



# City Council Report

**Date:** October 3, 2022  
**To:** City Council  
**Through:** Michael Kennington, Deputy City Manager/Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Kristy Garcia, Procurement Administrator  
**Subject:** Use of a Cooperative Contract for a Six-Year Service and Capital Expenditure Agreement for Motorola System Upgrade II (SUA II) for the TOPAZ Regional Wireless Cooperative (TRWC) as requested by the Department of Innovation and Technology **(Sole Source) (Citywide)**

## Recommendation

Council is requested to approve the award as recommended.

The Department of Innovation and Technology and Purchasing recommend authorizing the sole source purchase using the State of Arizona cooperative contract with Motorola Solutions, Inc. (Motorola) for \$12,647,700, based on estimated requirements.

## Background / Discussion

The current Motorola System Upgrade Agreement II (SUA II) provides annual software upgrades, upgrades to the network core hardware to support the software upgrades, and technical support services for the TOPAZ Public Safety voice two-way radio network. The City of Mesa, as the Administrative Manager for the TOPAZ Regional Wireless Cooperative (TRWC) entered the current SUA II effective July 1, 2017. The current contract amount is \$6,434,535, plus applicable taxes for the six-year term contract from July 1, 2017, to June 30, 2023.

The new SUA II agreement will span six years and provide software upgrades every two years, upgrades of the radio network core hardware to support the software upgrades, technical support services, and include upgrades to partner agency dispatch consoles at \$11,700,000, that includes the standard services agreement for \$6,898,721 and the capital dispatch console upgrade for \$4,801,278 (See Pricing Summary).

Dispatch console upgrades were included as directed by City of Mesa management to minimize any single fiscal year impact to partner agency budgets. Spreading the cost over multiple years minimizes financial impacts and allows staff to better manage the upgrade process.

## Pricing Summary:

	Payment (Contract Signing)	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	
Srvc Agmt (w Remote SUS)	\$ -	\$ 255,239.32	\$ 281,717.46	\$ 282,364.51	\$ 282,979.37	\$ 293,042.43	\$ 303,456.59	\$ 1,698,799.68
SUA 2	\$ -	\$ 827,670.62	\$ 839,174.58	\$ 850,254.92	\$ 881,594.56	\$ 894,167.07	\$ 907,060.11	\$ 5,199,921.86
	\$ -	\$1,082,909.94	\$1,120,892.04	\$1,132,619.42	1,164,573.93	\$1,187,209.50	\$1,210,516.70	\$6,898,721.54
		2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	
AXS - Apache Junction PD	\$ -	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$ 105,000.00
AXS - Gilbert	\$400,000.00	\$ 77,682.72	\$ 120,513.20	\$ 124,973.60	\$ 129,567.81	\$ 134,299.84	\$ 139,173.84	\$ 1,126,211.00
AXS - Mesa PD	\$ -	\$ 156,484.70	\$ 161,179.24	\$ 166,014.62	\$ 212,995.06	\$ 218,124.91	\$ 223,408.66	\$ 1,138,207.20
AXS - Mesa UCC	\$ -	\$ 104,323.14	\$ 107,452.83	\$ 110,676.41	\$ 141,996.71	\$ 145,416.61	\$ 148,939.11	\$ 758,804.80
AXS - Mesa FD	\$ -	\$ 166,521.29	\$ 171,516.93	\$ 176,662.44	\$ 181,962.31	\$ 232,921.18	\$ 238,543.81	\$ 1,168,127.95
AXS - Ft McD	\$ -	\$ 43,440.34	\$ 44,743.55	\$ 46,085.85	\$ 47,468.43	\$ 55,892.48	\$ 57,359.26	\$ 294,989.90
AXS – CAP	\$ -	\$ 31,373.58	\$ 32,314.78	\$ 33,284.23	\$ 34,282.75	\$ 38,811.24	\$ 39,870.57	\$ 209,937.15
	\$400,000.00	\$ 597,325.76	\$ 655,220.53	\$ 675,197.15	\$ 765,773.06	\$ 842,966.25	\$ 864,795.24	\$ 4,801,278.00
Yearly Totals (before taxes)	\$400,000.00	\$1,680,235.70	\$1,776,112.57	\$1,807,816.57	\$1,930,346.99	\$2,030,175.76	\$ 2,075,311.95	\$ 11,700,000

