

ITEM #: 39b
DATE: 04-23-19

COUNCIL ACTION FORM

SUBJECT: **CONTRACT FOR A NEW RADIO SYSTEM**

BACKGROUND:

For several year's City staff has been working to replace the aging voice radio system that serves all City departments and most of the public entity radio users, including emergency responders, in Story County. The City Council has received the following periodic updates on the process and highlights include:

September 2017 – The City, Story County, Iowa State University and the Story County 911 Board retained Mission Critical Partners (MCP) to conduct a radio system needs analysis. The review determines that a new radio system is necessary.

February 2018 – The City, Story County, Iowa State University, and the Story County 911 Board entered into a 28E Agreement to establish a process for designing and bidding for a new radio system. MCP is retained for second phase to assist with the process. ISU's Procurement Services agrees to conduct the purchase process.

October 2018 – Iowa State University's Procurement Services released an RFP on behalf of the City, Story County, Iowa State University, and the Story County 911 Board for a new radio system. Responses were received and reviewed in December of 2018 and January of 2019.

December 2018 – To facilitate the purchase and operation of a new radio system, the City, Story County, Iowa State University, and the Story County 911 Board entered into a new 28E Agreement and form StoryComm. The StoryComm Board of Directors has one member each from the City, Iowa State University and Story County, and three non-voting ex office members who are the permanent members of the Story County 911 Board Executive Committee. StoryComm's first meeting took place on February 1, 2019. Bob Kindred was the City's representative to StoryComm until his retirement when he was replaced by Steve Schainker.

February/March 2019 – After review and presentation to Council, StoryComm authorized ISU's Procurement Services to issue a Letter of Intent to Contract to RACOM of Marshalltown to construct a new radio system in Story County and to negotiate a contract to accomplish that purpose. RACOM has proposed a 5 tower site permanent system that will meet the coverage requirements established in the RFP and will exceed those requirements within the City and on the ISU campus.

This system will meet the standards of a public safety grade P25 system. The permanent system will take 18 to 24 months to build out.

Because the current radio vendor will be eliminating the radio system we are currently using at the end of the next fiscal year, RACOM has also proposed a temporary, transitional, radio system based on a 4 tower arrangement that will carry us to the permanent system. The temporary system should be active within six months of contract signing. It allows the City to reduce costs by eliminating use of the current radio system early in process of building out the full P25 system.

The City recognized that this project would require significant investment. Based on the cost projections provided by MCP, the FY 2018-2019 CIP included \$1,000,000 to fund the radio system infrastructure. The 2019-2020 CIP includes an additional \$1,750,000 to complete the funding of the radio infrastructure and to purchase new radios. In addition, the City's on-going costs to participate in this new radio system have been apportioned to each user department utilizing the funds that are currently budgeted to pay for our current radio system.

The contract negotiations with RACOM have concluded. These were extensive negotiations directed at achieving the best possible price and performance for the proposed system. MCP and ISU Procurement have provided a proposed contract including overall costs. The City's estimated portion of these costs are as follows:

Infrastructure	\$1,285,638
Radio consoles	\$ 369,974
Contingency	\$ 100,000
MCP Phase 3	\$ 146,998
296 radios	<u>\$ 665,317</u>
Total	\$2,567,927

This total is within the budgeted amount of \$2,750,000 available in the CIP. The payment schedule for infrastructure is as follows:

<u>Payment</u>	<u>Milestone</u>	<u>Amount</u>	<u>Projected Date</u>
Infrastructure Payment 1	Contract Signing	\$182,776	June 1, 2019
Infrastructure Payment 2	Acceptance of Temp. System	\$165,561	December 1, 2019
Infrastructure Payment 3	Acceptance of Design	\$248,342	December 1, 2019
Infrastructure Payment 4	Equipment Delivery	\$413,903	January 10, 2020
Infrastructure Payment 5	Performance Test	\$413,903	September 30, 2020
Infrastructure Payment 6	Final Acceptance	\$248,342	December 11, 2020

The payment schedule for radios is as follows:

<u>Payment</u>	<u>Milestone</u>	<u>Amount</u>	<u>Projected Date</u>
Radio Payment 1	Down Payment	\$166,329	June 30, 2019
Radio Payment 2	Delivery to RACOM	\$332,659	September 1, 2019
Radio Payment 3	Acceptance of Temp System	\$166,329	December 1, 2019

Radio payments occur early in the cycle to allow manufacturing and programming of radios in anticipation of using those units on the temporary radio system in late 2019.

In addition, the contract will require StoryComm to pay for certain operational costs over the 15 year anticipated life cycle of the new radio system. These costs involve infrastructure licensing, infrastructure maintenance, leases and support costs for tower sites. In addition to these RACOM costs, there will be expenses associated with the operation of StoryComm. These expenses include legal fees, accounting services, banking fees, and insurance. **These annual costs of operations will be allocated based on a per-radio cost, commonly referred to as a “Tower Fee.”**

The RACOM portion of this Tower Fee is estimated at \$21.67 per month/per radio and all other costs are estimated at an additional \$17.00 per month for a total of 38.67. These estimates are based on 1300 system users. If additional users join the system, costs per radio will decline. For comparison, the current radio lease fee is \$35.50 per portable radio and the tower fee is \$21.50 for a total of \$57.00.

The terms and conditions of the contract include performance, coverage and service guarantees, high quality equipment both for the infrastructure and the individual radios, very favorable equipment and radio pricing with discounts that will be extend to all public entities in Story County who might use the system, appropriate support and training for radio users and dispatchers, and long-term guarantees on service and costs.

As a final note, the City’s radio purchase does not include CyRide radio replacement. Should CyRide choose to use this radio system, they will have access to discounted radio pricing and the various other benefits that accumulate under this contract.

Because the contract contains some security-related information as well as some potentially confidential proprietary information of the vendor, the City Attorney is sending the contract to the Council in a separate, confidential e-mail.

ALTERNATIVES:

1. Authorize the City’s StoryComm representative to vote to approve the contract with RACOM.
2. Do not authorize the StoryComm Representative’s request and provide guidance to the staff on the next steps toward a new radio system.

MANAGER'S RECOMMENDED ACTION:

The City will greatly benefit in this joint effort with other agencies to acquire and operate a new interoperable communications system. The proposed contract terms appear to be beneficial to the City and in line with performance and financial expectations. Authorizing StoryComm to enter into the contract with RAYCOM will allow the City to move forward with the implementation of a new radio system.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the City's StoryComm representative to approve the contract with RACOM.