



CITY COUNCIL AGENDA REPORT

MEETING DATE: September 20, 2016

ITEM NUMBER: **CC-9**

SUBJECT: SOLE SOURCE PURCHASE FOR THE REPLACEMENT OF MOBILE RECEIVER RADIOS FOR THE ORANGE COUNTY 800 MHZ COUNTYWIDE COORDINATED COMMUNICATIONS SYSTEM UPGRADE

DATE: AUGUST 30, 2016

FROM: POLICE DEPARTMENT – SUPPORT SERVICES DIVISION

PRESENTATION BY: KEITH DAVIS, LIEUTENANT – TELECOMMUNICATIONS BUREAU

FOR FURTHER INFORMATION CONTACT: LT. KEITH DAVIS – 714-754-5660

RECOMMENDATIONS:

Approve and authorize the Chief Executive Officer to sign the sole source purchase request for 517 mobile receiver radios and accessories identified as eligible for the radio promotion offered by Motorola in an amount not to exceed \$2,313,666.78.

BACKGROUND:

The Orange County Sheriff-Coroner Department (OCSO) operates and maintains the 800 MHz Countywide Coordinated Communications System (CCCS), which provides centralized, interoperable voice radio communications for the County and its 34 cities. This includes all public safety and public service agencies, as well as a number of private, state, and federal agencies who provide support to the above agencies and/or have relevant communications requirements. After a competitive bid process, the County entered into a \$70.4 million contract with Motorola Inc. in September 1995 to provide the countywide 800 MHz CCCS integrated radio communications system. A new five-year agreement with Motorola Inc. was approved by the Board of Supervisors (Board) on April 20, 2010. On October 1, 2013, the Board approved a contract with Motorola Inc. in the amount of \$495,497 for an upgrade of the mobile, portable, and fixed station radio equipment to maintain the integrity and performance of the 800 MHz CCCS and provide the operational capabilities required by the various users.

Orange County agencies have long benefited from a unique capability to monitor and communicate on a countywide radio system. This capability requires a unique configuration of radio equipment that is not available in a typical off-the-shelf arrangement. The existing Spectra radio equipment has reached end-of-life and is no longer supported by Motorola. The Spectra model radio is not upgradable to Project 25 (P25). P25 is a set of standards for digital radio communications for use by federal, state, and local public safety agencies in North America to enable them to communicate with other agencies and mutual aid response teams in emergencies. P25 was established to address the need for common digital public safety radio communications standards for first-responders and homeland security/emergency response

professionals. The goal of P25 is to enable all public safety responders to communicate with each other and thus, achieve enhanced, coordinated, and effective use of communication equipment. Spectra radios must be replaced prior to the countywide system upgrade to P25 in 2018.

When the original contract for the 800 MHz CCCS was awarded to Motorola in 1995, among the many considerations that led to the selection of Motorola's proprietary SmartNet/SmartZone technology was the requirement for certain specialized features including, but not limited to, Dynamic System Management and Fleet Regrouping, which are embedded in both the infrastructure and the subscriber equipment (e.g., mobiles, portables, control stations, etc.). In addition, Motorola equipment is capable of encrypted voice transmission, which is utilized continuously by all public safety agencies throughout Orange County. Only Motorola equipment is capable of encrypted operation on a SmartNet/SmartZone system. Mobile, portable, and fixed station equipment utilized by participating CCCS agencies must be capable of operation on Motorola's SmartZone® technological platform. Only certain Motorola products can be utilized on the 800 MHz CCCS network. To maintain the integrity and performance of the 800 MHz CCCS, and provide the operational capabilities required by various users, the mobile, portable, and fixed station equipment must be upgraded by Motorola Inc., the original manufacturer and supplier of all of the subscriber equipment currently used on the system.

OCSO – Communications & Technology has been working with Motorola to develop a new generation of P25 compatible radios. Motorola has completed the design of a replacement set of equipment. Due to the custom configuration of this equipment, the list pricing is considerably higher than a single APX mobile radio. OCSO – Communications & Technology has been working with Motorola to bring the pricing down and Motorola agreed to a limited time promotion reducing the list price by 40%. The promotion is available only until November 25, 2016. An additional \$50,000.00 savings will be applied to orders prior to October 7, 2016.

The proposed new sole-source agreement with Motorola Inc. is required to purchase the Motorola APX mobile radio package.

