



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Julia Cooper  
Dolan Beckel

**SUBJECT:** SEE BELOW

**DATE:** June 3, 2019

Approved

*D. D. SyL*

Date

*6/14/19*

**SUBJECT: ACTIONS RELATED TO THE PURCHASE OF AT&T FIRSTNET WIRELESS COMMUNICATIONS SERVICES AND DEVICES**

## RECOMMENDATION

Adopt a resolution authorizing the City Manager to:

- (a) Execute purchase orders and other contract documentation as required to purchase FirstNet Wireless Communications Services and Devices through Calnet 3 (State contact # C3A2FN9-18), a public agency cooperative agreement between the State of California and AT&T, through the initial term ending October 21, 2023 and for up to two one-year options to extend the term through October 21, 2025, for an amount not to exceed \$2,500,000 per year, subject to the appropriation of funds.
- (b) Negotiate and execute additional options to extend the term of FirstNet services through Calnet 3, subject to the same terms and conditions and the appropriation of funds.
- (c) Negotiate and execute Calnet 3 contract documentation as required to cover any unanticipated changes, subject to the appropriation of funds.

## OUTCOME

Approval of the recommendation will:

1. Keep our communities and emergency responders safe, protect property, and safeguard the environment;
2. Increase emergency responder productivity;
3. Enable effective communications during emergencies and disasters;
4. Reduce per person communications operations spend; and
5. Promote public safety innovation.

## **BACKGROUND**

### *CalNet 3:*

The State of California (“State”) Department of Technology Services procures deeply discounted telecommunication services through volume purchases on behalf of itself and other government agencies. These competitively bid contracts are known as “CalNet.” In August 2014,<sup>1</sup> Council authorized staff to execute multiple master services agreements and other enrollment documentation to allow the City to participate in the CalNet 3 Program.

### *FirstNet:*

FirstNet is a nationwide wireless broadband network for first responders built and deployed through a public-private partnership between the federal government and AT&T after the award to AT&T through a competitively bid process. The FirstNet network uses a certain wireless frequency band called Band 14 that can be reserved when necessary for use only by emergency responders. This provides the best possible voice and data connectivity during emergencies and disasters by avoiding the congestion of the public cellular network and enables maximum interoperability between San José and other jurisdictions’ emergency responders.

All 50 states, five U.S. territories and Washington, D.C., have “opted in” to FirstNet, meaning each has accepted its individual State Plan detailing how the network will be deployed in their state/territory.<sup>2</sup>

### *Public Safety, Emergency Management and Preparedness*

Public Safety is a top San José Community and Council priority as reflected in recent surveys and Council actions. Emergency management and preparedness is a key component of public safety and is a top Enterprise Priority for the City. Effective communications during emergencies and disasters is foundational to protecting safety and saving lives. FirstNet provides just that foundation.

The FirstNet network dedicates the wireless spectrum called Band 14 solely for the use of emergency responders. The public is not able to access this spectrum, allowing emergency responders to not “compete” for cellular connectivity during emergencies and disasters. This allows emergency responders to better save lives by having efficient, effective and secure communications across all emergency responders on the network.

The FirstNet solution includes all cellular bands including the unique Band 14 cellular band for emergency responders and Band 14 enabled devices. These devices include:

- Cellular phones;
- Tablets;
- Hotspots; and
- Vehicle modems.

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<sup>1</sup> 2014 Council Memo: <http://sanjoseca.gov/DocumentCenter/View/33513>

<sup>2</sup> Governor Brown FirstNet Decision Letter: [http://www.oesnews.com/wp-content/uploads/2017/12/California\\_FirstNet\\_Decision\\_Letters\\_2017-12-28.pdf](http://www.oesnews.com/wp-content/uploads/2017/12/California_FirstNet_Decision_Letters_2017-12-28.pdf)

FirstNet has the potential to add the greatest value when deployed to all emergency responders on a citywide and regional basis. This promotes maximum connectivity across emergency responders and minimizes operational costs.

FirstNet is highly subsidized by the federal government. The economic value proposition includes:

- Subsidized phones as low as \$0.99;
- Other subsidized devices with substantially lower cost than market retail rates; and
- Subsidized voice and data plans substantially lower than market retail rates.

*Pilot*

The City of San José has been working closely with AT&T to test the quality of the FirstNet network for approximately 9 months to support the 2019 College Football Playoff National Championships. After a successful test of FirstNet, the City and AT&T engaged in an interest-based discussion on FirstNet in San José.

AT&T's FirstNet interests in San José are:

- Supporting a Citywide deployment that minimizes complexity;
- Working with a City that will partner with FirstNet to iterate to improve as new features are deployed; and
- Leveraging the San José as a model case study to motivate other cities to deploy on a citywide basis.

San José's interest in FirstNet are:

- Keeping our communities and emergency responders safe, protecting property, and safeguarding the environment;
- Increasing emergency responder productivity;
- Enabling effective communications during emergencies and disasters;
- Reducing per person communications operations spend through volume discounts;
- Further leveraging existing Public Private Partnership to maximize FirstNet and 5G investment in San José; and
- Promoting public safety innovation.

The City and AT&T have agreed to a citywide deployment that meets both parties' mutual interests and further extends the CalNet 3 purchasing power savings to the City through additional volume discounts.

## ANALYSIS

In October 2018, the State executed an agreement with AT&T to add FirstNet wireless communications services and devices to the California Network and Telecommunications (CalNet) 3 agreement. As noted above, the City would receive significant cost savings and other benefits for its public safety and first responder staff by leveraging the State's purchasing power under the CalNet 3 agreement for these FirstNet services. FirstNet will provide City staff with a more effective and timely means of communication in the event of an emergency.

Section 4.12.225 (B.3) of the San José Municipal Code allows the City to purchase from vendors on terms obtained by another public agency's competitive process that substantially complies with the City's procurement procedures and names the City, either specifically or categorially, as a third party beneficiary of the competitive process.

The City of San José will be the first city in the nation to deploy FirstNet across all primary emergency responders (Police, Fire, and Emergency Management) and all extended primary emergency responders (department operations centers, council members, district disaster centers, and other leadership and field personnel required to communicate during a disaster). The City has already seen significant AT&T investment in the City's emergency responder infrastructure. Over 50% of the FirstNet telecom infrastructure investment in the Bay Area has been directed to the City of San José.

AT&T, the city's Information Technology Department, and other city Departments will collaborate on the process to issue new devices, return existing devices for buy-back credits, and configure new devices for special features such as calling groups and push-to-talk.

Primary and extended primary responders will be issued a new FirstNet enabled smart phone that will function like a standard smart phone that can also operate on Band 14. During disasters when the public cellular system usually becomes overwhelmed, primary and primary extended responders will be the only users of Band 14 without any public cellular congestion.

The primary and extended primary responders may retain their personal cell phones for personal use only. They will be issued a FirstNet enabled smart phone that will be used for City use and will be fully functional in emergencies and disasters. It is expected that most City employees currently on the stipend program are also primary or primary extended responders. As such, their stipend program will end and they will be issued a FirstNet smart phone for City use only.

The City and AT&T expect this deployment to be a model for cities seeking to minimize complexity and maximize the opportunity of having all emergency responders on a dedicated network with modern smart phones.

The total deployment is shown in Table 1.

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**Table 1: San José FirstNet Deployment**

| Office, Department, or Organization       | Number of FirstNet Phones | Number of Other FirstNet Devices | Total Devices | Existing Devices/Stipends to be Replaced by FirstNet |
|---|---------------------------|----------------------------------|---------------|--|
| Police                                    | 1,352                     | 1,072                            | 2,424         | 850  |
| Fire                                      | 144                       | 565                              | 709           | 530  |
| Emergency Management *                    | 25                        | 100                              | 125           | 20   |
| Department Operations Centers             | 850                       | 371                              | 1,221         | 1,215  |
| Council District Emergency Operations     | 55                        | 11                               | 66            | 0  |
| <b>Total</b>                              | <b>2,426</b>              | <b>2,119</b>                     | <b>4,545</b>  | <b>2,615</b>   |
| *includes the Emergency Operations Center |                           |                                  |               |  |

## **EVALUATION AND FOLLOW-UP**

The City first tested the San José FirstNet network and devices for several months during the winter. For the citywide rollout, there will be a phased implementation allowing for iterative evaluation and feedback to AT&T. Over 50% of the Bay Area FirstNet infrastructure build has occurred in San José as a result of the City's Public Private Partnership with AT&T. The City will continue to work with AT&T to identify any areas for improvement in the FirstNet network deployment and device capability as phased implementation and testing occurs. Since the FirstNet devices and network operate on existing spectrum and Band14 spectrum, no existing functionality will be lost as a result of a phased implementation.

Given the citywide nature of the FirstNet deployment, the Information Technology Department will be the primary point of contact responsible for managing the relationship with FirstNet, including evaluation of the program and follow-up.

## **PUBLIC OUTREACH**

The Office of Emergency Management and the City Manager's Office have discussed San José's support for a regional-wide deployment of FirstNet to other agencies and jurisdictions given the wide area impact of earthquakes, floods, and other emergencies and disasters within Silicon Valley and the larger San Francisco Bay Area.

This memorandum will be posted on the City's website for the June 25, 2019 Council Agenda.

## **COORDINATION**

This memo was coordinated with the City Attorney's Office, City Manager's Budget Office, Police Department, the Fire Department, the Public Works Department, Office of Emergency Management, Information Technology Department, Office of Employee Relations, and City Manager's Office of Administration, Policy, and Intergovernmental Affairs. In addition, each department provided FirstNet device estimates for the Department Operations Centers devices used in an emergency or disaster.

During the first phase of the project, Mobilization, the City and AT&T will coordinate Citywide communications regarding the process and timeline for migration to FirstNet.

## **COMMISSION RECOMMENDATION/INPUT**

There is no commission recommendation or input associated with this action.

## **FISCAL/POLICY ALIGNMENT**

The scope and availability of the Citywide FirstNet deployment may impact the City's cell phone policy in the future.

## **COST SUMMARY/IMPLICATIONS**

The FirstNet Deployment is anticipated to have startup costs of \$1.8 million for device acquisition, equipment installation, network development, and telecommunications voice and data plan charges. Increased costs of \$400,000 for telecommunications voice and data plan charges are anticipated ongoing in addition to the current City costs due to added phones for police officers, Fire engines and squads, and for the Mayor and Council Districts offices. Additional costs for telecommunications voice and data plan charges can be attributed to additional modems, laptops and hot spots for the Police Department, Office of Emergency Management, and Council Districts to allow a larger breadth of coverage for emergency responders.

The 2019-2020 Operating budget includes \$1.8 million for 2019-2020 net costs. A total of 2,615 existing phones, devices or stipends will be replaced with a FirstNet compatible phone or device. The existing funding for the 2,615 phones, devices or stipends will be reduced by the net difference between the current allocation and the cheaper FirstNet rate. The savings from these sources will be reallocated to offset the 1,930 additional/new devices where funding sources allow. The Administration will bring forward future budget actions to reallocate budget to the appropriate departments and funding sources. Given the number of variables in this project, the Administration will closely monitor progress of the FirstNet deployment and return to the City Council with recommended adjustments, as necessary.

**BUDGET REFERENCE**

The table below identifies the fund and appropriation to fund part of the FirstNet Emergency Communication Network start-up costs in 2019-2020.

| Fund # | Appn # | Appn. Name                                | Total Appn. | 2019-2020 Proposed Operating Budget Page* | Last Budget Action (Date, Ord. No.)* |
|--------|--------|---|-------------|---|--------------------------------------|
| 001    | TBD    | FirstNet Emergency Communications Network | \$1,810,000 | IX-13                                     | 6/18/2019, TBD                       |

\* Appropriated amounts reflect adjustments included in Manager’s Budget Addendum #36, “Recommended Adjustments to the 2019-2020 Proposed Operating and Capital Budgets,” approved by the City Council on June 11, 2019. The formal adoption of the 2019-2020 Appropriation Ordinance and Funding Sources Resolution is scheduled for June 18, 2019.

**CEQA**

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/  
DOLAN BECKEL  
Director of Office of Civic Innovation  
and Digital Strategy

/s/  
JULIA H. COOPER  
Director of Finance

For questions on the CalNet 3 agreement, please contact Jennifer Cheng, Deputy Director of Finance at (408) 535-7059.

For questions on FirstNet services, please contact Dolan Beckel, Director, Office of Civic Innovation and Digital Strategy, at (408) 535-8260.