



Legislation Text

File #: RES 17-0134, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Eve Irvine, Police Chief
Robert Espinosa, Fire Chief
Bruce Moe, Finance Director
George Gabriel, Management Analyst

SUBJECT:

Adopt Resolution No. 17-0134 Authorizing the City Manager to Reimburse South Bay Regional Public Communications Authority for Purchase of Mobile and Portable Radios in an Amount Not-to-Exceed \$1,673,894.56 (Police Chief Irvine, Fire Chief Espinosa and Finance Director Moe).

WAIVE FORMAL BIDDING; ADOPT RESOLUTION NO. 17-0134

RECOMMENDATION:

Staff recommends that the City Council: a) waive formal bidding per Municipal Code Section 2.36.150 (Cooperative Purchasing); and b) adopt Resolution No. 17-0134 authorizing the City Manager to Reimburse South Bay Regional Public Communications Authority (RCC) for the purchase of mobile and portable radios in an amount not-to-exceed \$1,673,894.56.

FISCAL IMPLICATIONS:

The radios being requested will be utilized with the new \$5 million grant-funded interoperability radio system being installed at the RCC. In an effort to reduce the capital cost of the new radios needed to operate on this new system, RCC is aggregating the radio requirements for all RCC member cities as well as non-member/customer agencies through an existing County of Los Angeles contract with Motorola Solutions (e.g., Cooperative Purchasing). The order being placed by RCC totals an estimated \$6.5 million, while Manhattan Beach's share of the total cost is \$1,673,894.56.

The Fiscal Year 2017-2018 budget includes funds to lease/purchase radios based on an original capital cost of \$780,000. However, since the budget was created and adopted, further needs were identified, technological advancements occurred, and capital costs increased for the radio hardware. Further, staff has determined that it is beneficial to accelerate future years planned purchases of additional radios to take advantage of the deep discounts now being offered by Motorola, which would likely not be available for the future small quantity orders. These factors have resulted in an increase in the funding needed to purchase the radios. See "Discussion" section for further explanation.

As part of the financing plan, the City will utilize existing fund balances held exclusively for the City's

use at RCC. These funds, estimated to be \$400,000, will be applied to the total cost, thereby reducing the amount to be financed to approximately \$1.28 million. Additionally, utilizing an existing County of Los Angeles contract, the radio manufacturer, Motorola, has offered the RCC further discounts on the radios, as well as a short-term no interest lease with the one-time lump sum payment due in December 2018 (the City's portion of the lump sum payment is due to the RCC in November 2018).

Full funding for the subject radios will not be necessary until fiscal year 2018-2019. As a result, staff recommends that in the upcoming FY 2018-2019 budget, funds totaling \$1.28 million be appropriated (this is a requirement of the reimbursement agreement with the RCC if this item is approved by the City Council). City funding sources will include the General Fund, Enterprise Funds, Asset Forfeiture Funds and, wherever possible, grant funds. Staff will evaluate lease-purchase options closer to scheduled delivery and budget preparation, and make recommendations to the City Council.

An ancillary piece of system equipment costing approximately \$50,000 will need to be purchased this fiscal year in order to utilize the system. A portion of the existing project appropriation in FY 2017-2018 will be utilized to effect the purchase. This item can be competitively bid. Staff will return to City Council to award that contract if it exceeds the \$50,000 formal bid threshold. Otherwise, it will be awarded under the City Manager's authority.

BACKGROUND:

At the December 1, 2015 City Council meeting, the City Council authorized the City Manager to negotiate and execute a Joint Use Agreement between the cities of Manhattan Beach, Gardena and Hawthorne to provide advanced funding to the South Bay Regional Public Communications Authority (RCC) for a Department of Homeland Security, Urban Areas Security Initiative (UASI) reimbursable grant. Concomitantly, City Council also authorized and appropriated a portion of General Fund reserves (\$2.25 million) in order to temporarily advance funds to be reimbursed by the grant.