## Alternatives

Taking no action, the existing SUA II would remain in effect until its expiration on June 30, 2023. This would result in higher costs to the City of Mesa and the other members of the TRWC as all support and upgrade costs would be time and materials based. The partner agency dispatch console replacement would be one-time expenditures and not spread over the six-year life of the agreement (e.g. \$3.2M one-time to the City of Mesa).

## Fiscal Impact

The cost for the software and hardware upgrades and technical services amount of the new SUA II will be shared between members of the TRWC, based on a 6-month rolling average of the radio airtime used by each member.

Currently, the City utilizes approximately 75% of the radio airtime. These costs are then charged/allocated to the City departments utilizing the TOPAZ radio system (Mesa Police Department 74%, Mesa Fire & Medical 5%, and other City municipal departments at 21%).

The costs for the dispatch console replacements for TRWC member agencies will be actual replacement costs, not based on airtime. Costs will be allocated to members of the TRWC.

The cost of the upgrades and technical support services portion of the SUA II, plus taxes over the six-year Agreement, is annually budgeted and available in the TRWC operating budget.

The cost of the dispatch console replacements for member agencies is funded by the DoIT Capital Lifecycle budget.

### **Coordinated With**

The SUA II will be approved by the TRWC Board of Directors through their annual budgeting process and the upgrade frequency change approved at their September 22, 2022 meeting. Other TOPAZ radio network users, including the Mesa Police and Fire Departments and Mesa municipal users, are aware of the Agreement through their participation in the TRWC Executive Committee.

The members of the TRWC are as follows: City of Apache Junction, Fort McDowell Yavapai Nation, Town of Gilbert, City of Mesa, Superstition Fire & Medical District, Town of Queen Creek, Rio Verde Fire District, Southwest Ambulance, and American Medical Response.

### **Purchase Information**

Action: Award

Procurement Type: Cooperative Contract Use

Contract Number: 2023073

Contracting Agency/Contract Number: State of Arizona/CTR046830 – 10/9

Local Consideration: Policy did not apply to this procurement method

Protests Received: None

Initial Contract Term: Six Years

Possible Renewals: N/A

Funding Sources: DoIT Capital Lifecycle funds and TRWC Operating budget

Software/Hardware Upgrades and Technical Support (\$6,898,721)

(Mesa and TRWC operating budget O&M percentages)

City of Mesa	67.08%
Town of Gilbert	19.45%
City of Apache Junction	9.15%
Fort McDowell Yavapai Nation	2.21%
Superstition Fire & Medical District	0.72%
Town of Queen Creek	0.64%
Rio Verde Fire District	0.02%
Southwest Ambulance	0.56%
American Medical Response	0.17%

Partner Agency TOPAZ Dispatch Console Replacement/Upgrades (\$4,801,278)  
 Actual agency member cost (not based on airtime), plus applicable taxes

City of Mesa – Police Department	\$1,138,207.20
City of Mesa - UCC	\$758,804.80
City of Mesa – Fire Department	\$1,168,127.95
Town of Gilbert	\$1,126,211.00
City of Apache Junction	\$105,000.00
Fort McDowell Yavapai Nation	\$294,989.90
Central Arizona Project	\$209,937.15

AWARD RECOMMENDATION	
Motorola System Upgrade Agreement II (SUA II) and Dispatch Console Capital Expenditure Upgrade per Contract No. 2023073 and State of Arizona Contract CTR046830	
Six-Year Contract Amount:	*\$11,700,000.00
8.1% Tempe Sales Tax:	<u>\$947,700.00</u>
<b>Six-Year Contract Total:</b>	<b><u>\$12,647,700.00</u></b>
*See Pricing Summary for full breakdown of expenditures over the next six years	