ALAMEDA COUNTY

East Bay Regional Communications System Authority

CONTRA COSTA COUNTY

Participating agencies include Alameda and Contra Costa Counties and the following cities and special districts: Alameda, Albany, Antioch, Brentwood, Clayton, Concord, Danville, Dublin, El Cerrito, Emeryville, Fremont, Hayward, Hercules, Lafayette, Livermore, Martinez, Moraga, Newark, Oakley, Pinole, Pittsburg, Pleasant Hill, Pleasanton, Richmond, San Leandro, San Pablo, San Ramon, Union City, Walnut Creek, East Bay Regional Park District, Kensington Police Community Services District, Rodeo-Hercules Fire Protection District, San Ramon Fire Protection District, and the University of California, Berkeley

AGENDA ITEM 9.1

AGENDA STATEMENT
BOARD OF DIRECTORS MEETING
MEETING DATE: January 21, 2011

TO: Board of Directors
East Bay Regional Communications System Authority

FROM: William J. McCammon, Executive Director
East Bay Regional Communications System Authority

SUBJECT: Contract Change Order with Motorola for the Final System Build Out

RECOMMENDATIONS:

1. Adopt the resolution authorizing the Board Chair to sign the contract change order with Motorola for the Final System Build out and the Executive Director to negotiate and Implement the Change Order to the Existing Contract.

SUMMARY/DISCUSSION:

When the EBRCSA was originally formed there were questions raised by the member agencies as to whether or not the remaining system infrastructure should be completed using Motorola infrastructure or should the EBRCSA go out to bid, and competitively bid the remaining build out. The Board of Directors in October of 2007 authorized the issuance of an RFP to seek the services of an engineering firm to analyze the purchases made to date and make recommendations on how the EBRCSA should move forward with the system design and build out. There were 7 firms that submitted proposals, CTA Communications was selected through a competitive process. The Board authorized a contract with CTA in April of 2008. CTA worked through the rest of 2008 performing site visits and reviewing the system design. CTA made a presentation to the Board in January of 2009 and made several recommendations.

The primary recommendation was to continue the final build out of the system with Motorola infrastructure. This recommendation was based on the fact that P25 infrastructure has to be provided by one vender, and given the amount of Motorola infrastructure already purchased it

was not cost effective to consider possibility of going out to bid. CTA also recommended engaging an independent engineering firm to provide value engineering services including an evaluation of the current system design, final system design, and the creation of an associated cost estimate for the final system build out including the operation and maintenance cost to operate the system. The Board gave the Executive Director direction to go back to the Operations Committee and work with CTA to revise their scope for Phases II, III, and IV to provide and evaluation of the system design, the associated costs for the system build out as well as the operational and maintenance costs for the system.

In February of 2008 a revised scope of work was presented to the Board and a contract awarded to CTA to complete Phase II, III and IV. CTA presented their preliminary recommendations in October of 2008. The recommendations included the cost to complete the system including sites costs and the cost to operate and maintain the system. During 2009 and the first half of 2010 CTA worked with EBRCSA staff and Motorola on the detailed final system design. In the fall of 2010 CTA/AECOM (CTA merged with AECOM and have since changed their name) issued two reports a "Recommendations Report" and a "Radio System Specifications Report". The Recommendations Report provides a detailed analysis of the system design, and the cost projections for system completion as well as operations and maintenance costs. The Radio System Specifications report represented the overall system design in the form of bid documents that could be used as part of an RFP process. The system specification document was given to Motorola and was the basis for their final system build out proposal.

In December of 2010 Motorola presented their EBRCSA P25 System Build Out proposal. The proposal was reviewed by representatives of the EBRCSA and discussed in multiple meeting with Motorola. The proposal was then taken to both the Operations and Finance Committees for review. The two Committees recommended that the Board authorize the execution of the change order to complete the system.

MOTOROLA PROPOSAL:

The proposal presented by Motorola to the EBRCSA is based on the EBRCSA Radio System Specifications" developed by CTA/AECOM. The CTA/AECOM document is a detailed set of specifications well over 100 pages that addresses all aspects of the system design and build out including the general terms and condition of the contract. Motorola in their response addressed all the points of the system specifications. Motorola did take exception to some of the compliance requirements of the specifications. The document as written by CTA/AECOM assumed that the specifications would go out as an RFP and assumed no existing relationship with the vendor, for that reason some of the requirements were not relevant. Motorola did provide as Section 6 of the proposal a "Point by Point Response" to the CTA/AECOM system specifications. As an example Motorola took exception to CTA/AECOM's general terms and condition of the contract, and referenced the existing contract EBRCSA has with Motorola. Our legal counsel Robin Donoghue reviewed the general terms and conditions that CTA/AECOM proved in the system specifications and concluded that the existing contract provides protection and that further modifications, while possibly desirable, were not required. The point by point response was also reviewed in detail by Ed Woo Information Technology Director for Contra Costa County, Commander Mike Casten of the Contra Costa Sheriff's Department and myself.

