

LEGISLATIVE DIGEST

[Contract Amendment - Motorola, Inc. - \$81,000,000; Waiving Administrative Code Chapter 14B]

Ordinance approving an amendment to the System Purchase and Installation Agreement between the City and County of San Francisco, acting through the Department of Emergency Management, and Motorola Inc., to increase the amount of the Agreement by \$33,000,000 for a total amount not to exceed \$81,000,000; extending the term by seven and a half years to commence June 30, 2021, for a total term of October 28, 2016, through December 31, 2029; and waiving Administrative Code, Chapter 14B, pertaining to utilization of local business enterprises in City contracting.

Amendments to Current Law

This ordinance would approve a waiver of Local Business Enterprise requirements of Administrative Code Chapter 14B in a contract amendment with Motorola.

Background Information

On October 28, 2016, the City and County of San Francisco, acting by and through its Department of Emergency Management (DEM), entered into an agreement with Motorola, Inc., for the procurement and installation of a new radio system and related services to provide emergency communications equipment for public safety and public service personnel throughout the City. The Agreement terminates on June 30, 2021 and limits the total cost for the purchase and installation of the radio system to \$48,000,000. The LBE goal for the services under the agreement was 5% and the parties have met the goal in the services procured to date. As the system installation nears completion, Motorola has agreed to provide replacement radios and equipment to the City at a discount for the remaining life of the radio system. It is likely that during the life of the system, the City will have to replace broken and inoperable radios and consoles that are no longer under system warranty. The amendment will lock in a price for replacement equipment directly from the manufacturer, and the City will be able to maximize cost savings and plan scheduled replacement of equipment for high use public safety departments. The estimated cost of the replacement equipment through 2029 is \$33,000,000.

DEM is seeking a waiver of the Local Business Enterprise requirements of Administrative Code Chapter 14B on the additional spending authority in the Amendment to the Agreement, as the equipment to be bought will be purchased directly from the manufacturer to minimize costs.

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