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DEPARTMENT OF
FINANCE

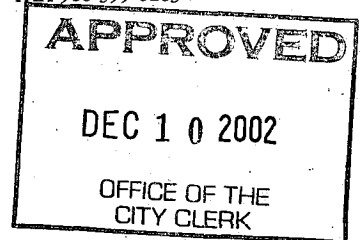
CITY OF SACRAMENTO
CALIFORNIA

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PROCUREMENT SERVICES DIVISION

November 25, 2002
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City Council
Sacramento, California

AG 2002 - 219

Honorable Members in Session:

SUBJECT: ADOPTION OF SPECIFICATIONS AND AWARD OF CONTRACT FOR RADIO EQUIPMENT SERVICES IN A TOTAL AMOUNT NOT TO EXCEED \$195,504.00 PER YEAR

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

Staff recommends that the City Council adopt contract specifications and authorize the City Manager to execute a contract with Motorola, Inc., 6450 Sequencè Drive, San Diego, CA 92121, for Radio Equipment Services, in a total amount not to exceed \$195,504.00 per year.

CONTACT PERSONS: Sally Nagy, Chief Information Officer, 264-8600
Chris Slay, Buyer, 433-6344

FOR COUNCIL MEETING: December 10, 2002

SUMMARY:

This report recommends that the City Council adopt contract specifications and authorize the City Manager to execute a contract with Motorola, Inc., for Radio Equipment Services, in a total amount not to exceed \$195,504.00 per year.

BACKGROUND:

On May 1, 2002, Bid No. 1862 for Radio Equipment Services was opened, with three companies submitting bids. Motorola, Inc., was the lowest bidder, offering savings of more than \$180,000.00 per year compared to the next lowest bidder. This represents potential savings of approximately \$900,000.00 over the life of this potential five year contract. However, Motorola, Inc. also submitted additional terms and conditions with their bid, that upon review by the City Attorney's office, were considered substantial in nature and Motorola's

bid was thus determined to be non-responsive. Based on the potential for substantial savings, in June 2002 the City Council suspended additional formal competitive bidding, authorized extension of the current contract for radio equipment services, and authorized City staff to negotiate a new radio equipment services contract with Motorola, Inc. (Resolution No. 2002-459).

Negotiations with Motorola, Inc. for the new radio equipment services contract have been completed and include modifications only to general terms and conditions, which have been approved by the City Attorney. Pricing and technical specifications were not changed, which allows the City to obtain the needed services with the cost savings represented in Motorola's original bid. Staff recommends that the City Council adopt the specifications as negotiated and award the contract to Motorola, Inc., for Radio Equipment Services in a total amount not to exceed \$195,504.00 per year.

FINANCIAL CONSIDERATIONS:

Funding for these services comes from the various organizations' operating and/or CIP budgets as the services are utilized.

ENVIRONMENTAL CONSIDERATIONS:

The current project has been determined to be exempt from the requirements of the California Environmental quality Act (CEQA), under Section 15061(b)(3), which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The current proposal involves only the purchase of maintenance and repair services of radio equipment for various City departments. Therefore, it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

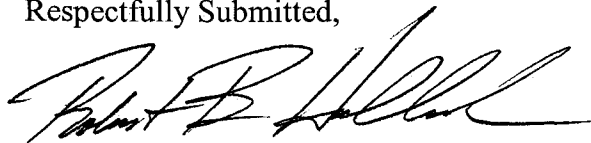
POLICY CONSIDERATIONS:

The recommendations in this report are in accordance with provisions of the City Code Chapter 3.56 for the purchase of supplies and services.

ESBE CONSIDERATIONS:


Motorola, Inc. is not certified as an Emerging/Small Business Enterprise.

Respectfully Submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager