

Agenda Report

March 17, 2014

TO: Honorable Mayor and City Council

FROM: Department of Information Technology

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT TO PROVIDE RADIO COMMUNICATIONS SERVICES TO THE CITY OF MONTEBELLO

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed agreement is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b) (3);
2. Authorize the City Manager to enter into a contract with the City of Montebello to provide radio communications services for a three-year period covering July 1, 2013 to June 30, 2016 in an amount not to exceed \$120,000 annually, resulting in up to \$360,000 in revenue for the first three years;
3. Authorize the City Manager to extend the contract for two (2) additional one-year periods, each for an amount not-to-exceed of \$120,000 without further Council consideration; and
4. Find that the proposed agreement is exempt from competitive bidding and selection requirements pursuant to City Charter Section 1002(h), and Pasadena Municipal Code Section 4.08.049(A)(3), contracts with other governmental entities.

BACKGROUND:

The City of Montebello operates a ten-year old radio communications system for use by both their city and mutual aid resources. As part of the Interagency Communications Interoperability System Joint Powers Authority (ICIS), Montebello provides a valuable resource for public safety communications in the region. After supporting their system internally for years, Montebello staff reached out to the City's Radio Communications team in the Department of Information Technology (DoIT), who has the knowledge, skills, abilities and in-house staff capacity to maintain Montebello's system and is prepared to do so through a multi-year agreement.

Under the contract, the City will provide labor to maintain and service Montebello's radio communications infrastructure, radio equipment for their Fire, Police, and Public Works Departments, and radio equipment for their Montebello Bus Lines. City staff will also provide purchasing assistance for procurement of replacement parts and compatible radio equipment by Montebello staff. However, the cost for any hardware or replacement parts will be borne by Montebello directly with their selected vendor(s).

For the three-year term of the proposed contract, the City of Montebello will pay the City \$120,000 annually for this service, payable in equal quarterly installments of \$30,000 each. After that, the contract may be extended for two additional one-year periods by the City Manager, at the same annual price of \$120,000. The receipt of these funds will adequately cover the annual cost of services provided to Montebello by DoIT staff, and any vendors. To date, no revenue has been received, but it is the intent that once the contract is approved, staff will bill the City of Montebello for services rendered over the first three quarters of Fiscal Year 2014, and regularly invoice on a quarterly basis per the terms of the contract thereafter.

Because of the urgent need for support, DoIT staff commenced providing support for Montebello's radio communications system on July 1, 2013. The proposed contract will retroactively take effect on that date. Since then, staff has tracked each service call, including labor hours, to account for what's required to handle any issues related to the infrastructure of this system. Based on the data collected and trending for the remainder of the year, it is estimated that billable staff costs will total about \$49,400 annually. In addition, to ensure the terms of the contract are met, vendor support costs in the amount of \$50,000 are anticipated to support staff in this operation on specific tasks and as needed in the event competing priorities prohibit staff from responding in a timely manner. Thus, annual staff and vendor costs to provide the service to Montebello is estimated at \$99,400. The difference of \$20,600 between estimated revenues and these expenses will be used to cover overhead costs that will arise in the course of providing this service.

The term of the proposed contract is for three years from July 1, 2013 through June 30, 2016 with the option for the City Manager to extend the contract for two additional one-year periods. However, either party may terminate the contract at any time, by giving 30 days' written notice to the other party.

COUNCIL POLICY CONSIDERATION:

The proposed contract supports the City Council's strategic goal to ensure public safety by providing support for the City of Montebello's radio communications system, thereby ensuring its operability in the event of a regional incident requiring communication between municipalities and mutual aid resources.

ENVIRONMENTAL ANALYSIS:

The proposed agreement is exempt from the California Environmental Quality Act (CEQA) per Section 15061 (b) (3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment.

The proposed action authorizes a services agreement for existing radio infrastructure and equipment in the City of Montebello and will not result in a new development or physical changes.

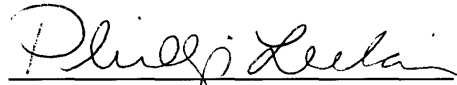
FISCAL IMPACT:

The proposed contract will generate up to \$360,000 over the three-year contract period. There are two additional one-year contract extensions, which, if authorized by the City Manager, could generate an additional \$240,000. However, the contract may be terminated at any time by either party upon 30 days' written notice.

The estimated cost of this action will be \$120,000 annually and will be funded by an increase in estimated revenues in account 7204-501-392120 (DoIT Ops-Radio Direct Services) in the amount of \$120,000 for Fiscal Year 2014. Staff costs of \$49,400 will be covered through the utilization of existing budgeted appropriations in account 8005-501-392120 (Infrastructure-Radio), where those who provide the service are budgeted. Vendor related costs estimated at \$50,000 and \$20,600 in overhead costs will be covered through the use of existing budgeted appropriations on various line items in the services and supplies and internal services categories.

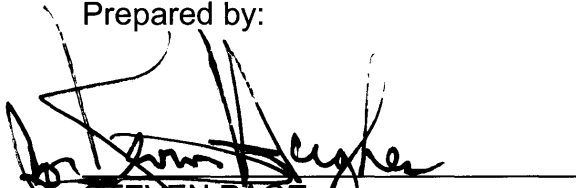
The accounting of both staff time, vendor related costs, and overhead will continue to be tracked to ensure the cost of this service is being offset by the revenue generated. There are no anticipated impacts to other operational programs or capital projects as a result of this action.

Respectfully submitted,

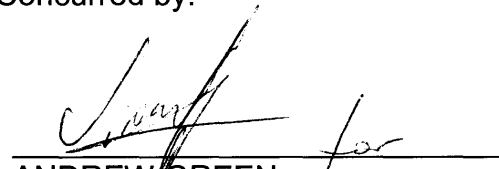


PHILLIP LECLAIR
Chief Information Officer
Department of Information Technology

Prepared by:


STEVEN PAGE
Telecommunications Supervisor

Concurred by:


ANDREW GREEN
Director of Finance
Department of Finance

Approved by:


MICHAEL J. BECK
City Manager