



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Julia H. Cooper  
Robert Sapien, Jr.  
Raymond Riordan

**SUBJECT:** SEE BELOW

**DATE:** November 14, 2022

Approved

Date

11/22/22

**SUBJECT: EQUIPMENT PURCHASE AGREEMENT AND ANNUAL PURCHASE ORDERS WITH OPTISTREAMS, INC. FOR A MOBILE OPERATIONS SATELLITE EMERGENCY SYSTEM, INCLUDING RELATED SERVICES**

## **RECOMMENDATION**

Adopt a resolution authorizing the City Manager to:

- (a) Negotiate and execute an Equipment Purchase Agreement for a Mobile Operations Satellite Emergency System with Optistreams, Inc. (Wilmington, DE), including base satellite service link, training, maintenance, support, and sales tax, beginning on or about December 7, 2022 with a total maximum compensation not to exceed \$2,187,600.
- (b) Negotiate and execute up to 10 annual purchase orders with Optistreams, Inc. for ongoing operational costs, including base satellite service link, signal boost, maintenance and support, training, equipment repairs, applicable sales tax, and other related services as required with the first annual purchase order beginning on or about December 7, 2022 with a maximum compensation of \$100,000 and an aggregate not-to-exceed of \$1,000,000 for all annual purchase orders over the 10-year period, subject to the appropriation of funds.
- (c) Negotiate and execute amendments and change orders to the Equipment Purchase Agreement and annual purchase orders with Optistreams, Inc. for unanticipated changes as required for a contingency not to exceed \$300,000, subject to the appropriation of funds.

## **OUTCOME**

Authorizing the City Manager to take this action provides City emergency personnel with state-of-the-art equipment to increase communications capabilities in the field during emergency situations and improve safety and effectiveness.

## **BACKGROUND**

The City's Office of Emergency Management leads efforts to protect life, property, and the environment by developing, coordinating, and managing programs that prevent, prepare for, respond to, recover from, and mitigate natural and man-made disasters and emergencies. This effort includes aiding the City's Fire Department which covers San José's incorporated city limits as well as unincorporated areas of the County of Santa Clara, totaling approximately 200 square miles.

Over the past few decades, there has been a significant increase in California wildfires, both in size and frequency. Many of these wildfires have been in remote locations where fire services personnel's ability to communicate effectively has been hampered by lack of infrastructure or destruction of communications towers and lines. To address this issue, the Fire Department identified a need for mobile equipment that is easy to transport, set up, and operate at a moment's notice where critical infrastructure has been impacted.

In March 2022,<sup>1</sup> the San José City Council approved a resolution authorizing the City Manager or designee to negotiate and execute documents necessary to accept \$2,185,000 in pass-through grant funding from the State for the purpose of purchasing a Mobile Operations Satellite Emergency System (M.O.S.E.S.<sup>®</sup> or System). The funding is now secured, and the City is ready to purchase the System. The Equipment Purchase Agreement includes sales tax, \$2,600 of which will be paid by the City.

## **ANALYSIS**

The grant funds provided by the State are specifically for the purchase of M.O.S.E.S.<sup>®</sup>, which is only available from Optistreams, Inc. In May 2022, the City entered into discussions with Optistreams, Inc. to negotiate contract terms and conditions acceptable for the City.

***Summary of Agreement:*** The Equipment Purchase Agreement with Optistreams, Inc. will include the following provisions:

- Purchase of one M.O.S.E.S.<sup>®</sup> unit;
- One-year warranty on the equipment;
- Three years of base satellite bandwidth service link, upgrades, and monthly/quarterly testing;
- Six hours of on-site training upon equipment delivery, two hours per quarter for ongoing questions for the first year, and web-based training and telephonic product support for the life of the equipment; and
- Two years of software maintenance and updates.

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<sup>1</sup> March 2022 City Council resolution: <https://records.sanjoseca.gov/Resolutions/RES80450.pdf>

All services will be contracted under the City's standard terms and conditions through annual purchase orders, even though some of those costs are included with the original equipment purchase. Costs for additional years of base satellite bandwidth after three years, additional training if required, as-required signal boosts, software support and updates after two years, equipment repairs as needed, and other related items will be purchased through the annual purchase orders.

Should any modifications to the vendor's agreement as summarized above or the City's standard terms and conditions be required, changes will be approved by the City Attorney's Office and City Manager's Office per City policy.

### **CONCLUSION**

Approval of this recommendation will authorize staff to enter into an Equipment Purchase Agreement with Optistreams, Inc. to purchase M.O.S.E.S.® equipment to enhance emergency personnel communications during emergency situations where sufficient infrastructure is not available.

### **EVALUATION AND FOLLOW-UP**

This memorandum will not require any follow-up from staff.

### **CLIMATE SMART SAN JOSE**

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

### **PUBLIC OUTREACH**

This item will be posted on the City's website for the December 6, 2022 City Council meeting.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

**COMMISSION RECOMMENDATION**

No commission recommendation or input is associated with this action.

