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AGENDA REPORT

TO: DEANNA J SANTANA
 CITY ADMINISTRATOR

FROM: Katano Kasame
 Bryan M Sastokas

SUBJECT: Radio Fleet Replacement
 and Infrastructure Upgrade

DATE: January 27, 2014

City Administrator
 Approval

Date

1/28/14

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

It is recommended that the City Council approve a

Resolution Authorizing the City Administrator or Designee to Negotiate And Execute A Master Lease Agreement And Necessary Related Documents To Provide Funding To Replace The Existing Radio Fleet And Upgrade The Aging Communication Equipment In An Amount Not to Exceed \$27,000,000 At An Interest Rate Not To Exceed 4.50% On A Tax-Exempt Basis And 5.75% On A Taxable Basis For A Term Of Not More Than 8 Years

EXECUTIVE SUMMARY

The purpose of this project is to replace the outdated portable and mobile radio equipment currently in use by Oakland, Police, Fire and Department of Public Works users. The useful life of this equipment averages seven to ten years, and the current fleet of radios, portable and mobile, has been in-service for more than six years. The current fleet of portable radios is comprised of Harris P7200 radio, with the current fleet of mobile and control station radios being comprised of Harris M7100, M7200, and M7300 model radios.

This project will replace and deploy new radios and associated support infrastructure equipment to include the following, various types of protective cases and straps, external microphones, various specialized audio accessories including earpieces and headset systems, batteries and charging stations, programming and alignment services and equipment including cables, software, and specialized radio test and alignment hardware.

This project will replace and deploy new mobile radio equipment and control station equipment into vehicles and building locations. The scope includes approximately 700 mobiles, 1,500 handhelds, 20 specialized mobiles which are integrated within interoperability gateways, and 30 control stations deployed across several buildings within the City. In addition, this project includes the replacement of in-building distributed antenna systems located at the various city buildings.

This Agenda report proposes to provide the necessary financing to pay for the radio fleet replacement and due to the urgent need of the project, staff is seeking approval for financing in advance of selecting the actual manufacturers for the equipment and infrastructure needs. As a result of the unknown product to purchase due to the pending decision by Council on which system to use, the Administration desires to obtain approval and prepare for this financing to move expeditiously upon the Council's decision. This first step results in some time savings to move on this issue quickly.

Based on estimated current rates of 4.5% on a tax-exempt basis and 5.75% on a taxable basis, the annual lease payment will be approximately \$5,100,000.

OUTCOME

Approval of this recommendation will result in the necessary funding to replace the existing antiquated radio fleet, including portable and mobile, used by the City staff and public safety personnel for mission critical communications. In addition, upgrade the aging communication infrastructure to a robust, resilient, and fault tolerant state-of-the-art network.

BACKGROUND/LEGISLATIVE HISTORY

In order to provide effective communication services for the Oakland Police, Fire and Department of Public Works Agency, the City must replace the existing equipment and improve the infrastructure related to the City's Radio Fleet Replacement.

Due to the age, around the clock usage, and rapid changes in the Software Defined Radio (SDR) technology, it is necessary to replace the radio fleet with new, advanced, higher performing digital equipment to ensure reliable, interoperable and secure radio communications for the City's public safety radio users.

As a result of budgetary constraints, the last 7 years of Information Technology Capital Improvement plan requests were never funded, leading to deferred maintenance and an urgent need to finance critical system upgrades that will continue to enhance City Services.

ANALYSIS

The Information Technology Department is preparing to replace the P25 Portable and Mobile Fleet with more enhanced and technologically advanced devices. In addition, it will redesign the Microwave Network and also engage on a Radio Operations Group Tech Refresh. The project will also require remote site improvements as well.

The City is still analyzing the possibility of converting the Oakland P25 Radio System to the East Bay Regional Communications System Authority ("EBRCSA") P-25 Radio System, which may require the migration of the Public Works Agency to EBRCSA and migrate outdoor sirens to EBRCSA.

The financing of this project for the purchase of the P25 Portable and Mobile Fleet, redesign the microwave network, radio operation group tech refresh, and other enhancements would provide the City of Oakland with a more efficient system for the City's critical communication needs.

A resolution has been prepared that authorizes the City Administrator or designee to execute a Master Lease Agreement and Master Plan Agreement for the financing of this project.

PUBLIC OUTREACH/INTEREST

This item did not require any additional public outreach other than the required posting on the City website.

COORDINATION

Information that is the basis of this report has been coordinated with the Information Technology Department, Treasury, Budget Office and the City Attorney's office.

COST SUMMARY/IMPLICATIONS

The project will consist of several different phases over a period of approximately 24 months.

- Phase #1 – Replace P25 Portable Fleet
- Phase #2 – Replace P25 Mobile Fleet
- Phase #3 – Redesign Microwave Network
- Phase #4 – Radio Operations Group Tech Refresh
- Phase #5 - Remote Site Improvements
- Phase #6 – Migrate PWA to P25 Radios
- Phase #7 – Migrate Outdoor Siren to P25 Radios

The estimated cost for the Radio Fleet Replacement and Infrastructure Upgrade will be approximately \$27,000,000. This will include all the related capital equipment, operational support equipment, and one-time deployment costs.

