



City Council Report

Date: October 6, 2014
To: City Council
Through: Alex Deshuk, Manager of Technology and Innovation
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Purchase of Lifecycle Upgrade for the TOPAZ Voice Radio Network as requested by the Communications Department (Funded by 2013 authorized Public Safety bonds, City of Mesa Lifecycle funds, and TRWC members: (City of Apache Junction 7.12%, Town of Gilbert 17.9%, City of Mesa 74.15%, Rio Verde Fire District 0.04%, Superstition Fire & Medical District formerly Apache Junction Fire District 0.49% and Town of Queen Creek 0.30%) **(Sole Source) (Citywide)**

Strategic Initiatives:



Purpose and Recommendation

Council is requested to approve a contract to purchase the Lifecycle Upgrade for the TOPAZ Voice Radio Network as recommended.

Communications and Purchasing recommend awarding the contract to Motorola Solutions, Inc. (Mesa business location) at \$7,169,138.13.

This purchase will accelerate the Lifecycle Program, which will replace obsolete radio base stations, upgrade the existing core network equipment and implement resilient core network equipment to improve radio network reliability, and save \$5,471,077 over the forecasted budget for this work.

Background and Discussion

The TOPAZ Voice Radio Network equipment is used to provide mission critical Public Safety communications and two-way voice radio communications for other municipal users throughout the TOPAZ Regional Wireless Cooperative (TRWC) service area. The equipment in use today is twelve years old and is out of hardware support by the manufacturer.

The radio system was planned to be replaced in the near future due to its age, parts support, and the need to remain compatible with other agencies throughout the valley. This time line is being accelerated due to an unexpected opportunity from a Federal Communications Commission (FCC) order to move to new radio frequencies. This FCC order is the result of a settlement with Sprint/Nextel Communications to mitigate interference caused by Sprint/Nextel's network.

If approved, the City of Mesa and its partner agencies in the TRWC will be able to take advantage of the \$2.4 million settlement from Sprint. This settlement, coupled with the Motorola discounted price for performing the upgrade as a system, has reduced the price by an additional \$3.1 million. Other resources for financing this project come from the 2013 Public Safety bond package, City of Mesa Lifecycle funds, and TRWC partner agency contributions. The total savings that could be achieved by going forward with this project at this time, thus taking advantage of the Sprint settlement and Motorola discounts, is \$5.4 million.

On August 28, 2014, negotiations between City Purchasing and Motorola resulted in an additional savings of \$506,757 from the originally submitted rates (\$256,757 discount for hardware and \$250,000 for volume/system incentive); this amount does not include the tax reduction due to hardware pricing reductions.

The TRWC Board of Directors approved the upgrade on September 25, 2014. The Sprint settlement requires a contract for the upgrade no later than October 15, 2014.

The new radio base stations and upgraded core network equipment have manufacturer lifecycle support through 2030.

Alternatives

Council may choose not to authorize the purchase. The lifecycle funds already identified will be utilized to upgrade the TOPAZ radio infrastructure over the current and next five fiscal years, at a total cost of approximately \$8.5 million, and the core radio network resiliency will be implemented utilizing the 2013 Public Safety Bonds at a cost of \$2.2 million. This will result in a \$3.5 million higher cost of to the City and the TRWC members. In addition, the Sprint re-banding settlement funds of \$2,364,320 will be utilized to re-band the existing TOPAZ infrastructure, and will not offset any of the cost of the TOPAZ infrastructure upgrades.

Fiscal Impact

This purchase is funded by 2013 authorized Public Safety bonds City of Mesa Lifecycle funds, and TRWC members (City of Apache Junction \$342,103.05 - 7.12%, Town of Gilbert \$860,062.45 - 17.9%, City of Mesa \$3,562,772.64 - 74.15%, Rio Verde Fire District \$1,921.93 - 0.04%, Superstition Fire & Medical District formerly Apache Junction Fire District \$23,543.61 - 0.49% and Town of Queen Creek \$14,414.45 - 0.30%).

The fiscal impact to the City of Mesa is \$3,562,772:

FY14/15 - \$0 (covered by Sprint Communications "Re-banding" Settlement)

FY15/16 - \$2,276,040 (\$2,200,000 from 2013 Public Safety Bonds, \$76,040 from Lifecycle funds)

FY16/17, \$321,683 from Lifecycle funds

FY17/18, \$321,683 from Lifecycle funds

FY18/19, \$321,683 from Lifecycle funds

FY19/20, \$321,683 from Lifecycle funds

Summary of Savings Achieved by Accelerating This Project:

Software Licenses, \$2,600,000

Sprint "Re-banding" Settlement, \$2,364,320 (FY 14/15 \$1,800,000 and FY15/16 \$564,320)

Additional Savings Negotiated by Purchasing, \$506,757

Coordinated With

Coordinated with the TRWC Board of Directors, Mesa Police Department, Mesa Fire and Medical Department, Office of Management and Budget, Communications and Purchasing

The members of the TRWC are: City of Apache Junction, Town of Gilbert, City of Mesa, Rio Verde Fire District, Superstition Fire & Medical District (formerly Apache Junction Fire District) and Town of Queen Creek

PURCHASING INFORMATION

Action: Award

Procurement Type: Sole Source

Solicitation Number: 2015021

Local Consideration: Policy did not apply to this procurement method

Protests Received: None

Pricing Available to Other Cooperative Agencies: No

AWARD RECOMMENDATION

Motorola Solutions, Inc.
Westminster, CO

Description	
Purchase of Topaz Regional Wireless Cooperative Lifecycle Updates per Motorola Solutions, Inc. Amendment Proposal dated August 28, 2014	
Equipment	\$5,864,945.00
Equipment Discount	<u>(\$256,757.00)</u>
Equipment Sub Total	\$5,608,188.00
Services Sub Total	<u>\$1,359,491.00</u>
System Total less Tax	\$6,967,679.00
System Incentive	<u>(\$250,000.00)</u>
System Sub Total less Tax	\$6,717,679.00
Equipment Only 8.05% Mesa Sales Tax	<u>\$451,459.13</u>
Total	<u>\$7,169,138.13</u>