent municipal lease from Motorola, Inc., otherwise known as a Lease-to-Own program with no residual and no end-of-lease buyout to implement the remaining components of the project. This lease to own approach was discussed and is supported the County's Finance Committee. The leased to own solution will provide Placer County with the ability to acquire the necessary infrastructure and subscriber units to comply with the FCC deadlines, avoid penalties and fully deploy a state-of-the-art communications network that incorporates the latest in standards-based technologies.

Other actions necessary to implement this portion of the project include the development of the Beacon Hill and Signal Peak Emergency Communication Tower Facilities. Currently funding for the purchase of the Beacon Hill radio tower, shelter, emergency generator, and related site development costs are allocated within the FY 2013/14 Countywide Radio Project budget. In addition, the Signal Peak facility will require a revision to the existing site lease agreement to accommodate new digital radio

infrastructure. The Administrative Services Department is seeking your Board's approval to solicit bids for the acquisition of the necessary equipment for the development of the Beacon Hill Emergency Communication Tower Facility and negotiate new lease terms that support the deployment of new digital radio infrastructure within the existing Signal Peak Radio Tower Facility.

In order to move forward with the execution of a five-year municipal lease agreement with Motorola, Inc. in the amount of \$6,802,651 for the acquisition of digital radio infrastructure and radio subscriber units; plus execute a six-year maintenance agreement in the amount of \$326,660, and the development of the Beacon Hill and Signal Peak Emergency Communication Tower Facilities to support the Countywide Interoperable Radio Network Project, your Board's approval is being requested.

FISCAL IMPACT

Funds for the resulting Blanket Purchase Order to support the five-year lease agreement with Motorola, Inc. totaling \$6,802,651 are comprised of the Countywide Radio Network Project Budget, Radio Reserve Funds, Fire Mitigation Fees, County Mitigation Fees, Jurisdictional "Buy-in" Fees, and User Department "Subscriber" Fees as outlined in Attachment A – Countywide Radio Project Funding Sources and shall be included in the Proposed FY 2014/15 Budget.

Funding for the six-year Motorola Maintenance Service Agreement totaling \$326,660 shall be included in the Telecommunication Division's Proposed FY 2014/15 Budget in accordance with Attachment A – Countywide Radio Project Funding Sources.

The required technical budget revision within the appropriate accounts of the Countywide Systems Fund to support the acquisition of a radio tower, shelter and emergency generator for the Beacon Hill Emergency Communication Tower Facility is also attached.

Cc: Kathy Buchanan, Deputy Director of Information Technology
Melissa Nunnink, Administrative & Fiscal Operations Manager
Allison McCrossen, Budget Analyst
James Importante, Management Analyst II
Dieter Wittenberg, Information Technology Manager
Brett Wood, Purchasing Manager

Attachment(s)

MASTER FIXED ASSET LIST

ADD:

<u>QTY</u>	<u>DESCRIPTION</u>	<u>UNIT COST</u>	<u>TOTAL COST</u>
1	Countywide Radio Project Phase III, Step C and D P25 Digital Radio Infrastructure	\$4,362,487	\$4,362,487
33	Motorola APX7000 Digital Dual Band Radio w/Feature Set 1	\$6,448	\$212,786
18	Motorola APX7000 Digital Dual Band Radio w/Feature Set 2	\$5,527	\$99,486
9	Motorola APX7000 Digital Dual Band Radio w/Feature Set 3	\$6,816	\$61,344
8	Motorola APX7500 Single Band Console	\$6,140	\$49,120
5	Motorola APX7500 Mobile Dual Band Radio w/Feature Set 4	\$6,646	\$33,230
1	160 ft. Lattice Radio Tower	\$40,000	\$40,000
1	12 ft. x 20 ft. Shelter	\$50,000	\$50,000
1	50 KVA Emergency Generator	\$40,000	\$40,000
Total Fixed Asset			\$4,948,453

MASTER FIXED ASSET LIST

REMOVE:

<u>ID #</u>	<u>DESCRIPTION</u>	<u>ASSET VALUE - TRADE IN</u>
30596	Auburn Dispatch Console	\$248,535
30251	Tahoe Dispatch Console	\$25,284

Attachment A
Countywide Radio Network Project
Funding Sources

County of Placer
 Countywide Radio Project



Radio Project Cost:

P2S Infrastructure	\$ 4,362,487
Subscriber Units	\$ 2,440,164
Maintenance Agreement	\$ 326,660
	\$ 7,129,311
 Site Development Costs	 \$ 2,350,000

Radio Project Potential Funding Sources:

Radio Project Annual Funds	\$500,000 / YR
Fire Mitigation Fees	\$1,600,000 / 4 YRS
Radio Fund Reserves	\$ 900,000
Capital Projects Trust (General Fund)	Varies
County Mitigation Fees	Varies
Department Charges	Varies
Motorola 5 YR Financing @ 0%	Up to 5 YRS - Project Total
Telecommunications Division (02100)	For ongoing costs - no increase in NCC

Proposed Funding Schematic

Debt Financing for Infrastructure and subscriber units

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	6-Year Total
<i>Sources:</i>								
Debt Financing (5-year liability) (1)	\$ 6,802,651							\$ 6,802,651
<i>Debt Service:</i>								
Radio Fund Reserves		-	(400,000)	(500,000)				(900,000)
Fire Mitigation Fees		-	(400,000)	(280,600)	(280,600)	(238,800)	(400,000)	(1,600,000)
Radio Project Annual Funds		-	(72,497)	(91,897)	(500,000)	(500,000)	(472,497)	(1,636,891)
Departmental Charges (1/2 of unit costs)		-	(244,016)	(244,016)	(244,016)	(244,016)	(244,017)	(1,220,081)
County Mitigation Fees / Jurisdictional Buy-In		-	(244,017)	(244,017)	(244,017)	(244,017)	(244,017)	(1,220,085)
Capital Projects Trust (2)		-			(91,897)	(133,697)		(225,594)
Total:	\$ 6,802,651		(1,360,530)	(1,360,530)	(1,360,530)	(1,360,530)	(1,360,531)	\$ -

Proposed Funding Schematic

Maintenance Agreement Contract in Telecom Division

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	6-Year Total
<i>Uses:</i>								
Maintenance Agreement (1)	\$ 326,660							\$ 326,660
<i>Sources:</i>								
Telecommunication Division (02100)		(42,241)	(51,027)	(54,441)	(57,056)	(59,508)	(62,387)	(326,660)
Total:	\$ 326,660	(42,241)	(51,027)	(54,441)	(57,056)	(59,508)	(62,387)	\$ -

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Attachment A
Countywide Radio Network Project
Funding Sources

Potential Funding Schematic
Site Development Costs

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	6-Year Total
<i>Uses:</i>								
Site Development Costs	\$ 130,000	\$ 825,500	986,397	408,103	-	-	-	\$ 2,350,000
<i>Sources:</i>								
Radio Project FY 2013-14 Annual Funds	\$ (130,000)	(325,500)						(455,500)
Radio Project FY 2014-15 Annual Funds		(500,000)						(500,000)
Radio Project FY 2015-16 Annual Funds			(427,503)					(427,503)
Radio Project FY 2016-17 Annual Funds				(408,103)				(408,103)
Capital Projects Trust / Jurisdictional Buy-in (2)			(558,894)					(558,894)
Total:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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