



# City Council Report

**Date:** May 8, 2017  
**To:** City Council  
**Through:** Mike Kennington, Chief Financial Officer  
**From:** Edward Quedens, MPA, C.P.M., CPPO, Business Services Director  
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator  
**Subject:** Amendment and Dollar Limit Increase for Additional Lifecycle Services to the Service Agreement for the Motorola System Upgrade for the TOPAZ Regional Wireless Cooperative as requested by the Information Technology Department – Communications and Infrastructure (Sole Source) **(Citywide)**

## Purpose and Recommendation

Council is requested to approve the Amendment and Dollar Limit Increase to the Service Agreement for the Motorola System Upgrade as recommended.

The Information Technology Department and Purchasing recommend authorizing the amendment and dollar increase of \$3,119,976.00 with the sole source vendor, Motorola Solutions Inc. (Motorola), increasing the contract amount from \$3,314,559.00 to \$6,434,535.00, plus applicable taxes for the six-year term contract from July 1, 2017 to June 30, 2023, based on estimated requirements.

## Background / Discussion

The City of Mesa, as the Administrative Manager of the TOPAZ Regional Wireless Cooperative (TRWC), operates and maintains a Public Safety two-way radio communications network on behalf of the members of the TRWC. This network provides mission critical communications primarily for police, fire and emergency medical services for the TRWC members. This network operates in the 700 and 800 MHz (7/800 MHz) radio frequency spectrum, and utilizes the Association of Public-Safety Communications Officials (APCO) Project 25 (P25) radio technology. As outlined below, the City has contracted with Motorola for lifecycle and support services for this network for many years. These services include radio infrastructure software upgrades every two years, core network hardware upgrades necessitated by the software upgrades or by unsupported obsolete hardware, and technical support services such as research into system operations and maintenance questions and technical investigation of system malfunctions or anomalies.

The City, as the Administrative Manager for the TRWC, executed the Upgrade Assurance Plan (UAP) effective July 1, 2010 with a term of five years at an annual cost of \$630,720.00, not including taxes. The purpose of the UAP was to keep the system software at supported release levels, so potential new members of the TRWC would not be required to fund an upgrade of the network in order of joining the TRWC. On September 23, 2013, Council approved the initial four-year Service Agreement for Motorola System

Upgrade (SUA II) from July 1, 2013 through June 30, 2017. This agreement replaced the Motorola Upgrade Assurance Plan (UAP).

On June 20, 2016, Council approved a six-year renewal of the SUA II for the period July 1, 2017 through June 30, 2023. This renewal was requested before the expiration of the previous SUA II to provide certainty in budgeting for the members of the TRWC, including the City, to keep the TRWC network in step with upgrades of the Phoenix Regional Wireless Cooperative (RWC), and take advantage of a cost reduction of approximately \$115,000.00 per year offered by Motorola for the early renewal.

Since the early renewal last year of SUA II for the TRWC, Motorola is offering additional lifecycle services to improve the security and reliability of the TOPAZ networks. These include security and network monitoring services which are more comprehensive than the City can provide, bringing the radio dispatch consoles at all TRWC member dispatch facilities under one contract to improve security, upgrades, and problem resolution. These expanded services also provide for Motorola to be the first responder to network and console problems instead of City personnel.

In addition to the expanded services described above, this amendment also provides services for the Fire Hazard Zone Communications System (Fire VHF) which was added to the TRWC's portfolio at the request of the TRWC Users Group in 2014. This network is planned to be ready for use by July 1, 2017. The services provided by this amendment include SUA II software and hardware upgrade services similar of the 7/800 MHz P25 network, and after the expiration of the Motorola one-year warranty, security and network monitoring and first responder services by Motorola for the Fire VHF network.

## **Alternatives**

Council may choose not to approve this amendment, in which case the existing SUA II will remain in effect with its reduced scope of services for the 7/800 MHz P25 network until its expiration on June 30, 2023. This alternative also excludes any upgrade, monitoring, or on-site services for the Fire VHF network by Motorola.

## **Fiscal Impact**

The table on page 4 (Motorola Lifecycle Services for the TRWC, FY 2017/18 to FY 2022/23) shows the existing Motorola Lifecycle Services cost, the cost for the enhanced Lifecycle Services, and the total annual contract. These totals are then broken down by the total annual cost for Motorola lifecycle services for each TRWC member.

