

Exhibit to Agenda Item #4

Board Finance & Audit Committee Meeting and Special SMUD Board of Directors Meeting

Tuesday, March 19, 2019 scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room

Motorola 2-way Radio Contract Extension and Increase

- Approve Contract Change No. 03 to Sole Source Contract 4500100166 with Motorola Solutions, Inc. for the Next Generation Two-Way Radio System to:
 - Extend the contract expiration date from March 31, 2019 to March 31, 2029
 - Increase the contract amount by \$6,259,985 for a new not-to-exceed amount of \$13,724,750

Background

- Motorola Two-Way Radio System is a critical dispatch radio system used as the “lifeline” for all power-grid and security emergencies and day-to-day operations
- December 2016: Board approved Sole Source Contract 4500100166 for the purchase and implementation of Motorola’s Next Generation Two-Way Radio System
- Interoperable with Sacramento County Motorola radio system

Purpose of Request

- 10 year M&S agreement to reduce costs
- Financially Fit
 - Estimated savings of up to \$6M
 - Lock in rates
 - Levelized costs
- Operational Excellence
 - Maintain up to date, cutting edge hardware and software for this critical solution

Motorola Maintenance & Support

- Maintenance and Support is required
 - Break/Fix
 - Network Monitoring – Predictive/Proactive
 - Software/Firmware Updates
 - Feature Enhancements
 - Replaces hardware that becomes obsolete due to upgrades during the term
- Maintenance and Support coverage for all of SMUD's components is only available directly from Motorola.

Costs

- Total 10 year cost: \$6,259,985
 - Estimated savings of up to \$6M
- Ability to cancel at any time with 30 days notice
- Annual M&S rate of 13.7% per year
- Estimated 11% SEED Participation

Requested Action

- Approve Contract Change No. 03 to Sole Source Contract 4500100166 with Motorola Solutions, Inc. for the Next Generation Two-Way Radio System to:
 - Extend the contract expiration date from March 31, 2019 to March 31, 2029
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