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## CITY COUNCIL REPORT

Public

DATE: June-25-18

TO: Mayor and Councilmembers

FROM: Interim Chief Dan Musselman

CC: Interim City Manager Barbara Goodrich, Interim Deputy City Manager Kevin Treadway, Deputy City Manager Shane Dille and Leadership Team

SUBJECT: Public Safety Radio System Update

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This report was completed to provide information to Council on the status of the Public Safety Radio System.

### SYNOPSIS

The Public Safety Radio System which the City shares with Northern Arizona University (NAU) needs an upgrade and new maintenance contract moving forward. Arizona State University (ASU) who is also in need of an upgrade to their Motorola system, has agreed to join our system to help reduce the upgrade and maintenance costs for all three entities. The system has provided reliable communications under extreme conditions and crisis since 2011. During the life of this new contract and when it expires in 2028, our system will be continuously updated and there will be no need for a new system or additional capital outlay.

### BACKGROUND

In November of 2010 the voters of Flagstaff approved a \$4.7 million-dollar bond for a Public Safety Radio System. This was one of eight capital projects considered by voters in that election. In Early 2011, an Intergovernmental Agreement between the Northern Arizona University and the City of Flagstaff was established to share resources, information and proportional costs of procurement and operation of the new radio system.

The approved Public Safety Radio System in 2011 allowed for the replacement of an outdated system infrastructure which was failing on a frequent basis and provided limited coverage in certain parts of the city. The current system meets current P-25 specifications

and support integration and interoperability of regional and statewide public safety networks.

One of the goals of the system was to ensure that city operations, which include personnel from police, fire, public works, utilities, and the airport, are able to maintain operations and are assured radio coverage throughout the city. Currently the City of Flagstaff has six-hundred and thirty-three (633) subscribers and NAU has two-hundred and forty-two (242) subscribers that use the system. The city users are broken down as follows:

Police: 231  
Fire: 157  
Utilities: 38  
Public Works: 199  
City Hall: 8

In 2011, a RFP was developed by NAU for the system and two acceptable responses were received, one from Motorola and one from Harris. Harris came in significantly higher, (approx. \$1 Million). Motorola was selected to provide the new system as a result of offering the low bid that met the RFP requirements. The purchase also included an annual maintenance agreement. This agreement included one-year maintenance with the purchase of the system, and an additional four years broken out as follows:

<b>System Services</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Annual Maintenance	\$120,890	\$124,516	\$128,252	\$132,099	\$136,062	\$143,828

The initial payment would have provided annual maintenance through January 2017, but a re-banding agreement with Sprint generated some additional capital which was applied to allow for the maintenance to continue through September 2017. NAU and the City further extended the maintenance agreement through June 30, 2018, by paying an additional \$107,871.12. While NAU “owns” the system, the City of Flagstaff uses approximately 75% of the system, so that the rough cost breakdowns are a 75/25 split. Council approved the City portion of \$80,903.34 (75%) during the September-19-2017 Council meeting.

The current operating system (OS-7.11) of our computerized radio system was released in 2011 when the system was originally purchased. Motorola has informed us that the OS 7.11 platform is no longer being supported by them since the release of the latest updated OS (7.17), which was released in 2017. This radio system is in essence a very large computer. Like all technology of this sort, upgrades are necessary to keep the system current.

Motorola will not allow us to extend our maintenance any further under the existing outdated operating system. Motorola is requiring all their users to purchase a new Service Upgrade Agreement (SUA II), which includes system upgrades as they come available.

This way the system stays up to date, is less susceptible to failures and is easier to maintain.

At a meeting held with NAU and City staff on December 6, 2016, Motorola presented various options moving forward. During this meeting, a discussion of various options was held by stakeholders. One suggested option was a complete replacement of the system. Stakeholders voiced opposition to this option during the meeting for a number of reasons. First, the next competitive bid in the last RFP (Harris) came in at roughly \$1M more than the successful bidder, Motorola. Second, several agencies who have previously purchased the Harris product have experienced a complete system failure. Third, the replacement cost (roughly \$4-\$5M) for the entire system far exceeds even the high price of a system upgrade (\$850,000.00) and the new annual service agreement (roughly \$300,000.00-\$400,000.00) per year. Fourth, our existing system has proven to be excellent in terms of providing a redundant reliable radio system in a challenging rural/mountainous environment. It makes little sense to “hope” for such success with an untried new vendor. Finally, there is no guarantee a new system provider will not charge similar upgrade and maintenance costs in the future. Through several subsequent meetings with City and NAU staff, we felt it was in the best interests of all partners to move forward with upgrading our existing radio system.

### FINANCIAL BREAKDOWN

The first-year expense of the system is higher, due to the major initial upgrade that will take place. Funds have been budgeted and approved for the first-year expenses in the Police Department’s FY 19 budget. Subsequent years listed below include both maintenance and upgrade cost as well as estimated sales tax.

<b>Year</b>	<b>System Cost</b>	<b>NAU</b>	<b>City</b>	<b>ASU</b>
7/1/18 - 6/30/19	\$1,661,498.00	\$207,687.25	\$623,061.75	\$830,749.00
7/1/19 - 6/30/20	\$710,681.00	\$88,835.13	\$266,505.38	\$355,340.50
7/1/20 - 6/30/21	\$678,855.00	\$84,856.88	\$254,570.63	\$339,427.50
7/1/21 - 6/30/22	\$700,257.00	\$87,532.13	\$262,596.38	\$350,128.50
7/1/22 - 6/30/23	\$722,665.00	\$90,333.13	\$270,999.38	\$361,332.50
7/1/23 - 6/30/24	\$746,404.00	\$93,300.50	\$279,901.50	\$373,202.00
7/1/24 - 6/30/25	\$770,694.00	\$96,336.75	\$289,010.25	\$385,347.00
7/1/25 - 6/30/26	\$796,419.00	\$99,552.38	\$298,657.13	\$398,209.50

7/1/26 - 6/30/27	\$823,358.00	\$102,919.75	\$308,759.25	\$411,679.00
7/1/27 - 6/30/28	\$851,569.00	\$106,446.13	\$319,338.38	\$425,784.50
<b>Totals</b>	<b>\$8,462,400.00</b>	<b>\$1,057,800.00</b>	<b>\$3,173,400.00</b>	<b>\$4,231,200.00</b>

## CONCLUSION

Beginning in 2017 and through 2018, NAU and City staff have continued to work with Motorola to explore options for reducing the cost of the upgrade. We began working with ASU, who also needed an upgrade to their radio system. ASU has agreed to join our system. By allowing ASU to come onto our system, it would reduce the cost to all entities. Moving forward, ASU will pay 50% and NAU and the City will pay the other 50% of the upgrade and maintenance costs. By ASU joining our system the estimated cost savings to the City over the ten-year contract period will be approximately \$590,158.00. This agreement also allows us to keep the core of the system in Flagstaff. This puts us in a better bargaining position, should Motorola develop a future statewide public safety radio system, which additional agencies would be able to join. All of the other Motorola P-25 systems in the state are on a similar System Upgrade Agreement (SUA II). This includes the Phoenix System, Mesa System, Pima County, Pinal County and Yuma/DPS.

NAU anticipates signing the SUA II addendum on June 25<sup>th</sup>, 2018. This allows Motorola to get the upgrade scheduled, and ensures continuing maintenance on our system until the upgrade occurs.

This report is for information only.