Approximately 28% of costs for these services are reimbursed to the City by the non-City members of the TRWC. Approximately 72% of these costs is budgeted in the departments (primarily Police and Fire & Medical) based on their usage of the 7/800 MHz P25 network and a formula pre-determined by the users for the VHF Fire network.

To help offset the additional costs for these enhanced services, personnel costs for the entire TRWC were reduced by the elimination of a vacant position for FY 2017/18 and beyond. In addition, the cost increase to the City departments is partially offset by reductions in the Communications Department operating budget.

The expanded Motorola services and the additional lifecycle service costs were approved by the TRWC Board of Directors at their December 15, 2016 meeting as part of the adoption the 2017/18 TRWC Operations and Maintenance budget.

## Coordinated With

Information Technology Department, TRWC Board of Directors, and Purchasing

## **PURCHASING INFORMATION**

Action: Amendment No. 2 and Dollar Limit Increase for FY 2017/18 through FY 2022/23

Procurement Type: Competition Exempt (Sole Source)

Contract Number: 2014046

Initial Contract Term: Four Years - FY 2013/14 through FY 2016/17 (Awarded)

Renewal Term: Six Years - FY 2017/18 through FY 2022/23 (Awarded)

## **AMENDMENT AND DOLLAR LIMIT INCREASE RECOMMENDATION**

***Motorola Solutions, Inc.***

Description		
Revised Payment Schedule for TRWC System Upgrade Agreement II (Amendment No. 2)		
<u>Current Annual Limit</u>	<u>Increase for Additional Lifecycle Services</u>	<b>New FY Contract Amount</b>
FY 2017/18: \$543,387.00	\$405,100.00	<u>\$948,487.00</u>
FY 2018/19: \$546,898.00	\$511,359.00	<u>\$1,058,257.00</u>
FY 2019/20: \$550,447.00	\$526,701.00	<u>\$1,077,148.00</u>
FY 2020/21: \$554,030.00	\$542,501.00	<u>\$1,096,531.00</u>
FY 2021/22: \$557,985.00	\$558,776.00	<u>\$1,116,761.00</u>
FY 2022/23: \$561,812.00	\$575,539.00	<u>\$1,137,351.00</u>
<u>Current Six-Year Contract Amount: \$3,314,559.00</u>	\$3,119,976.00	<b><u>\$6,434,535.00</u></b> (plus applicable taxes)

**Motorola Lifecycle Services for the TRWC, FY 2017/18 to FY 2022/23**

<b><i>Annual Cost</i></b>	<b>FY17/18</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>FY22/23</b>	<b>Total</b>
Existing Motorola Lifecycle Services	\$543,387	\$546,898	\$550,447	\$554,030	\$557,985	\$561,812	\$3,314,559
Amendment #2 Expanded Motorola Lifecycle Services	\$405,100	\$511,359	\$526,701	\$542,501	\$558,776	\$575,539	\$3,119,976
Total Motorola Lifecycle Services	\$948,487	\$1,058,257	\$1,077,148	\$1,096,531	\$1,116,761	\$1,137,351	\$6,434,535

<b><i>Total Annual Cost</i></b>							
City of Mesa	\$680,830	\$755,195	\$768,598	\$782,351	\$796,709	\$811,322	\$4,595,006
Town of Gilbert	\$158,473	\$178,701	\$181,924	\$185,231	\$188,680	\$192,192	\$1,085,201
Superstition Fire & Medical District	\$8,197	\$15,653	\$16,047	\$16,450	\$16,865	\$17,288	\$90,500
City of Apache Junction	\$74,973	\$76,551	\$77,792	\$79,067	\$80,405	\$81,765	\$470,553
Fort McDowell Yavapai Nation	\$13,782	\$14,072	\$14,300	\$14,534	\$14,780	\$15,030	\$86,499
Town of Queen Creek	\$4,734	\$9,980	\$10,240	\$10,507	\$10,781	\$11,061	\$57,303
Southwest Ambulance	\$5,972	\$6,098	\$6,197	\$6,298	\$6,405	\$6,513	\$37,483
American Medical Response	\$1,194	\$1,220	\$1,239	\$1,260	\$1,281	\$1,303	\$7,497
Rio Verde Fire District	\$332	\$788	\$810	\$832	\$854	\$877	\$4,493
Total	\$948,487	\$1,058,257	\$1,077,148	\$1,096,531	\$1,116,761	\$1,137,351	\$6,434,535