



DATE: September 13, 2016

TO: Mayor and City Council

FROM: Fire Chief

SUBJECT

EBRCSA Phase 3 Implementation - Authorize the City Manager to Negotiate and Execute a Lease-Purchase Agreement with Motorola Solutions for Mobile and Portable Radios and Associated Equipment Not to Exceed \$2,600,000

RECOMMENDATION

That the City Council adopts the attached resolution authorizing the City Manager to negotiate and execute a lease-purchase agreement with Motorola Solutions, Inc. for mobile and portable radios and associated equipment. This would allow the Hayward Police Department and non-public safety field staff from various departments to join the East Bay Regional Communications System Authority (EBRCSA) network.

BACKGROUND

In 2007, the City joined the East Bay Regional Communications Systems Authority (EBRCSA), a Joint Powers Authority established to facilitate regional compliance with Project 25 (P25), an FCC standard for communications interoperability intended to provide seamless communication between government agencies providing mutual aid and in the event of a natural disaster or other regional emergency. In 2011, the Hayward Fire Department completed Phase 2 of Hayward's EBRCSA implementation, purchasing and programming 82 EBRCS-compliant units with federal grant funding. Phase 3 of EBRCSA implementation was planned to include the Hayward Police Department and non-public safety field staff from various City departments. Since the Police Department's radio system has reached the end of its useful life, it is appropriate to begin the implementation of Phase 3.

Completing Phase 3 of EBRCSA implementation will increase Hayward's interoperability with other agencies and provide the City with a regional and secure public safety radio communications system.

Current Communications System

Currently, the Hayward Police Department is the only public safety agency in Alameda County that does not participate in the interoperable EBRCSA system. Joining the EBRCSA system will allow Hayward to fully participate in providing and receiving mutual aid in large-scale or regional incidents.

The Police Department has been experiencing intermittent problems with the current radio system. In April 2015, a radio channel failed and dispatch was required to transmit on a secondary channel as a workaround. A radio antenna was mounted on City Hall as a temporary fix. In September 2015, the logging recorder crashed, necessitating the purchase of a replacement logger, which was selected to be compatible with EBRCSA. Other parts of the current radio system are becoming obsolete, necessitating replacement.

Participating in EBRCSA will simplify mutual aid operations and improve the department's ability to communicate with other public safety agencies during regional emergencies.

Non-public safety field staff in Public Works, Utilities and Environmental Services, Maintenance Services, Building, Code Enforcement, and Information Technology will be equipped with EBRCSA-compatible communications equipment in the third phase of implementation as well. Currently, field staff in these departments do not use radios as a means of communication. Some departments use City-issued cell phones for communication in the field, while others use personal cell phones. Using cell phones as the primary means of communication in the field can present problems for staff working in the hillside areas of the City, where service can be unreliable. Due to these challenges, non-public safety field staff have specifically requested a means of communication in the field that is not dependent on cellular technology.

In addition to providing more reliable communication during standard operations, providing interoperable portable radios to non-public safety field staff will improve the City's capacity to respond to emergencies. In situations such as natural disasters, coordination between decision-makers and staff in the field, including first responders, inspectors, and public works staff is essential to successful emergency response and recovery. Ease of communication and sharing up-to-date, accurate information can save lives, protect property, and prevent an incident from becoming a disaster.

Procurement Process

The Police Department and departments with non-public safety field staff will need to purchase EBRCSA-compatible radios. In 2009, Contra Costa County issued a Request for Quotes for P-25, 700/800 MHz portable and mobile radios compatible with the needs of EBRCSA subscribers. From that competitive RFQ process, in which seven quotes were received and evaluated by Contra Costa County staff, Motorola was selected to provide radio units to EBRCSA subscribers. In 2012, the authorization for the RFQ was renewed. All EBRCSA subscribers, including every public safety agency in the county besides Hayward Police Department, has purchased EBRCSA-capable radios via the RFQ.

DISCUSSION

In order to begin Phase 3 of EBRCSA implementation, the City must replace the aging, non-EBRCSA compatible communications equipment in the Police Department and equip non-

public safety field personnel with EBRCSA-compatible radios. The number of units needed to fully equip each department is listed in **Table 1** below.

Table 1: Radios Needed

Radios Needed		# of Units
Police Department		440
<i>Mobile (Vehicle) Units</i>	<i>130</i>	
<i>Portable Units</i>	<i>310</i>	
Non-Public Safety		80
Total		520

The total purchase cost for 520 radios, including accessories (including batteries, programming cables, handheld microphones, etc.), programming, and installation (for vehicle units) is \$2,529,926.60.

FISCAL IMPACT

The fiscal impact to the City will include the one-time cost of purchasing, installing, and programming the new radio units as well as the cost of activating EBRCSA subscriptions for those units (see **Table 2** below).

Table 2: Total One-Time Costs

Total One-Time Costs	
Equipment Purchase	\$ 2,529,926.60
<i>Interest (Optional)</i>	\$ 34,560.82
Activation Fee	\$ 20,400.00
Total	\$ 2,584,887.42

Purchasing 510 units to fully equip the Police Department and non-public safety field personnel will cost \$2,529,926.60 and activating all of the radios on the EBRCSA system will cost \$20,400. Should the City exercise the option to defer repayment into the third year of the lease-purchase agreement, the balance will accrue an interest at a rate of 2.77%.