We concluded two meetings with representatives from Motorola to make sure we agreed with each point. We recommended approval of the contract change order with the given exceptions.

The proposal includes the purchase of all the remaining repeater site equipment and dispatch consoles to complete the system. Below is an overview of the number of repeater sites per cell and channels required at each of the remaining sites, as well as the required dispatch consoles:

Repeater Sites

Cell	# of Channels	# of Sites
Alameda County Northwest	16	3
Alameda County Southwest	12	4
Contra Costa Central	10	7
Contra Costa East	7	3
Standalones	5	1
Standalones	4	3
Standalones	3	1

Dispatch Consoles

Contra Costa Sheriff - 21	Martinez Police - 2
Pleasant Hill - 2	Walnut Creek Police - 6
Concord Police - 8	Antioch Police - 4
Contra Costa Fire - 7	San Ramon Valley Fire - 4
Albany Police - 2	Hayward Police - 7
Berkeley Police - 8	Emeryville Police - 2
East Bay Parks - 3	UC Police - 2

The fully discounted price for the final system build out is $18,848,072.52, with $1,411,233.22 included in the total cost to finish out some Phase I completion services due for equipment purchased by Alameda County. The pricing for the system completion is very aggressive pricing and provides two specific discounts. The first discount relates to the "Riverside pricing". The County of Riverside went out to bid for a P25 communications system, they received two responses one from Motorola and the other from Harris. Motorola was the successful low bidder and received the contract. We have been receiving "Riverside pricing" from the competitively bid contract for all of our equipment purchases for the last two years. The Motorola proposal provides a $2,789,062 discount for the equipment based on the Riverside pricing. The second discount is called a "System Partner Discount" for $2,001,398, the discount is only available if the change order is executed prior to March 18, 2011.
In order to better understand if the pricing is in fact aggressive we asked CTA/AECOM to review pricing we received for the Livermore and Pleasanton dispatch consoles as well as repeater site equipment purchased by Contra Costa County. After their review CTA/AECOM reported back to us that they were very impressed with the level of pricing we received. In their recommendations CTA/AECOM report estimated the equipment and services that would be

required form Motorola to be approximately $23,400,000. The pricing we are receiving is over $4,000,000 less than CTA/AECOM estimated.

The project implementation schedule envisions substantial completion by July of 2012, with final acceptance occurring in the 3rd and 4th. quarters so that system users can be on the system prior to January 1 2013.

FINAL SYSTEM BUILD OUT:

The Motorola contract change order is only one component of the final system build out. In order to complete the system there is considerable site work that must be completed. This includes the purchase of additional microwave equipment, site development work including development of several new sites, purchases of towers, shelters, generators, and soft costs for design work, overall EBRCSA operations, and a contingency. There is also a line item for the Master site and repeater site hardware/software upgrade that was already in progress prior to receiving the Motorola proposal. A budget was developed detailing costs to complete the system. A team of EBRCSA representatives and the Motorola project manger reviewed all the remaining site development work to develop the budget. The budget also includes soft costs for the design services and EBRCSA operation costs over the next 2 ½ years. The budget is included below:

Motorola	18,900,000
Site Development	2,925,000
Towers	820,000
Microwave	1,650,000
Project Management	800,000
Design Services	300,000
Installation Services	460,000
EBRCSA Operations	195,000
Hardware/Software	550,000
Contingency	1,400,000
Total System Build Out	**28,000,000**

The site development is proceeding using representatives from both counties. The EBRCSA now has a dedicated project manager working with Alameda County. Alameda County has also competitively bid a Job Order Contract for site development work on non County sites. The EBRCSA will use the contractor for the site development in both counties. Alameda County also has a contract for design service that the EBRCSA will continue to use. It is anticipated that the site development work will proceed as Motorola installs equipment in sites in each of the cells, as they become available.

