



City of Chula Vista

Staff Report

File#: 17-0401, **Item#:** 4.

RESOLUTION NO. 2017-184 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING CHANGE ORDER NUMBER ONE AND PAYMENT AMENDMENT OF THE EQUIPMENT LEASE-PURCHASE AGREEMENT BETWEEN THE CITY AND MOTOROLA SOLUTIONS, INC. FOR THE PREMIERONE COMPUTER AIDED DISPATCH AND MOBILE, WITH PREMIERONE JAIL HARDWARE, SOFTWARE AND SERVICES SOLUTION

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

The Police Department is requesting approval of a change order and payment amendment relating to the lease-purchase agreement with Motorola Solutions, Inc. for the PremierOne Computer Aided Dispatch (CAD) and Mobile, with PremierOne Jail hardware, software and services solution.

ENVIRONMENTAL REVIEW

Environmental Notice

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

BOARD/COMMISSION RECOMMENDATION

Not Applicable

DISCUSSION

On June 16, 2016, City Council approved a lease-purchase agreement with Motorola Solutions, Inc. for the PremierOne Computer Aided Dispatch (CAD) and Mobile, with PremierOne Jail hardware, software and services solution. These systems were critical upgrades for the Police Department, and the PremierOne systems were successfully implemented and went live within the past few months.

The original cost of the CAD/Mobile/Jail system (\$1,400,690), associated maintenance/support over the 10-year term of the agreement (\$1,853,077), and interest for a 10-year lease (\$267,113) was in the total amount of \$3,520,880. This original cost included a \$130,000 project contingency reserve for unanticipated costs to implement the systems. During the implementation of the CAD/Mobile/Jail hardware and software, additional costs were realized to add handheld licenses for the mobile software, and costs were removed for radio push-to-talk interface with the new systems. The following table outlines the changes to the original contract.

Original Contract Value	\$3,520,880
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Add: Handheld licenses	\$224,914
Delete: Radio Push-To-Talk interface	(\$36,050)
Delete: Contingency reserve	<u>(\$130,000)</u>
NET CHANGE	\$58,864

Updated Contract Value \$3,579,744

The Radio Push-To-Talk interface was deleted after it was determined to be incompatible with existing technologies maintained by the County of San Diego's Regional Communications System. Meanwhile, the handheld licenses were added to support the Police Department's deployment of handheld "smartphone" devices to its sworn personnel. Among other things, these handheld devices are intended to provide efficient access to a variety of public safety data resources, including the Police Department's newly implemented Computer Aided Dispatch system. The use of handheld devices puts access to these critical systems directly in the hands of police officers in the field, increasing mobility and reducing dependencies on older and larger devices physically mounted inside patrol vehicles and elsewhere.

The City entered in a 10-year lease of \$1,435,170 for the cost of the systems. Maintenance and support service costs are not included in the lease amount. The following table outlines changes to the lease amount.

Original Lease Amount\$1,435,270

Add: Handheld licenses	\$102,019
Delete: Radio Push-To-Talk interface	(\$21,300)
Delete: Contingency reserve	(\$130,000)
Delete: CLIPS option	<u>(\$34,580)</u>
NET CHANGE	(\$83,861)

Updated Lease Amount \$1,351,409

The CLIPS option was included in the original lease amount but was never implemented. The CLIPS solution provides a complete user-friendly communication interface to the FBI's CJIS (Criminal Justice Information Services) environments to ease workflow. The CAD team originally thought that the CLIPS option was a required component to interface with CJIS, but it was discovered that this option was not necessary for the interface.

Based on updates to the system costs, the lease amount is reduced from \$1,435,270 to \$1,351,409. The change in the lease amount will be resolved during the City's FY 2018/19 payment to Motorola by reducing \$83,861 from the principal payment amount scheduled on 7/1/2018. At an annual rate of 3.23%, the lease payment schedule is outlined in the Current Year Fiscal Impact section of this report.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section

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18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. This CAD/Mobile/Jail solution with Motorola directly impacts all five Strategic Plan goals, with significant impact to Operational Excellence, as this agreement will allow the police department to significantly streamline operational workflow in the communication center and with patrol officers.

