

1 [Agreements - Motorola, Inc. - Public Safety Radio System Project; Partial Financing - Total
2 Amount Not to Exceed \$76,000,000]

3 **Resolution authorizing the Department of Emergency Management and the Department**
4 **of Technology to enter into a Purchase and Installation Agreement, and a Maintenance**
5 **and Support Agreement for a Citywide 800 MHz Radio System with Motorola, Inc., for a**
6 **total amount not to exceed \$76,000,000 with the term of the Purchase and Installation**
7 **Agreement to commence following Board approval through June 30, 2021, and the term**
8 **of the Maintenance and Support Agreement to commence following Board approval**
9 **through September 1, 2035; and to authorize the Director of the Office of Public**
10 **Finance to procure financing for a portion of the costs of the system through the State**
11 **of California Department of General Services Golden State Financial Marketplace**
12 **Program in an amount not to exceed \$35,000,000; and determining other matters as**
13 **defined herein.**

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15 WHEREAS, The Department of Emergency Management and the Department of
16 Technology (Departments) jointly operate and maintain an 800 MHz radio system that is used
17 by the City's public safety agencies; and

18 WHEREAS, The City also operates and maintains a radio system that is used for non-
19 emergency public services; and

20 WHEREAS, The current public safety radio system was purchased in 1997 and has
21 been in operation since 2000 and is at the end of its service life; and

22 WHEREAS, The Departments developed a detailed plan to procure an integrated
23 citywide network to combine the City's public safety network with the public service network
24 (System); and

1 WHEREAS, On June 8, 2015, the Departments issued a Request for Proposals (RFP)
2 for the System, and vendors submitted their proposals for the purchase, installation,
3 maintenance, and support of the proposed system; such documents can be found on file with
4 the Clerk of the Board of Supervisors in File No. 160967, which is hereby declared to be a
5 part of this resolution as if set forth fully herein; and

6 WHEREAS, On December 1, 2015, the City selected Motorola as the highest qualified
7 scorer for the purchase, installation, maintenance, and support pursuant to the RFP, and the
8 Departments commenced negotiations; such documents can be found on file with the Clerk of
9 the Board of Supervisors in File No. 160967, which is hereby declared to be a part of this
10 resolution as if set forth fully herein; and

11 WHEREAS; The System will consist of ten radio sites, nine dispatch sites, and radio
12 support equipment at city agencies including those not networked within the current system
13 such as the San Francisco Airport, and provide coverage throughout the City and into San
14 Mateo County; and

15 WHEREAS, It will integrate all city agencies and significantly enhance the reliability and
16 performance of the entire network; and

17 WHEREAS, Most of the proposed radio sites are currently used for the old system and
18 are owned by the City; others are located on private property leased by the City for other
19 communication facilities; and

20 WHEREAS, The Department of Emergency Management ("DEM") plans to work with
21 the Real Estate Division and other City Departments as applicable to seek all necessary
22 approvals for the sites, including negotiating leases with private entities and seeking
23 approvals from City and private entities for use of their sites; and

24 WHEREAS, The Department has negotiated two related agreements with Motorola to
25 be entered into concurrently; the Purchase and Installation Agreement which sets forth the

1 terms and conditions related to the acquisition and installation of the new system and the
2 Maintenance and Support Agreement which documents the required services necessary to
3 maintain the old system during the transition and support the new system once it is accepted,
4 copies of each agreement are on file with the Clerk of the Board of Supervisors in File No.
5 160967; and

6 WHEREAS, The Proposed Purchase and Installation Agreement terminates on
7 June 30, 2021, and limits the total cost for the purchase and installation of the system at a not
8 to exceed \$48,000,000; and

9 WHEREAS, The Proposed Maintenance and Support Agreement which terminates on
10 November 1, 2035, and provides for the maintenance and support of the 1997 radio system
11 until it is replaced by the new system and will then provide maintenance and support at a fixed
12 cost for the project life of the new system, and limits the total cost for such services at a not to
13 exceed \$28,000,000; and

14 WHEREAS, In order to finance the cost of the new system, it will be necessary for the
15 Controller's Office of Public Finance to obtain financing from qualified banks through a
16 competitive process; and