In order to execute this project, staff and other miscellaneous resources will be required. These one-time deployment costs include full-time managers, network, engineer, RF engineer, and radio technicians. In addition, technical training related to the programming and alignment of the radio fleet, mobile installation services and miscellaneous expenses related to transportation,

storage, and inventory services related to the deployment of the new portable radio fleet, and proper recovery of the existing mobile equipment would be required.

As a result of the unknown product to purchase due to the pending decision by Council on which system to use, the Administration desires to obtain approval and prepare for this financing to move expeditiously upon the Council's decision.

SOURCE OF FUNDING:

The source of funding will be derived through a Master Lease Agreement with a selected lender in an amount not to exceed \$27,000,000 at an interest rate not to exceed 4.5% on a tax-exempt basis and 5.75% on a taxable basis for a term of not more than 8 years.

FISCAL IMPACT:

Approval of this resolution will authorize the City Administrator to fund the radio fleet replacement and infrastructure upgrade used by the City staff and public safety personnel for mission critical communications.

Lease Payments – Based on estimated current rates of 4.5% on a tax-exempt basis and 5.75% on a taxable basis, the annual lease payment will be approximately \$5,100,000. The source of repayment will have to be identified in the adjusted budget presented to the Finance and Management Committee, on February 11, 2014 and must be budgeted in the subsequent budget years through the term of the lease.

SUSTAINABLE OPPORTUNITIES

Economic

There are no economic development opportunities related to this report at this time

Environmental


The radio equipment and infrastructure upgrade associated with the replacement will create a state-of-the network. Every effort will be made to select environmentally preferred products

Social Equity

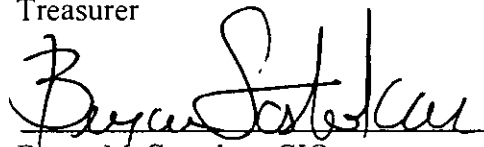
The implementation of this project will result in increased efficiency of critical public safety services

For questions regarding this report, please contact Katano Kasaine, Treasurer, 510 238 2989

Respectfully submitted,



Katano Kasaine
Treasurer



Bryan M. Sastokas, CIO
Department of Information Technology

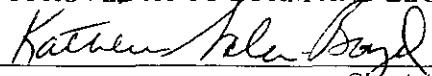
Prepared by
David Jones, Principal Financial Analyst
Treasury Division

Ahsan Baig
Division Manager
Department Information Technology

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2014 JAN 30 AM 10:01

APPROVED AS TO FORM AND LEGALITY


City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO NEGOTIATE AND EXECUTE A MASTER LEASE AGREEMENT AND NECESSARY RELATED DOCUMENTS TO PROVIDE FUNDING TO REPLACE THE EXISTING RADIO FLEET AND UPGRADE THE AGING COMMUNICATION EQUIPMENT IN AN AMOUNT NOT TO EXCEED \$27,000,000 AT AN INTEREST RATE NOT TO EXCEED 4.50% ON A TAX-EXEMPT BASIS AND 5.75% ON A TAXABLE BASIS FOR A TERM OF NOT MORE THAN 8 YEARS.

WHEREAS, the current fleet of portable and mobile radio equipment currently in use by Oakland, Police, Fire and Department of Public Works users has been in service for more than seven years, while the useful life of this equipment averages seven to nine years, and

WHEREAS, staff has determined it is necessary to replace and deploy new radios and associated support infrastructure equipment to include various types of protective cases and straps, external microphones, various specialized audio accessories including earpieces and headset systems, batteries and charging stations, programming and alignment services and equipment including cables, software, and specialized radio test and alignment hardware, and

WHEREAS, as a result of budgetary constraints, the last 7 years of Information Technology Capital Improvement plan requests were never funded, leading to deferred maintenance and an urgent need to finance critical system upgrades that will continue to enhance City Services. and

WHEREAS, to provide the necessary financing to pay for the radio fleet replacement and due to the urgent need of the project, staff seeks approval for financing in advance of selecting the actual manufacturers for the equipment and infrastructure needs, and

WHEREAS, selection of a financial institution to provide funding will follow a competitive bidding process consistent with OMC sections 2 04 050 and 2 04 051, now, therefore, be it

RESOLVED, that the City Council finds and determines the forgoing recitals to be true and correct and hereby adopts and incorporates them into this Resolution, and be it

FURTHER RESOLVED, that the City Administrator or designee is authorized, following a competitive bidding process, to negotiate and execute with a financial institution selected through a competitive bidding process a Master Lease Agreement(s) and all documents necessary and related to financing in an amount not to exceed \$27,000,000 for a term of not more than 8 years and an interest rate not to exceed 4.50% tax exempt and/or 5.75% taxable to fund ongoing operations and maintenance agreements and hardware, information technology

software, and professional service agreements to upgrade and enhance critical information systems, and be it

FURTHER RESOLVED, that the Office of the City Attorney will approve the contracts as to form and legality and copies will be on file in the Office of the City Clerk, and be it

FURTHER RESOLVED, that this Resolution shall take effect immediately upon its passage

IN COUNCIL, OAKLAND, CALIFORNIA _____, 2014

PASSED BY THE FOLLOWING VOTE:

AYES BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID SCHAAF and
 PRESIDENT KERNIGHAN

NOES

ABSENT

ABSTENTION

ATTEST _____
 LaTonda Simmons
 Clerk of the Council
 of the City of Oakland, California