At the May 16, 2017 City Council meeting, City Council re-appropriated the \$2.25 million in FY 2016-2017 due to a lapse in appropriation from FY 2015-2016 utilizing the same funding sources from the initial appropriation.

In concordance with the grant-funded radio network infrastructure procurement, seven local Area G agencies began to form the Interoperability Network of the South Bay (INSB) for the purpose of managing the system. At the July 19, 2016 City Council meeting, the City authorized a JPA agreement to officially join the INSB with the cities of El Segundo, Hermosa Beach, Redondo Beach, Torrance, Gardena and Hawthorne. The INSB member cities will share in the implementation costs of the new interoperable radio network (anticipated installation costs not covered by the UASI grant are estimated to total approximately \$300,000 and will be discussed at a future City Council meeting).

On July 18, 2017, the RCC signed documentation to begin executing the UASI Grant to build out the six transmission/receiver sites that will be the backbone of the new INSB network. The radio network system will be compatible with the broader Interagency Communications Interoperability (ICI) system, which is shared by several LA County agencies including Glendale, Beverly Hills, Santa Monica, and Culver City. The ability to communicate with other public agencies across the region could be critical in the event of a large-scale disaster.

Additionally, once the new network is operational, ongoing costs for maintenance and membership

dues to the broader ICI System will also be shared by the INSB member agencies. Manhattan Beach's share is anticipated to be between \$100,000 and \$125,000 per year. These costs will be included and discussed in detail with the fiscal year 2018-2019 budget.

DISCUSSION:

One of the greatest challenges the public safety sector has is communications between varying radio and wireless networks. The creation of a national interoperable communication system was one of the many 9/11 Commission recommendations. First-responders from different jurisdictions, including law enforcement and fire, are unable to communicate due to the various communication platforms in use.

Today, first responders converging on major emergency incidents or incidents that cross jurisdictional boundaries lack the communication tools and infrastructure to coordinate response and intelligence gathering efforts. The major hurdle has not been the technology, but the cost to purchase and maintain communication systems that allow different and proprietary systems to "talk" to each other.

As a result of the Interoperability Network the INSB is developing, new radio equipment is required to be purchased. Based on an existing County of Los Angeles contract, the RCC has negotiated a significant discount for all agencies within the Interoperability Network of the South Bay (INSB) Joint Powers Authority. The proposed radio purchase includes a 37% discount on mobile and portable radios (which exceeds the Los Angeles County contract discount of 30%). Additionally, the pricing includes a 3% discount on accessories for portable radios and one free spare battery for specified patrol portable radios purchased (valued at \$150 each). Finally, twelve months interest-free financing is included with no payments due until December 2018.

Motorola has conditionally offered this discount contingent upon RCC submitting an order by December 12, 2017. Therefore, City staff has prepared an order form to submit to the RCC amounting to \$1,673,894.56 towards mobile radios, portable radios, and various accessories required for the devices. If staff were to purchase these radios at regular price and without the discounts offered by Motorola, it would amount to \$2,450,318.73. By utilizing the large discount, the City will save an estimated \$776,424.17 on radios purchased for sworn and non-sworn personnel.

As stated in the Fiscal Implication above, funds were allocated in FY 2017-2018 to lease/purchase new radios for both Police and Fire departments. At the time of budget adoption, staff estimated the new radios would cost approximately \$700,000 for the Police Department and \$80,000 for the Fire Department. However, the actual costs to purchase radios are higher than anticipated due to a variety of factors that include:

- 1) Higher unit costs for each radio than anticipated.
 - Staff had based the per unit cost on the best available radio that Motorola had offered at the time of budgeting. Since that time, prices for the best available radio that meet the specifications necessary to communicate with the Interoperability Network have increased by about twice the amount by Motorola.
- 2) Technological Enhancements
 - At the time of budgeting, Motorola had not released a model that offered security encryption and wireless programming. In order to ensure public safety needs are met

within the City and are compatible with other agencies within the new Interoperability Network, the City needs to order the latest model offered by Motorola. While this model is costlier, it is essential to communicate on the new Interoperability Network.

