



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

www.cityofsacramento.org

File ID: 2019-00305

June 11, 2019

Consent Item 09

Title: Reimbursement from Sprint for Radio Re-Banding Project

Location: Citywide

Recommendation: Adopt a Resolution authorizing the City Manager or the City Manager's designee to: 1) accept reimbursement payments from Nextel West Corp. ("Sprint") in an additional amount of \$291,569 for the City's Radio Re-Banding Project (A07000100); and 2) increase revenue and expenditure budgets in the Radio Re-Banding Project (A07000100) by \$291,569 (Fund 3702).

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Presenter: None

Attachments:

1-Description/Analysis

2-Resolution

Description/Analysis

Issue Detail: As part of a nationwide federal initiative to reduce radio interference to public safety communications, the Federal Communications Commission (“FCC”) has ordered the 800MHz radio frequency be re-band/reprogrammed to protect public safety communications.

The FCC adopted stringent new rules that required those causing interference in the 800 MHz radio frequency to correct such interference. On February 7, 2005, Nextel West Corp. (“Sprint”) announced their acceptance of the FCC’s 800 MHz reconfiguration order and agreed to fund \$2.8 billion dollars to reconfigure the 800 MHz spectrum throughout the country, including funding the City’s efforts to reconfigure the spectrum.

On May 15, 2007, the City adopted Resolution 2007-270 to establish the Radio Re-Banding Project AB96 (later renamed A07000100) and authorize the City to accept from Sprint external project funding reimbursement in the amount of \$667,331 for the estimated costs to the City to re-band/reprogram and reduce radio interference to the City’s public safety communications. Resolution 2007-270 also authorized the City Manager or designee to execute an Inter-Governmental Agreement with the County of Sacramento to coordinate project planning on behalf of the City.

The original project cost estimate was \$667,331. Sprint reconciled the City’s estimate and it was later revised to \$958,900. Sprint advanced half of the revised project estimate (\$479,450) to the City to begin work on the project with the understanding that the project would be trueed-up at the completion of the work. In July 2011, the City completed the work. In January of 2019, Sprint issued closing documents to close the project. On April 23, 2019, the Transition Administrator for the project reviewed, approved the closing documents, and closed the project. On December 24, 2018, Sprint issued an additional reimbursement payment to the City in the amount of \$479,449.99. City Council authority is required to accept additional reimbursement from sprint in the amount of \$291,569 or total project reimbursement in the amount of \$958,900.

Policy Considerations: The recommendations contained in this report are consistent with City Council Resolution 2018-0235, Section 10, which requires Council approval to establish a capital improvement project (CIP), and accept/appropriate the reimbursable funding for the project.

Economic Impacts: None.

Environmental Considerations: Not applicable.

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The Radio Re-Banding Project (A07000100, CIP Reimbursable Fund 3702) was established to record the project reimbursement expenses for the City's 800 MHz radio re-banding effort. Council authorization is required to receive the full project reimbursement funding estimate of \$958,900, and deposit funds back into CIP (A07000100).

Financial Considerations: No additional funding is requested. The costs for the radio re-banding effort and project expenses/estimates will be reimbursed by Sprint. As such, a revenue and expenditure budget will be established for an additional amount of \$291,569 in the Radio Re-Banding Project (A07000100, CIP Reimbursable Fund 3702).

Local Business Enterprise (LBE): The project associated with this agreement is in partnership with the SMCTC. Therefore, the City's LBE requirements are waived.

RESOLUTION NO. 2019-

Adopted by the Sacramento City Council

June 25, 2019

REIMBURSEMENT FROM SPRINT FOR RADIO-BANDING PROJECT

BACKGROUND

- A. As part of a nationwide federal initiative to reduce radio interference to public safety communications, the Federal Communications Commission (“FCC”) has ordered the 800MHz radio frequency be re-band/reprogrammed to protect public safety communications, (the “project”).
- B. On May 15, 2007, the City adopted a resolution (2007-270) to establish a Radio Re-Banding Project AB96 (later renamed A07000100) and authorize the City to accept external funding in the amount of \$667,331 from Sprint to reimburse the City for the estimated costs of its efforts to reduce radio interference to public safety communications, and executed an Inter-Governmental Agreement with the County of Sacramento for the County to coordinate project planning on behalf of cities under the County of Sacramento and Sprint’s administrative representative.
- C. The initial project estimate was \$667,331. Sprint reconciled this estimate with the City’s efforts and revised the estimate to \$958,900. Sprint advanced half of the revised project estimate (\$479,450) to the City to begin work on the project with the understanding that the project would be trued-up at the completion of the work. In July 2011, the City completed the work. On December 24, 2018, Sprint issued an additional reimbursement payment to the City in the amount of \$479,499 for a total amount of \$958,900. In January of 2019, Sprint issued closing documents to close the project. On April 23, 2019, the Transition Administrator for the project reviewed, approved the closing documents, and closed the project.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager or the City Manager’s designee is authorized to accept reimbursement payments from Nextel West Corp. (“Sprint”) for an additional amount of \$291,569 for the City’s Radio Re-Banding Project (A07000100).
- Section 2. The City Manager or the City Manager’s designee is authorized to adjust the revenue and expenditure budgets in the Radio Re-Banding Project (A07000100) by \$291,569 in Fund 3702 (CIP Reimbursable Fund).