



TO: Board of Contracts and Awards
FROM: Jack Kelanic, Director of Information Technology *PAF FOR J.K.*
Steve Taylor, IT Manager, Information Technology Department
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
Chuck Blankenship, Finance/Purchasing
SUBJECT: Motorola System Upgrade and Security Service Agreement
Sole Source - Requesting City Council Date – October 6, 2015
DATE: September 22, 2015

SUMMARY:

The Information Technology Department recommends a contract be awarded to Motorola Solutions Inc., a corporation in the state of Delaware, in the amount of \$5,461,280.00, plus applicable sales tax, for a 10 year System and Security Upgrade contract.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

The contract assures outstanding stewardship of the natural and built environment and promotes an efficient, effective government which is fiscally sustainable by continuing to refresh and update the City’s public safety radio system.

BACKGROUND:

The City’s 800 MHz radio system has provided radio communications for the City’s General Government departments as well as to law enforcement, fire and other first responder agencies throughout the Tacoma metropolitan area since 2003. A major project to upgrade from analog “SmartZone” to digital “AstroTac P25” began in mid-2013, including new digital radios for all users. The digital system was ready for use by late 2014.

ISSUE: Unlike the City’s analog system, the \$10 million digital system is a network of components that include hardware, software and application programs. With a brief 5 to 7 year product lifecycle for today’s computer technology, approximately 40% of components are projected to reach both “end of life” and “end of support” between 2016 and 2020.

Within these lifecycles, Motorola releases and sells annual product enhancements to improve performance and reliability. Some enhancements are released frequently (monthly, quarterly or semiannually) while others are released less frequently (annually or bi-annually). Regardless of how often improvements are released, approximately 40% of the components will need replacement between 2016 and 2020. The Motorola System Upgrade and Security Service Agreement will provide one major upgrade each biennium.

ALTERNATIVES: The City’s alternative is to individually upgrade components as they reach end of life and support. Although possible, this alternative is highly labor intensive for City staff and approximately \$500,000 more expensive over a 10 year time period.



COMPETITIVE SOLICITATION: This is a sole source contract.

COMPETITIVE ANALYSIS: Motorola is the sole source manufacturer of approximately 90% of the hardware and software of the AstroTac P25 system. Motorola purchases the remaining components from third parties such as Cisco, Hewlett-Packard and Microsoft and is the sole source provider of all third party modifications required to function properly with the AstroTac P25 system. Therefore, the hardware/software included in this agreement represents unique products and services only provided by Motorola.

The contract cost effectively addresses all issues associated with maintaining and improving the performance and operation of the City’s radio system by enhancing, upgrading or replacing products as necessary. The contracted schedules for work will save approximately \$500,000 over 10 years while reducing time required by City staff to research and deploy end of life and support replacements. The recommended effective date of this contract is January 1, 2016.

CONTRACT HISTORY: This is a new contract.

SUSTAINABILITY: Motorola’s Green Building Strategy delivers targeted actions to improve the environmental performance of specific products and facilities. Motorola regularly conduct EHS audits at its sites to assess compliance with EHS policy, management, system and legal requirements. Motorola’s global energy team coordinates energy management activities across all Motorola Solutions business units.

SBE/LEAP COMPLIANCE: Not applicable.

RECOMMENDATION:

The Information Technology Department recommends a contract be awarded to Motorola Solutions Inc., a corporation in the state of Delaware, in the amount of \$5,461,280.00, plus applicable sales tax, for a 10 year System and Security Upgrade contract.

FISCAL IMPACT: The fiscal impact of the first year of this recommended contract equals \$520,600.00, plus applicable sales tax. Funds are appropriated in the 2015-2016 biennial budget within the Radio Communication Revolving Fund 5540.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Radio Communication Revolving Fund 5540	822100	5320100	\$5,461,280.00
TOTAL			\$5,461,280.00

* General Fund: Include Department



REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Radio Communication Revolving Fund 5540	822100	4345381	\$1,354,983.63
Radio Communication Revolving Fund 5540	822100	4345380	\$4,106,296.37
TOTAL			\$5,461,280.00

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: The 2015-2016 fiscal impact of this recommended contract equals \$520,600.00, plus applicable sales tax and funds are appropriated within Fund 5540. Funds for the remaining contract term are dependent upon approval of future biennial appropriations.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Expenditures and revenues are planned and budgeted.

