



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 14-144, Version: 1

- a. Approve and authorize an increase in the cap on project costs for the NGEN Radio System Project administered by the Emergency Communications Department (ECD) in an amount not to exceed \$1,950,000 with a County share of \$636,835 to be paid during Fiscal Years 2014 - 2015 and 2015 - 2016;
- b. Approve and authorize the Contracts / Purchasing Officer to sign Amendment #2 to the Radio System Purchase Agreement between the County of Monterey and Harris Corporation;
- c. Approve and authorize the Contracts / Purchasing Officer to sign contract amendments to utilize the project contingency fund and any change orders including those required to pay sales tax not included in the Purchase Agreement using funds available in the NGEN Project Fund upon approval of County Counsel and the Director of Emergency Communications; and
- d. Approve and authorize an Operating Transfer from the Information Technology Department (ITD) Fund 001 8140 INF001 to the NGEN Project Fund 405 8426 EME002 and the transfer of a fixed asset from the NGEN Project to ITD.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize an increase in the cap on project costs for the NGEN Radio System Project administered by the Emergency Communications Department (ECD) in an amount not to exceed \$1,950,000 with a County share of \$636,835 to be paid during Fiscal Years 2014 - 2015 and 2015 - 2016;
- b. Approve and authorize the Contracts / Purchasing Officer to sign Amendment #2 to the Radio System Purchase Agreement between the County of Monterey and Harris Corporation;
- c. Approve and authorize the Contracts / Purchasing Officer to sign contract amendments to utilize the project contingency fund and any change orders including those required to pay sales tax not included in the Purchase Agreement using funds available in the NGEN Project Fund upon approval of County Counsel and the Director of Emergency Communications; and
- d. Approve and authorize an Operating Transfer from the Information Technology Department (ITD) Fund 001 8140 INF001 to the NGEN Project Fund 405 8426 EME002 and the transfer of a fixed asset from the NGEN Project to ITD.

SUMMARY / DISCUSSION:

Since 2005, the County has been working with public safety and other affected agencies in the County to design and build the NGEN Radio System (NGEN). Attachment 1 includes a timeline of activities that have taken place in the project to date. In 2009, the Board of Supervisors approved the Memorandum of Agreement RE Next Generation Radio System Joint Governance and Financing (NGEN Financing Agreement) (Attachment 2). While the project team has been working diligently to keep the project on budget and schedule, the project has incurred a number of challenges resulting in a need to extend the project timeline and the \$12,000,000 cap on project costs. As specified in the NGEN Financing Agreement, on December 4, 2013, a meet and confer meeting was held with representatives of all agencies participating in the NGEN Financing Agreement. On December 10, 2013, the Emergency Communications Users Advisory Council (ECUAC) approved an action to increase the cap on the project costs with cost shared among all project participants. Attachment 3 outlines each agency's anticipated cost share for these costs.

A portion of the cost of project delays is the cost to extend the Radio System Purchase Agreement with Harris Corporation. Approval of the attached Amendment #2 includes costs to extend the project through September 22,

2015. This Amendment also clarifies the use of prevailing wage for portions of the project determined to be works of public improvement. As this is a construction project with unknown construction issues and risks, the project fund includes funds set aside for project contingency for unanticipated site issues or other project needs. ECD requests authorization from the Board of Supervisors for the Contracts / Purchasing Officer to sign contract amendments or change orders up to the available project contingency balance on direction of the Director of Emergency Communications who will receive guidance from the ECUAC and the NGEN Project Team defined by the ECUAC.

As part of the efforts to increase funds available to the project, the project team has identified opportunities to increase revenues to the project. ITD has identified that a data microwave system purchased for the project has excess capacity that can be used for county and regional projects. ITD has funds available to reimburse the NGEN Project for this asset and ECD, with advice from ECUAC, has agreed to transfer the asset to ITD. Because this equipment is subject to grant requirements, an MOU has been developed between the ITD and ECD to outline responsibilities.

OTHER AGENCY INVOLVEMENT:

The Emergency Communications Department serves as project administrator for the project and the ECUAC provides oversight as specified in the NGEN Financing Agreement. ITD is an active partner in the project and has approved the transfer of funds for the microwave system. Attachment 1 outlines other agencies participating in this project. The Amendment has been approved by County Counsel as to form.

FINANCING:

The NGEN Financing Agreement identified a cost ceiling of \$12,000,000 for the infrastructure portion of the NGEN project. Approval of this action will increase the project costs to \$13,950,000. The County share of this increase is \$636,835. The County Administrative Office Budget and Analysis Division will work with ECD during the annual budget process to determine funding sources. The Emergency Communications Department is managing a Capital Projects Fund created by the Auditor-Controller to track project expenses and revenue. ITD has funding available to make the microwave purchase.

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Approved by: William Harry, Director of Emergency Communications, (831)769-8880

Attachments: Attachment 1: Project Background and Information, Attachment 2: NGEN Financing Agreement, Attachment 3: 2013 NGEN Project Extension Cost Share, Amendment #2 to Radio System Purchase Agreement.