- 3) Higher quantities of radios to purchase to realize full discount offered by Motorola.
 - The Parking & Animal Control Services (PACS), Jail, Police Park Ranger, Code Enforcement, Police Volunteers, and Police Explorers are going to be combined on the Manhattan Beach Police Department primary police frequency channel. Due to the migration to the primary police frequency channel, those divisions need to replace their radios. While staff had anticipated replacing the radios in upcoming fiscal years, staff now recommends replacing the radios now to take advantage of the full discount offered by Motorola. Additional radios for the Public Works Department and Community Development Code Enforcement Division are recommended for purchase at this time. While not originally budgeted, existing radios will eventually need to be replaced to take advantage of the interoperability system. Purchasing them now, along with those for Police and Fire, will enable Public Works and Code Enforcement staff to communicate on the same radio frequency for emergencies and special events (i.e. Holiday Open House and Manhattan AVP Volleyball Tournament). It will also take advantage of the volume pricing negotiated with Motorola for the large purchase.
- 4) Grant opportunities that were assumed to materialize, but have not yet been realized.
 - Staff is still in the process of submitting and receiving approval for grants. Some grant funding is expected to be awarded.
- 5) Motorola is our only option for Interoperability Network of the South Bay system.

Below is a breakdown of costs associated within each department to purchase the radios:

- Police Department - \$1,298,184.44
- Fire Department - \$202,518.50
- Public Works - \$165,899.95
- Code Enforcement - \$19,869.17

Total - \$1,673,894.56

The cities of Redondo Beach, Hawthorne and Hermosa Beach have received City Council authorization to submit an order and execute the reimbursement agreement with the RCC.

Cooperative Purchasing

Staff is recommending that the City Council waive formal bidding per Municipal Code section 2.36.150 (Cooperative Purchasing). Under this provision of the Municipal Code, the City's formal bid requirements may be waived by City Council when purchases are made in concert with, or through agreements executed by, other governmental agencies. In this case, the cooperative purchase will be made through the RCC utilizing an existing Los Angeles County contract with Motorola Solutions, the manufacturer of the radio equipment, with further discounts. Selection of the Motorola product was necessary to leverage past investments in the existing public safety console system and insure the

highest level of compatibility with the ICI System's Master Site infrastructure, INSB Prime Site, the 6-site radio infrastructure and future field portable and mobile radios.

RCC will be aggregating the radio and accessory requirements for a total of five agencies: Manhattan Beach, Redondo Beach, El Segundo, Hawthorne, and Gardena. In doing so, and through the use of the existing County of Los Angeles contract, the RCC maximizes the discount from the manufacturer. As a result, it is more cost effective for the City to participate in this cooperative purchase than to independently purchase the City's required equipment.

In order to participate in the joint purchase, RCC is requiring each agency to execute a purchase and reimbursement agreement (Attachment #2). The agreement memorializes the arrangement whereby RCC purchases the equipment on behalf of the City utilizing the County of Los Angeles contract as the basis. The City agrees to make the necessary appropriation for the equipment (FY 2018-2019), as well as effect the reimbursement payment by November 1, 2018 (in time for RCC to effect payment to Motorola in December 2018).

If approved, staff anticipates receipt of the radios by spring 2018. Repayment for the radios will not be due to the RCC until November 2018. Staff will include the repayment funds in the FY 2018-2019 budget, which will be presented to the City Council in May 2018.

PUBLIC OUTREACH/INTEREST:

After analysis, staff determined that public outreach was not required for this issue.

LEGAL REVIEW

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

Attachments:

1. Resolution No. 17-0134
2. Communication Equipment Purchase and Reimbursement Agreement with RCC