17 WHEREAS, The Controller's Office of Public Finance has recommended that the
18 States General Services Golden State Financial Marketplace Program offers an
19 advantageous vehicle to procure, on a competitive basis, lease financing to finance a portion
20 of the cost of the new system; and

21 **Environmental Review.**

22 WHEREAS, The Planning Department has determined that the actions contemplated in
23 this resolution comply with the California Environmental Quality Act (California Public
24 Resources Code, Section 21000 et seq.); and

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1 WHEREAS, Said determination is on file with the Clerk of the Board of Supervisors in
2 File No. 160967 and is incorporated herein by reference; and

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5 **Authorizations.**

6 WHEREAS, Charter, Section 9.118, "Contract and Lease Limitations," subsection (b),
7 requires Board of Supervisors approval of any contract requiring \$10,000,000 in expenditures
8 or with a term in excess of ten years; now, therefore, be it

9 RESOLVED, The Board of Supervisors authorizes the DEM Executive Director to
10 execute the Purchase and Installation Agreement with Motorola with a maximum guaranteed
11 cost of \$48,000,000, in substantially the form on file with the Clerk of the Board of
12 Supervisors, in File No. 160967, with such changes or modifications, including without
13 limitation modifications to the exhibits, as may be acceptable to the DEM Executive Director
14 and the City Attorney, and which do not materially increase the obligations and liabilities of the
15 City; and, be it

16 FURTHER RESOLVED, The Board of Supervisors authorizes the DT Executive
17 Director to execute the Maintenance and Support Agreement with Motorola with a maximum
18 guaranteed cost of \$28,000,000 for 18 years, in substantially the form on file with the Clerk of
19 the Board of Supervisors, in File No. 160967, with such changes or modifications, including
20 without limitation modifications to the exhibits, as may be acceptable to the DT Executive
21 Director and the City Attorney, and which do not materially increase the obligations and
22 liabilities of the City; and, be it

23 FURTHER RESOLVED, That the Director of the Office of Public Finance is hereby
24 authorized and directed to obtain lease financing in an amount not to exceed \$35,000,000
25 through the State of California Department of General Services Golden State Financial

1 Marketplace Program (GS \$mart) in accordance with its terms, a copy of its terms being on
2 file with the Clerk of the Board of Supervisors, in File No. 160967; provided the interest costs
3 associated with any lease financing arrangement shall not exceed 12% per annum, and the
4 compensation payable to any bank providing financing for the system shall not exceed 1%,
5 together with legal fees payable to the Department of General Services in an amount not to
6 exceed \$50,000, and provided further that the Director of Public Finance shall provide a report
7 to be filed with the Clerk of the Board of Supervisors in File No. 160967 within 30 days of the
8 closing, showing the name of the banking vendor selected and the interest costs associated
9 with the lease financing procured through the GS \$mart program; and, be it

10 FURTHER RESOLVED, That the Director of the Office of Public Finance is hereby
11 authorized and directed, in consultation with the City Attorney, to negotiate the terms of any
12 lease financing arrangement with the General Services Golden State Financial Marketplace
13 Program (GS \$mart); provided however, that the Director of the Office of Public Finance shall
14 provide a copy of the final negotiated agreement to the Clerk of the Board of Supervisors in
15 File No. 160967; and, be it

16 FURTHER RESOLVED, The officers and employees of the City, including the
17 Controller and the Director of the Office of Public Finance, the DEM Executive Director, DT
18 Executive Director, are hereby authorized and directed, jointly and severally, to do any and all
19 things necessary or advisable to consummate and otherwise effectuate the purposes of this
20 Resolution, consistent with the documents cited herein and this Resolution, and all actions
21 previously taken by such officers and employees with respect to the System, consistent with
22 the documents cited herein and this Resolution, including but not limited to the procurement of
23 lease financing through the State of California General Services GS \$mart program, are
24 hereby ratified and approved; and, be it

1 FURTHER RESOLVED, That this resolution shall take effect immediately upon its
2 adoption; and, be it

3 FURTHER RESOLVED, That upon execution of the Agreements, the Departments
4 shall transmit to the Clerk of the Board of Supervisors a copy of the Agreements, for inclusion
5 in File No. 160967.

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