Financing

Motorola has offered the City promotional financing for the purchase of radio units and associated equipment (e.g. batteries, programming cables), as well as the cost of radio installation and programming, over a three-year term. Under this lease-purchase agreement, the City would not be required to make payments on the units for two years and the balance would remain interest-free during that period. At the end of the second year, the City would be required to pay half the cost of the units. The remaining balance, plus a year's interest at 2.77%, would be due at the end of the third year of the agreement, at which point the City would own the radios.

The City could choose instead to pay the entire balance at or before the close of the second year of the contract to avoid paying interest, with no penalty for early repayment (see **Table 3** below).

Table 3: Financing Options

Financing Options	
<i>Option 1 - Lump Sum at End of Year 2</i>	\$ 2,529,926.60
<i>Option 2 - Payments at End of Years 2 & 3</i>	\$ 2,564,487.42
Option 1 Savings	\$ 34,560.82

Payment option 1 – repayment in a single installment – allows the City to avoid paying an additional \$34,561 in interest and avoids deferring payment into outlying budget years. Payment option 2 will spread the cost of repayment over two consecutive fiscal years. At this point in time, it is not necessary to decide on a plan for repayment, but taking action to authorize the agreement now preserves the option to defer payment. Staff will be returning to Council as part of the budget discussions during the next six months to determine the timing of repayment and the ultimate source of the funds. Motorola’s financing offer expires before the end of September. Staff wanted to take advantage of the two years of interest free financing to enable the Council to have a more robust and complete discussion about the source of funds for purchase of this critical public safety equipment in the context of the FY2018 budget preparation.

EBRCSA Activation Fee

EBRCSA requires an initial payment of \$200 per radio put into service on the system. In 2011, when Hayward first activated radios on the EBRCSA system, the City paid activation fees for 500 radios. Since that time, only 82 radios have been activated on the system. The remaining 418 pre-paid activation fees will be applied to the new radios, leaving 102 radios for which the activation fee has yet to be paid (see **Table 4** below).

Table 4: EBRCSA One-Time Buy-In Fees

EBRCSA One-Time Buy In Fees	# Units	Fee/Unit	Total
Police Department Units	440	\$200	\$88,000
Non-Public Safety Units	80	\$200	\$16,000
Fire Units (Added in 2011)	82	\$200	\$16,400
<i>Paid in FY 12</i>	<i>(500)</i>	<i>\$200</i>	<i>\$(100,000)</i>
Total Unfunded	102		\$20,400

In addition to the one-time cost of purchasing and activating the radio units, operating the units on the EBRCSA system will require paying a monthly subscription fee. EBRCSA charges subscribers to its interoperable system monthly subscription and maintenance fees to cover the cost of system operations, maintenance, and debt service. The total fees amount to \$40 per device per month, or \$480 per year. The City will not be charged this subscription fee until all units have been programmed to meet the City’s operational needs and be compatible with EBRCSA.

Currently, the Fire Department pays subscription and maintenance fees on 82 units. The 510 units that will be added to equip the Hayward Police Department and non-public safety field staff will bring the total fees to \$288,960 per year (see **Table 5** below).

Regular programming updates to ensure radio software remains compatible with communications equipment systemwide will cost approximately \$5 per radio per annum, or about \$3,000 in total.

Table 5: Ongoing Annual Costs

Ongoing (Annual) Costs	# of Units	Cost/Unit	Total
EBRCSA Subscription fee			\$180,600
<i>Police</i>	440	\$300	\$132,000
<i>Fire</i>	82	\$300	\$24,600
<i>Non-PS</i>	80	\$300	\$24,000
Maintenance			\$108,360
<i>Police</i>	440	\$180	\$79,200
<i>Fire</i>	82	\$180	\$14,760
<i>Non-PS</i>	80	\$180	\$14,400
Programming (estimated)			\$3,010
<i>Police</i>	440	\$5	\$2,200
<i>Fire</i>	82	\$5	\$410
<i>Non-PS</i>	80	\$5	\$400
Total			\$291,970

Replacement Costs

The useful life of the radios is anticipated to be approximately ten years. Staff plans to request 10% of the cost of unit replacement in the Capital Improvement Program each year for the next ten years to fund replacement at the end of the units' useful life. This would be in addition to the ongoing costs identified in **Table 5** above.

NEXT STEPS

Upon Council approval, staff will continue to work with Motorola to negotiate and execute a Lease-Purchase Agreement and place an order for radios and accessories. Staff anticipates that radio installation will begin in December with HPD Support Services staff and expand to include patrol, detectives, and command staff. Radios and training will then be provided to field staff in Public Works, Utilities and Environmental Services, Maintenance Services, Building, Code Enforcement, and Information Technology. EBRCSA is anticipated to be fully implemented by Spring 2017.

Prepared by: Laurel James, Management Analyst

Recommended by: Garrett Contreras, Fire Chief

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

Kelly McAdoo, City Manager