



# City of San Antonio

## Agenda Memorandum

**File Number:**17-3542

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**Agenda Item Number:** 7.

**Agenda Date:** 6/15/2017

**In Control:** City Council A Session

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**DEPARTMENT:** Information Technology Services

**DEPARTMENT HEAD:** Kevin Goodwin, Interim Director

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

Amendment to the Radio System Agreement with Dailey & Wells Communications, Inc.

### **SUMMARY:**

An Ordinance authorizing an amendment to the Radio System Agreement with Dailey & Wells, Inc., for the continuing maintenance of the 800 MHZ and 700 MHZ P25 trunked radio system and associated equipment for an estimated annual amount of \$1,154,232.24, of which the City will fund \$923,386.00 and Bexar County will fund \$230,846.00. Funds for this contract are available within the Information Technology Services FY 2017 Operating Budget. The term of the contract with Dailey & Wells will end a minimum of 6 months after the City and Bexar County acceptance and cutover to a new radio system awarded under RFP or alternatively, the City and Bexar County terminate the amendment for convenience or cause.

### **BACKGROUND INFORMATION:**

On August 19, 1999, the San Antonio City Council approved Ordinance 90319, which transferred the responsibility of the maintenance for the installed radio system from the manufacturer to the local vendor.

Subsequent to the execution of the Agreement, Bexar County, Texas ("County") was made a third-party beneficiary of the Agreement through an interlocal agreement between the City and County.

In anticipation of a new radio system procurement and implementation, it is necessary to amend and update the

agreement with Dailey & Wells to provide for the continued maintenance of the current Public Safety Radio System during the transition to the new radio system and to modify terms and conditions. In particular:

1. Dailey & Wells will assist the new RFP vendor in interfacing the existing radio system to support the new vendor's equipment, decommissioning existing radio sites as needed to support a transition plan and relocating operational radio equipment to allow for installation or co-location with new radio equipment.
2. The monthly maintenance rate is adjusted from \$71,432.00 to \$96,186.02 to account for additional equipment added to the radio system and United States Bureau of Labor Statistics (USBLS) Consumer Price Index (CPI) increases averaging 1.66% annually which were not adjusted from 2010 - 2017 as allowed by the agreement. The monthly rate is fixed at the new amount until the agreement ends. The total annual maintenance cost is \$1,154,232.00, of which the City will fund \$923,386.00 and Bexar County will fund \$230,846.00.
3. Within 18 months after execution of this agreement the City/County agree to purchase as required by original agreement the Dailey & Wells inventory of spare and replacement parts. The inventory is valued at \$1,969,891.31 of which the City will pay 80 percent of the amount or \$1,575,913.05 and the County will pay 20 percent of the amount or \$393,978.26.

Ensuring that the maintenance and support agreement for the existing radio system remains in place as the City/County transitions to a new radio system is necessary for the health and public safety of the City, County, and all other first responder agencies on the system.

#### **ISSUE:**

This amendment will provide for the continued maintenance support, software, and hardware for a minimum of 6 months after City/County acceptance and cutover to new radio system awarded under RFP. It also ensures that Dailey & Wells will support the new RFP vendor in interfacing the existing radio system to support the new vendors equipment and assist with an orderly transition to a new radio system with minimal to no disruption to public safety radio services.

#### **ALTERNATIVES:**

The alternative to implementing this contract would be to continue with the existing month-to-month agreement and request transition support on a time and materials basis with no fixed rate structure. Per the original 1999 agreement the spares inventory totaling \$1,969,891.31 would still need to be purchased by the City and County. In addition, equipment purchased beginning in 2010 would still need to be added to the maintenance and support agreement. These alternatives would not guarantee timely transition assistance to a new radio system or fixed fees for radio transition assistance potentially resulting in higher overall costs.

#### **FISCAL IMPACT:**

The total maintenance cost is \$1,154,232.00, of which the City will fund \$923,386.00 and Bexar County will fund \$230,846.00. The City's portion of the monthly maintenance rate will increase from \$71,432.00 to

\$96,186.02. Funds are available in the Information Technology Services FY 2017 Operating Budget. Funds for future years of the contract are subject to annual appropriation by the City Council.

This ordinance authorizes a one-time capital expenditure in the amount of \$1,575,913.05 which corresponds to the City's 80 percent share for the inventory of spare and replacement parts. Funds are available from the FY 2017 Capital Improvement Program San Antonio Public Safety Radio System Project.

**RECOMMENDATION:**

Staff recommends the acceptance of this agreement.