SYSTEM FINANCING:

The financing effort that began last year was based on the CTA/AECOM cost estimates and the proposed financing using a combination of local revenue and grants. It assumed a phased build out of the system with the main body of the system completed by January 2013 in order to have all users on the system prior to the narrow banding, that would have required agencies to fund upgrades to their existing systems. The standalone sites would be completed using grant finds in the following three to four years. Given the Motorola proposal and the budget for site development and soft costs the financing phasing is considerably different. The new cost to complete allows the entire system to be completed by 2013. A review of the original cost assumptions and the new cost model is included below:

	2010-11	2012	2013	2014	2015	
Financing Proposal 9/1/10						
Bonds	17,000,000					$17,000,000
Grants	3,752,000	3,294,000	2,313,666	2,313,667	2,313,667	$13,987,000
		24,046,000			6,941,000	**$30,987,000**

	2010-11	2012	2013	2014	2015	
Revised based on Motorola Proposal						
Bonds	17,000,000					$17,000,000
Grants	3,272,000	3,864,000	3,864,000			$11,000,000
						$28,000,000

The revised financing assumes a total budget to complete of $28,000,000, Local revenue of $17,000,000 and grants over the three years of $11,000,000. The Local revenue has been secured with the financing effort entered into with both counties, and the jurisdictions prepaying.

The budget and grants are two areas that provide some unknowns. The budget was very conservatively developed with a $1,400,000 contingency. The proposed budget presented to the Finance Committee included a $900,000 contingency. The Committee increased the contingency to 1,400,000. The site cost estimates are based on some actual costs for site work, and estimates.

The 2010-11 grants have been received, the 2012 and 2013 grant levels are not known at this time. The two counties have committed to EBRCSA funding as a top priority using the State Homeland Security Grant Program (SHSGP) funds. We have received a minimum of $1,000,000 each year with the average over 1,200,000. We have also been able to obtain at least $1,000,000 from the Bay Area UASI for the two counties. We don't expect to receive any additional Earmarks from the new Congress. In order to meet the revenue projections we will have to insure the SHSGP funds are in the $1,200,000 to $1,500,000 range and at least $1,000,000 from the Bay Area UASI to meet the projected revenue projections. Given the level

of contingency and the success the two counties have experienced obtaining funding for the EBRCSA it is reasonable to assume the funding will be realized.

RECOMMEDED ACTION:

It is recommended that your Board adopt a resolution approving a contract change order with Motorola Inc. to purchase the equipment and services contained in the EBRCSA P25 System Completion Project proposal, and authorize the Board Chair to sign the change order and the Executive Director to negotiate and implement the change order to the existing contract.

RESOLUTION NO. 11-__

A RESOLUTION OF THE

EAST BAY REGIONAL COMMUNICATIONS SYSTEM AUTHORITY

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RESOLUTION AUTHORIZING THE CHAIR TO EXECUTE AND THE EXECUTIVE DIRECTOR TO IMPLEMENT A CONTRACT CHANGE ORDER WITH MOTOROLA, INC. FOR THE FINAL BUILDOUT OF THE P-25 COMMUNICATIONS SYSTEM

WHEREAS, the East Bay Regional Communications System Authority ("EBRCSA") has contracted with Motorola, Inc. for the purchase of communications equipment and related services in connection with a P-25 compliant communications system serving Alameda and Contra Costa counties and individual political jurisdictions therein (the "System"); and

WHEREAS, the EBRCSA's communications consultant ("AECOM") recommends a change order to provide for the final buildout of the System, including the purchase of all remaining repeater site equipment and dispatch consoles to complete the System, as further described in the accompanying staff report for this Resolution; and

WHEREAS, the cost of the final buildout of the System pursuant to a change order is $18,848,072.52, and are expected to be funded through a combination of local financing and grants; and

WHEREAS, AECOM has reported favorably on the proposed change order price, which represents significant discounts; and

WHEREAS, good cause appears for acceptance of the change order.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors of the East Bay Regional Communications System Authority does hereby (1) approve a change order to the EBRCSA contract with Motorola, Inc. for the final buildout of the System, in an amount not to exceed $18,848,072.52; (2) authorizes its Chair to execute such change order; and (3) authorize its Executive Director to take such further action as may be necessary and appropriate to implement such change order.

On motion of xx, seconded by xx, the foregoing Resolution was passed and adopted this __th day of _____, 2011, by the following votes:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

ATTEST: _____

Susan Lyon, Secretary

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