



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent Report
May 29, 2007

**Honorable Mayor and
Members of the City Council**

Title: Reject Bids, Suspend Competitive Bidding and Extend Contract for Radio Maintenance Services

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** to 1) reject all bids and suspend further competitive bidding for Radio Maintenance Services; 2) authorize the City Manager to conduct negotiations directly with Motorola, Incorporated, to establish a new Radio Equipment Services contract; and 3) authorize the City Manager to extend the current contract (City Agreement 2002-219) with Motorola, Incorporated, through December 31, 2007 with an amount not-to-exceed \$140,000.

Contact: Xavier Covarrubias, Information Technology Supervisor, 808-8512
Ken Stuber, Telecommunication Engineer, 808-8511

Presenters: None

Department: Information Technology

Division: Technical Support Services Division

Organization No: 1341

Description/Analysis

Issue: In January 2003, through the competitive bid process, the City awarded a contract (City Agreement 2002-219) to Motorola, Incorporated for radio maintenance services in support of the Convention Center, Zoo, Parking Enforcement, Waste Water Collection, Golf Division, Camp Sacramento, Animal Control, Fire, City Hall, and Police. The current contract is due to expire on June 30, 2007. In March 2007, Procurement Services competitively bid the replacement contract, and Motorola, Incorporated, was found to be the apparent low bidder. The City and Motorola, Incorporated, are currently in negotiations over some of the contract's terms and conditions. Until negotiations have been completed and agreed upon it is imperative for public health and safety reasons that there not be a lapse in service.

Policy Considerations: City Code (Chapter 3.56) authorizes the suspension of competitive bidding when it is in the best interest of the City. This action requires a 2/3 vote by City Council.

Environmental Considerations: None

Committee/Commission Action: None

Rational for Recommendation: Motorola, Incorporated, has provided radio maintenance services for the City of Sacramento for the last five years. All services have been provided in accordance with the contract's Scope of Services, Terms, and Conditions. Motorola, Incorporated, provides essential City services that are necessary to maintain the City's high public health and safety standards.

The current contract (City Agreement 2002-219) is scheduled to expire on June 30, 2007. In March 2007, Procurement Services competitively bid the replacement contract, and Motorola, Incorporated, was found to be the apparent low bidder. The City and Motorola, Incorporated, are currently in negotiations over some of the contract terms and conditions. Until negotiations have been completed and agreed upon it is imperative for public health and safety reasons that there not be a lapse in service.

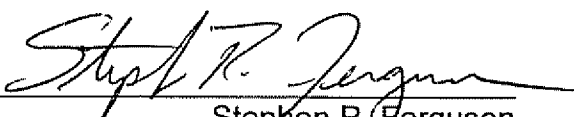
This extension will allow for continued maintenance, repair, installation, and removal of police, fire, and general government communications equipment until a new contract can be negotiated and approved by the City Council. Motorola, Incorporated, has agreed to an extension of up to six months or until a new contract is in place to provide radio maintenance services under the same terms, conditions, and pricing.

Financial Considerations:

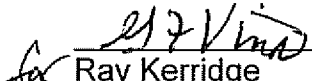
Funding for these radio services comes from reimbursements by the user organizations' operating and/or Capital Improvement Program (CIP) budgets. Based on past spending patterns, expenditures for the six-month period are estimated not-to-exceed \$140,000.

Emerging Small Business Development (ESBD): N/A.

Respectfully Submitted by: Ignacio Estevez, Program Manager

Approved by: 
Stephen R. Ferguson
Chief Information Officer

Recommendation Approved:



Ray Kerridge
City Manager

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Attachment 1**Background**

On April 6, 2007, the City Clerk opened bids for Invitation for Bid B071181080, Radio Equipment Services with two firms submitting bids – Motorola, Incorporated, and Telepath Commercial Communications. A Price Analysis and Determination of Responsibility found Telepath Commercial Communications to be non-responsive. Pricing submitted by Motorola, Incorporated, was \$38,000 less per year than the amount proposed by Telepath Commercial Communications, resulting in a savings of \$190,000 over the life of the five year contract. However, Motorola, Incorporated, also submitted additional terms and conditions with their bid that were deemed substantial in nature, necessitating that Motorola's bid be considered non-responsive. Based on the favorable pricing offered by Motorola, Incorporated, combined with their positive performance under the current contract, staff believes it to be in the best interest of the City to negotiate mutually acceptable terms for the necessary radio equipment services.

In order to avoid a lapse in service and to ensure continuation of necessary maintenance, repair, installation, and removal of police, fire, and general government communications equipment and until a new contract is awarded by Council, Staff recommends extension of the current contract with Motorola in a total amount not-to-exceed \$140,000, for a period not-to-exceed six months. Motorola, Incorporated, has agreed to an extension of up to six months until a new contract is in place to provide radio maintenance services under the same terms, conditions, and pricing as the current contract.

Because of the savings that the City may achieve through a contract with Motorola for Radio Equipment Services, staff recommends that the City Council adopt the attached Resolution for the extension of the current contract for radio equipment services. The Resolution also recommends the rejection of all bids, suspension of further competitive bidding, and authorization for the City Manager to conduct negotiations directly with Motorola, Incorporated. Any contract resulting from such negotiations will be brought to the City Council for approval.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

REJECT ALL BIDS, SUSPEND COMPETITIVE BIDDING, AND EXTEND CURRENT CONTRACT FOR RADIO MAINTENANCE SERVICES

BACKGROUND

- A. Motorola, Incorporated, has provided radio maintenance services for the City of Sacramento for the last five years. All services have been provided in accordance with the contract's Scope of Services, Terms, and Conditions (City Agreement 2002-219). Motorola, Incorporated, provides essential City services that are necessary to maintain the City's high public health and safety standards.
- B. In March 2007, Procurement Services competitively bid the replacement contract, and Motorola, Incorporated, was found to be the apparent low bidder. However, Motorola, Incorporated, also submitted additional terms and conditions with their bid that were deemed substantial in nature, necessitating that Motorola's bid be considered non-responsive. The City and Motorola, Incorporated, are currently in negotiations over some of the contract terms and conditions. Until negotiations have been completed and agreed upon it is imperative for public health and safety reasons that there not be a lapse in service.
- C. In order to avoid a lapse in service and to ensure continuation of necessary maintenance, repair, installation, and removal of police, fire, and general government communications equipment and until a new contract is awarded by Council, Staff recommends extension of the current contract with Motorola for a period not to exceed six months and an amount not to exceed \$140,000. Motorola, Incorporated, has agreed to an extension of up to six months or until a new contract is in place to provide radio maintenance services under the same terms, conditions, and pricing as the current contract.
- D. It is in the City's best interest to reject all bids and suspend further competitive bidding because: 1) Motorola, Incorporated was the lowest responsible bidder when these services were awarded in January 2003; 2) Motorola, Incorporated, is intimately familiar with the City's operations; and 3) This six month extension will allow City staff sufficient time to come to an agreement with Motorola regarding the contract's terms and conditions.

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

- Section 1. All bids for Invitation for Bid B071181080 are rejected.
- Section 2. In the best interest of the City, competitive bidding is suspended for radio maintenance services.
- Section 3. The City Manager is hereby authorized to execute a contract extension to City Agreement 2002-219 with Motorola, Incorporated through December 31, 2007 with a not-to-exceed amount of \$140,000.
- Section 4. The City Manager is hereby authorized to conduct negotiations with Motorola, Incorporated, to establish a new contract for radio maintenance services. Any contract resulting from such negotiations is to be brought before City Council for approval.