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

SEP 28 2015 13:08:01

FINANCE PURCHASING



City of Tacoma
Information Technology Department

Date: 9/10/2015
To: Patsy Best, Procurement and Payables Division Manager
From: Jack Kelanic, Information Technology Department
Subject: Waiver of Competitive Solicitation Request – Sole Source Purchase
Motorola System Upgrade and Security Service Agreement

Please forward for Board of Contracts and Awards review and recommendation.

In accordance with Tacoma Municipal Code 1.06.257.A. (Sole Source), the Information Technology Department requests a waiver of the competitive solicitation process for a 10 year System and Security Upgrade contract to ensure the City's Motorola AstroTac radio system is running the most current versions of AstroTac components including hardware, firmware, software, software patches and antivirus versions. The purpose of the agreement is to ensure the ongoing performance, reliability and functionality of the City's AstroTac radio system. The sole source vendor is **Motorola Solutions Inc., a corporation in the State of Delaware**. This is a on-going contract, with a three-year estimate totaling \$\$1,472,605, plus sales tax.

“Follow-on” Contracts:

Is this sole source purchase based on a contract that was previously competitively bid by the City?
Yes No

Waiver Criteria:

1. Is there more than one feasible supplier of the product or service in the marketplace?
Yes No
Briefly explain.

Motorola Solutions Inc., is the only vendor who can provide the equipment and services for this contract.

2. Please support your contention it would be futile to advertise and competitively bid for the product or service as it would result in only one bid:
- a. Describe the screening efforts you engaged in to identify potential suppliers. Include names of potential suppliers, contact person, phone numbers, or addresses.
- No further screening efforts were engaged. Motorola is the only vendor capable of supplying the necessary equipment and supplies for upgrading the Motorola Astro P25 system.
- b. Describe any technical or unique product/service attributes that prevent drafting specifications for a competitive bid to which more than one supplier could successfully

respond.

Motorola is the sole source manufacturer for the majority of hardware and software due to be updated in this contract. Motorola purchases the remaining hardware from other companies and is the sole source of software modifications to that hardware. Therefore the hardware/software included in this agreement represents unique products/ services that are only provided by Motorola. Because of this Motorola has stated these products and services are available only from them.

- c. Is the product available only through one vendor? Yes No
If "yes", such certification should be in writing from the manufacturer (not the vendor) and supported by results of the screening process or validated by the Purchasing Division.
Written certification attached? Yes No

Describe the certification that was obtained and relationship to the items sought (manufacturer, etc.). Written certification attached as Exhibit A.

- d. What efforts were made to assure the City is receiving the lowest or best price possible?

The City worked with Motorola to negotiate a reduction in price of \$546,000.

Written certification from manufacturer or vendor attached (optional)? Yes No

- e. Is this a one-time purchase? Yes No Total amount: \$5,461,280.00
If "no," estimated total dollar amount over three-year period: \$1,472,605.00

Other supporting documentation attached? Yes No Payment plan attached as Exhibit B.

City Contact person: Steve Taylor **Phone:** 253-404-3790

Jack Kelanic
Department/Division Head (Please Print)

[Signature] 9-15-2015
Department/Division Head Signature Date

[Signature]
Authorizing Signature, If Applicable

cc: Chuck Blankenship, Senior Buyer, Finance/Purchasing

Purchasing Use Only	
Approved _____	Rejected _____
None (after the fact) _____	
Date _____	By _____

Motorola Solutions, Inc.
10680 Treena Street Suite 200
San Diego, Ca 92131
U.S.A.

August 7, 2015

City of Tacoma
Mr. Steve Taylor
733 Market Street
Tacoma, WA 98402

Dear Mr. Taylor:

Motorola Solutions, Inc. is the only manufacturer that can provide the proposed system and security upgrade services to the existing Motorola 800 MHz communications network currently operated by the City of Tacoma. Therefore, if the City wishes to procure these services, they are available only from Motorola Solutions, Inc.

Sincerely,



Howard Chercoe
MSSSI Vice President

Payment Schedule

Payment due	Amount due	
2016	\$485,135	
2017	\$490,835	
2018	\$496,635	
2019	\$550,005	
2020	\$556,275	
2021	\$562,745	
2022	\$569,385	
2023	\$576,225	
2024	\$583,365	
2025	<u>\$590,675</u>	
<i>Contract total</i>	<i>\$5,461,280</i>	(plus tax)
<i>2016-2018</i>		(plus
<i>total</i>	<i>\$1,472,605</i>	tax)