**FISCAL/POLICY ALIGNMENT**

This recommendation aligns with the City's Enterprise Priority #2: Emergency Management and Preparedness.

**COST SUMMARY/IMPLICATIONS**

**1. AMOUNT OF RECOMMENDATION (first year) \$ 2,287,600**

**2. COST ELEMENTS****Equipment Purchase Agreement**

- M.O.S.E.S.® Equipment	\$ 2,000,000
- Sales Tax (at 9.38%)	187,600
- Delivery	Included
- Training (6 hours upon equipment delivery, Q&A of up to 2 hours/quarter for first year, and web-based training and telephonic product support for the life of the equipment)	Included
- Base Satellite Bandwidth Service Link (three years)	Included
- Software Maintenance and Updates (two years)	Included
- Hardware Support/Warranty (one year)	Included

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**EQUIPMENT PURCHASE NOT-TO-EXCEED TOTAL \$2,187,600**

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**Annual Purchase Orders**

- As-Required Signal Boost Fees (current prices range from \$475/day to \$1,994/day)
- Software Maintenance and Updates (maximum \$9,000/year beginning year 3)
- Base Satellite Bandwidth Service Link (currently estimated at \$200/month beginning year 4)
- Additional Training (\$1,500/6 hours plus travel expenses up to \$600/day and \$375/2-hour session for Q&A via zoom or conference call)
- Equipment Repair (as required based on time and material after one-year warranty period)

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**PURCHASE ORDER NOT-TO-EXCEED TOTAL (first year) \$ 100,000**

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**CONTINGENCY (SUBJECT TO EXECUTED CHANGE ORDER OR AMENDMENT) \$ 300,000**

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**GRAND TOTAL NOT TO EXCEED \$2,587,600**

**3. SOURCE OF FUNDING:** In 2022-2023, the equipment purchase agreement is funded by the California Office of Emergency Services (CalOES) Mobile Operations Satellite Expeditionary System grant from the Federal Emergency Management Agency (FEMA) (\$2,185,000) and \$2,600 from the City Manager's Non-Personal/Equipment budget in the General Fund. Costs in 2023-2024 and beyond are subject to the appropriation of funds.

**4. FISCAL IMPACT:** Additional operational costs will be contracted under an annual purchase order and will include satellite boosts and training as required beginning year one, equipment repairs as required beginning year two, software maintenance and updates beginning year three (\$9,000), and base satellite bandwidth service link beginning in year four (estimated \$12,768 - \$14,868).

The purchase of the M.O.S.E.S.<sup>®</sup> unit is through CalOES, which manages the mutual aid program throughout the state. Mutual aid supplements local emergency responders when events exceed capabilities. For example, the San José Fire Department routinely sends resources to fires in other parts of the state to support the local agencies in containing the emergency. Within the last several years, resources were deployed for as many as 42 days. The M.O.S.E.S.<sup>®</sup> unit could be deployed in similar fashion and require data boosts to effectively operate. Given the recent deployment of 42 days, estimates for data boost fees of up to \$84,000 could be expected, along with other expenses due to damage that may occur to the unit when deployed. The annual purchase order would cover the costs of such deployments, which could be reimbursable through FEMA and/or CalOES. The contingency funds (\$300,000) are identified for technology enhancements that may become available over the 10-year period and any additional operational costs that are currently unanticipated. The annual purchase orders and contingency are subject to the appropriations of funds through the City's annual budgeting process.

### **BUDGET REFERENCE**

The table below identifies the funds and appropriations proposed to fund the contract recommended as part of this memorandum.

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Contract*	2022-2023 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	221P	CalOES Mobile Operations Satellite Expeditionary System	\$2,185,000	\$2,185,000	905	06/21/2022 Ord. 30790
001	0112	City Manager's Non-Personal/Equipment	\$3,004,708	\$2,600	488	10/18/2022 Ord. 30833

\* Contingency (\$300,000) and ongoing operational costs (not to exceed \$100,000 per year) are subject to the appropriation of funds through the annual budgeting process.

HONORABLE MAYOR AND CITY COUNCIL

November 14, 2022

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**CEQA**

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

/s/

JULIA H. COOPER  
Director of Finance

/s/

RAYMOND RIORDAN  
Emergency Management Director

/s/

ROBERT SAPIEN, JR  
Fire Chief

For program-related questions, please contact Raymond Riordan, City Manager's Office of Emergency Management Director, at [ray.riordan@sanjoseca.gov](mailto:ray.riordan@sanjoseca.gov). For fire-specific questions, please contact Robert Sapien, Jr., Fire Chief, at [robert.sapien@sanjsoeeca.gov](mailto:robert.sapien@sanjsoeeca.gov). For contract-related questions, please contact Luz Cofresí-Howe, Assistance Director of Finance, at [luz.cofresi-howe@sanjoseca.gov](mailto:luz.cofresi-howe@sanjoseca.gov).