CURRENT YEAR FISCAL IMPACT

Along with the system costs that are covered in the 10-year lease with Motorola, the Police Department will incur annual maintenance and support services costs for the CAD/Mobile/Jail solution. Annual costs for the CAD/Mobile/Jail project are outlined in the following table.

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	CONTRACT TOTAL
CAD/JMS system principal payment ¹	\$123,879	\$44,019	\$132,011	\$136,275	\$140,677	\$145,220	\$149,911	\$154,753	\$159,752	\$164,912	\$1,351,409
CAD/JMS system interest payment	\$46,359	\$42,358	\$38,227	\$33,963	\$29,562	\$25,018	\$20,327	\$15,485	\$10,487	\$5,327	\$267,113
PAYMENT AMOUNT	\$170,238	\$86,377	\$170,238	\$170,238	\$170,238	\$170,238	\$170,238	\$170,238	\$170,238	\$170,238	\$1,618,522
Standard Maintenance Costs	\$17,946	\$116,076	\$121,880	\$127,974	\$134,372	\$141,091	\$148,146	\$155,553	\$163,331	\$171,497	\$1,297,866
Lifecycle Support Services	\$62,580	\$62,580	\$64,458	\$66,392	\$68,383	\$41,772	\$43,861	\$46,054	\$48,357	\$50,775	\$555,212
Delete: PTT maintenance		(\$916)	(\$1,044)	(\$1,192)	(\$1,359)	(\$1,549)	(\$1,766)	(\$2,013)	(\$2,295)	(\$2,616)	(\$14,790)
Add: Support for P1 Handheld		\$11,148	\$11,700	\$12,285	\$12,903	\$13,548	\$14,225	\$14,936	\$15,683	\$16,467	\$122,895
TOTAL MAINTENANCE/SUPPORT	\$80,526	\$188,888	\$196,994	\$205,459	\$214,299	\$194,862	\$204,466	\$214,530	\$225,076	\$236,123	\$1,961,223
TOTAL ANNUAL COSTS	\$250,764	\$275,265	\$367,232	\$375,697	\$384,537	\$365,100	\$374,704	\$384,768	\$395,314	\$406,361	\$3,579,745

¹ Lease amount changed from \$1,435,270 to \$1,351,409. Principal payment lowered by \$83,861 in FY 2018/19.

As part of the expenditure plan approved by Council on December 6, 2016, costs relating to the CAD project have already been appropriated to the 2016 Measure P Sales Tax Fund. The table below shows the net fiscal impact of this project during the 10-year term of the agreement.

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
CAD/JMS Program Costs	\$250,764	\$275,265	\$367,232	\$375,697	\$384,537	\$365,100	\$374,704	\$384,768	\$395,314	\$406,361
Measure P funding	\$200,504	\$206,275	\$212,372	\$218,813	\$196,955	\$204,115	\$211,712	\$219,774	\$228,321	\$170,238
Net Fiscal Impact	\$50,260	\$68,990	\$154,860	\$156,884	\$187,582	\$160,985	\$162,992	\$164,994	\$166,993	\$236,123

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The current fiscal year impact of \$50,260 has already been included in the FY 2017/18 adopted budget, which funded maintenance costs of the prior CAD system. Therefore, there is no net fiscal impact to the General Fund in the current fiscal year.

ONGOING FISCAL IMPACT

As indicated in the table above, it shows the net fiscal impact during the 10-year term of the agreement with Motorola. As part of the City's annual budget process, these costs will be included in the General Fund for each subsequent fiscal year, which is already included in the baseline budget for CAD maintenance costs.

ATTACHMENTS

Attachment 1: Equipment Lease-Purchase Agreement with Motorola Solutions, Inc.

Attachment 2: Change Order #1 to Equipment Lease-Purchase Agreement

Attachment 3: Payment Amendment to Equipment Lease-Purchase Agreement

Staff Contact: Jonathan Alegre, Police Department