ANALYSIS:

On February 12, 2014, the City of Costa Mesa, as a member of the 800 MHz CCCS, agreed to the joint management and governance of the shared communication system. This agreement addresses the estimated cost of upgrading aging backbone equipment through a cost-sharing allocation and memorializes the City's commitment to funding of the Next Generation Project 25.

The individual obligations for the ongoing maintenance cost of the system backbone (consoles and equipment), as approved by the Governance Committee, for each of the cities and Orange County Fire Authority, are determined by the number of radios that each of the partnering agencies operate on the system. Costs for the radios that operate under contract with the OCSO are allocated to the city for which the services are contracted. The City has radios allocated for use through the contract with the OCSO. Because of the upgrades to the 800 MHz system, all of these radios need to be replaced.

The replacement radios have been identified by the County of Orange and the specific models are manufactured by Motorola. Because of the number of radios requiring replacement system-wide, Motorola Solutions is offering a one-time promotion of 40% off the list price, referred to as the "2016 PROMO", for all participating agencies that purchase these radios by the end of 2016. The total estimate for the City of Costa Mesa to replace and upgrade its 517 radios is \$2,313,666.78. This pricing estimate includes the "2016 PROMO" cost.

If the City does not purchase and receive delivery of the radios designated for the "2016 PROMO" by the end of 2016, the City will not receive the discount and the total cost of the radios will be approximately \$90,000.00 higher than the estimated total cost of \$2,313,666.78. The City's Purchasing Policies and Procedures Manual generally requires competitive formal bidding for purchases greater than \$50,000. However, these bidding requirements and procedures set forth in Section 3.2 of the Purchasing Policies and Procedures Manual may be waived when any of the exemptions listed in Section 3.3 apply. In this case, Motorola Solutions is considered a sole source vendor, offering a singular-type product necessary to match existing equipment. Only Motorola manufactures the radio specified by the County of Orange for use with the existing 800 MHz system. Section 4.4 of the Purchasing Policies and Procedures Manual provides for an exemption when the goods and supplies, equipment or nonprofessional services are proprietary. The particular technology for the 800 MHz system is proprietary, and only specific radios are compatible with the system. As indicated, the proposed purchase is for radios that have been pre-selected by the County of Orange for use with the existing 800 MHz system.

The CCCS member agencies, including the City of Costa Mesa, engaged in significant discussions as to how to take on this upcoming replacement project and have decided on a four-year phased cost allocation which began in FY 14-15 and continues through FY 17-18. The terms of the agreement and estimated cost sharing allocations are outlined in the Amendment to the Joint Agreement, which was approved by the City Council on March 17, 2015.

ALTERNATIVES CONSIDERED:

There are no feasible alternatives. The cost is to extend the life of the 800 MHz CCCS, and in order for the City to utilize the system, the radios must be replaced, as necessary, to be compatible with the upgraded technology and system.

FISCAL REVIEW:

The sole source purchase is for \$2,313,666.78. The City's estimated share of the overall countywide system upgrade is \$4,805,248. This total cost is being funded through annual budget allocations which began in FY 14-15 and will continue through FY 17-18. Funds in the amount of \$1,584,000 were set aside in the FY 14-15 adopted budget. Funds in the amount of \$1,239,969 were set aside in the FY 15-16 adopted budget. These two years included partial anticipated funding from the Narcotics Asset Forfeiture Fund which are no longer available. Therefore, additional funding of about \$750,000 may be requested from the anticipated FY 15-16 General Fund surplus. Funds have been approved in the FY 16-17 budget in the amount of \$1,181,641. The plan for FY 17-18 is to budget the balance needed estimated to be about \$1,326,000.

LEGAL REVIEW

The City Attorney’s Office has reviewed the documents and approved them as to form. SB 331 does not apply to the purchase order because no contract negotiations are involved and it is made pursuant to a previously approved provision of an existing agreement. (Public Contract Code section 22178(a)).

CONCLUSION:

For all of the aforementioned reasons, the Police Department respectfully requests the City Council approve the issuance of a sole source purchase order to Motorola Solutions for the purchase of the 517 mobile receiver radios identified as eligible for the “2016 PROMO” offered by Motorola and accessories in an amount not to exceed \$2,313,666.78.

KEITH DAVIS
Lieutenant

ROBERT N. SHARPNACK
Chief of Police

STEPHEN DUNIVENT
Interim Finance Director

THOMAS DUARTE
City Attorney

- Attachment: [1. Justification for Sole Source Request](#)
[2. Quote from Motorola Solutions](#)
[3. Amendment to Joint Agreement](#)