



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Julia H. Cooper

**SUBJECT: ACTIONS RELATED TO PURCHASE    DATE: August 30, 2021**  
**ORDERS FOR CITYWIDE RADIO**  
**UPGRADE ASSURANCE PROGRAM**

Approved

Date

**9/1/2021**

## RECOMMENDATION

Adopt a resolution authorizing the City Manager to:

- (a) Execute the Radio Upgrade Assurance plan with Motorola Solutions, Inc. (“Motorola”) (Chicago, IL) under the Agreement between Motorola and the Silicon Valley Regional Interoperability Authority (“SVRIA”) dated June 26, 2020 for radio equipment and services in an amount not to exceed \$11,500,000, including estimated sales tax, for the ten-year term beginning on or about September 14, 2021 through June 30, 2031, subject to the appropriation of funds;
- (b) Execute annual purchase orders with Motorola in accordance with the SVRIA Agreement and the Radio Upgrade Assurance plan for an amount not to exceed \$5,869,516, including estimated sales tax, in the first year of the ten-year term beginning on or about September 14, 2021 through June 30, 2022, subject to the appropriation of funds; and
- (c) Amend purchase orders as required for unanticipated changes in requirements, quantities, and sales tax for a contingency amount not to exceed \$800,000 for the ten-year term, subject to the appropriation of funds.

## OUTCOME

Authorizing the City Manager to take these actions will allow the City to replace obsolete, unsupported radio equipment with new, supported radio equipment, improving efficiencies and reliability in providing public safety and other City services.

## **BACKGROUND**

The Department of Public Works' Radio Shop division manages the Citywide radio communications program on behalf of City departments. The Fire and Police Departments rely on radio systems for mission-critical communications in providing public safety services. Other City departments such as the Department of Public Works, the Environmental Services Department, and the Department of Transportation utilize these systems to maintain operations and provide other services to the public.

Radio systems run on specialized and proprietary software and hardware. The City standardized its mobile, portable, and base-station radios and related communications equipment to Motorola in 1984. A brand name/sole source determination was approved under the Director of Finance's authority due to interoperability and cost savings considerations pursuant to San José Municipal Code Sections 4.12.240.B.2 (interoperability) and 4.12.240.B.5 (cost savings). Interoperability of the radio communications system is critical to maintaining reliable operations, particularly for emergency communication. Based on this assessment, it was determined that the ongoing purchase and maintenance of the Motorola equipment was necessary to ensure interoperability of the system as it would be cost prohibitive to replace all existing hardware and software with another brand.

In December 2019, Motorola advised the City that it would no longer provide technical support or replacement parts for radios over eight (8) years old. Of the 3,300 Motorola radios currently in use by the City, including portable handhelds and mobile radios mounted inside vehicles, 2,105 of them are older models that have already exceeded or will exceed the 8-year lifespan within the next two (2) years.

Since the City was made aware of this new policy, staff has been in discussions with the City Manager's Budget Office to identify a funding strategy for replacement of currently and soon-to-be unsupported radio equipment.

## **ANALYSIS**

The City historically leverages cooperative agreements to purchase Motorola radio equipment and ongoing technical support services in accordance with San José Municipal Code Section 4.12.225.B.3. By leveraging these cooperative agreements, the City expedites purchases and takes advantage of volume discounts. Currently, the City leverages the Request for Proposal conducted by the Houston-Galveston Area Council in 2018 through the Silicon Valley Regional Interoperability Authority's ("SVRIA's") Agreement with Motorola executed June 26, 2020. The City is a participating agency in SVRIA through a Joint Powers Agreement executed November 3, 2016. SVRIA consists of nineteen (19) member agencies, including the City of San José, whose mission is to identify, coordinate and implement communication interoperability solutions to its member agencies by integrating voice and data communications between law enforcement, fire and rescue services, emergency medical services, and emergency

management for routine operations, critical incidents, and disaster response and recovery. This agreement provides participating members up to a 27% discount off list price. Under the SVRIA Agreement, participating members have the option to negotiate larger discounts directly with Motorola through a Radio Upgrade Assurance (“RUA”) plan.

Public Works staff engaged Motorola to negotiate an RUA beginning in February of this year, and those discussions concluded in early August. The RUA included in this recommendation will replace 1,608 radios over the ten-year term, lock in the list price of radios at the current list price (average \$6,500 per radio), and provide a 42.6% discount off the locked list price, for an average final cost of \$3,730 per radio. The list price being offered to the City by Motorola is pricing prior to an 8% price increase that recently went into effect for other Motorola customers, provided the City issues a purchase order to Motorola by September 15, 2021. The RUA also allows the City to purchase additional equipment, above the RUA commitment, at the same 42.6% discount, but that discount will be applied to the then current list prices. Additional purchases over \$3,000,000 will also receive additional discounts of up to 3%.

Although additional RUA options were available for deeper discounts with a larger investment, City budget constraints resulted in this recommended RUA. This RUA will allow the City to replace a significant number of unsupported radios over the next ten (10) years but there will still be about 740 units unsupported by the end of the ten-year term. This also does not account for additional radios that may be added over the next ten (10) years to support increases in public safety and other service operations. See below for estimated purchases by fiscal year:

### RUA Radio Counts and Ship Schedule

	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	TOTAL
PD Portables	600	39	2	2	35	38	45	40	41	24	<b>866</b>
Fire Portables	115	45	66	65	35	36	20	8	2	0	<b>392</b>
<b>Subtotal Portables</b>	<b>715</b>	<b>84</b>	<b>68</b>	<b>67</b>	<b>70</b>	<b>74</b>	<b>65</b>	<b>48</b>	<b>43</b>	<b>24</b>	<b>1,258</b>
PD Mobiles	75	5	10	10	11	12	14	25	27	46	<b>235</b>
Fire Mobiles	19		7	8	7	6	10	17	19	22	<b>115</b>
<b>Subtotal Mobiles</b>	<b>94</b>	<b>5</b>	<b>17</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>24</b>	<b>42</b>	<b>46</b>	<b>68</b>	<b>350</b>
<b>GRAND TOTAL</b>	<b>809</b>	<b>89</b>	<b>85</b>	<b>85</b>	<b>88</b>	<b>92</b>	<b>89</b>	<b>90</b>	<b>89</b>	<b>92</b>	<b>1,608</b>

Note: 26 Battery Chargers will also be purchased in FY 21-22 for Portables.

Staff will continue to work with the City Manager’s Budget Office to identify additional funding to close this gap and may explore going out to bid for alternative radios for departments that do not require the same level of interoperability as those required for public safety activities. Staff will also continue to pursue grant opportunities, such as through the Urban Areas Security Initiative (UASI) and the Federal Emergency Management Agency (FEMA), to support the replacement of additional radio units as historically has been done.

## **CONCLUSION**

Approval of this recommendation will allow the City to execute the RUA plan and issue annual purchase orders to Motorola to replace obsolete, unsupported radios and improve efficiencies and reliability in providing public safety and other services.

## **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 memorandum will be posted on the City's Council Agenda website for the September 14, 2021 Council meeting.

## **COORDINATION**

This memorandum has been coordinated with the Department of Public Works, the City Attorney's Office, and the City Manager's Budget Office.

## **COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

## **FISCAL/POLICY ALIGNMENT**

This action is consistent with the City Council-approved budget strategy to effectively manage the City's technological resources to enable and enhance the delivery of City services and projects.

**COST SUMMARY/IMPLICATIONS**

**1. AMOUNT OF RECOMMENDATION (YEAR 1) \$5,869,516**

**2. COST ELEMENTS:**

<b>PURCHASES BY YEAR (including estimated 9.375% sales tax)</b>	<b>ESTIMATED NOT TO EXCEED</b>
- Year 1 (FY 21-22)	\$5,869,516
- Year 2 (FY 22-23)	626,281
- Year 3 (FY 23-24)	625,325
- Year 4 (FY 24-25)	625,318
- Year 5 (FY 25-26)	625,341
- Year 6 (FY 26-27)	627,713
- Year 7 (FY 27-28)	625,176
- Year 8 (FY 28-29)	625,213
- Year 9 (FY 29-30)	624,336
- Year 10 (FY 30-31)	625,651
<b>RUA NOT TO EXCEED FOR THE 10-YEAR TERM</b>	<b>\$11,499,870*</b>
Contingency	800,000
<b>TOTAL NOT TO EXCEED</b>	<b>\$12,299,870</b>

\* 10-year RUA total not to exceed rounded up to \$11,500,000 in Recommendation (a).

**3. SOURCE OF FUNDING:** Construction Tax and Property Conveyance Tax Fund:  
Communications Purposes (397)

**4. FISCAL IMPACT:** Years 2-10 and Contingency are subject to the appropriation of funds through the yearly budgeting process. Motorola acknowledges the City's right to not issue a purchase order for future years should budget not be available and will honor the radio discount offer throughout the ten-year term.

**BUDGET REFERENCE**

The table below identifies the fund and appropriation for the purchase order recommended as part of this memorandum for Year 1. The appropriation includes one-time funding in FY 21– 22 budget cycle of \$5,250,000 to replace radios that are out of support. In addition, the appropriation received an ongoing new allocation of \$225,000 to the existing \$500,000 Public Works budget to support the radio program, of which \$400,000 is set aside specifically for procuring radio replacement units.

HONORABLE MAYOR AND CITY COUNCIL

August 30, 2021

**Subject: Actions Related to Purchase Orders for Citywide Radio Upgrade Assurance Program**

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Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract*	2021-2022 Adopted Capital Budget Page**	Last Budget Action (Date, Ord. No.)
397	5260	Silicon Valley Regional Communications System - Radios	\$5,975,000	\$5,869,516	V - 690	06/22/2021, 30621

\*For Year 1 only; an additional \$5,484 has been budgeted in FY 21-22 (for a total of \$5,875,000) but will be used as contingency if required. Funding for Year 2-10 purchases and contingency will be subject to approval and adoption by City Council through the annual budget process.

\*\*The 2021-2022 Adopted Capital Budget was approved on June 15, 2021 and adopted on June 22, 2021 by the City Council.

**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

For questions about the radio communications program, please contact Walter Lin, Deputy Director of Public Works, at [walter.lin@sanjoseca.gov](mailto:walter.lin@sanjoseca.gov). For questions about the agreements, please contact Jennifer Cheng, Deputy Director of Finance, at [jennifer.cheng@sanjoseca.gov](mailto:jennifer.cheng@sanjoseca.gov).