

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 11/14/13

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Request for authorization to execute a contract with Motorola Solutions, Inc. to purchase and install an 800 MHz Public Safety Radio System (WO614 - Build Out Ten Sites to Digital)

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		\$6,303,473
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

- A. The approval of the requested action will allow IMSD to contract with Motorola Solutions Inc. for the purchase and installation of an 800 MHz Public Safety Radio System and related radio components. This action will result in a capital cost of \$13,609,577 to Motorola Solutions Inc. for the purchase and installation of the system and, through a separate initiative with Waukesha County, \$450,688, for the purchase and installation of the system core. The contract with Motorola Solutions, Inc. also provides authority for on-going license and maintenance cost at an average of \$414,222 per year for up to ten years. The overall project will be responsible for all costs associated with the Department of Administrative Services – Architectural and Engineering services, project management, owner’s representation and radio site services. These and all other soft costs will be identified and detailed through a Project Kick-off Detailed Design Analysis. 2014 expense for aforementioned services will be funded through the current capital allocation. IMSD is currently assessing the need for on-going operational system infrastructure service and repair. If it is determined that system service and repair is necessary, a contract will be negotiated and IMSD will return to the County Board of Supervisors and the County Executive for review and approval.
- B. The cost related to the proposed contract is \$13,609,577 for the purchase and implementation services of the broader project. IMSD has been appropriated funds in 2010, 2013 and is anticipating funds in 2014 to begin the execution of the 800 MHz Public Safety digital migration project (WO614 – Build Out Ten Sites to Digital). It is anticipated that IMSD will return to the County Executive and the County Board to request a 2015 allocation to complete the project build. Additional expense related to license and maintenance fees is anticipated for 2016 and beyond. License and Maintenance costs of \$414,222 (average) are anticipated for a period of ten (10) years after warranty expiration.
- C. IMSD has been appropriated funds in 2010, 2013 and is anticipating funds in 2014 to begin the execution of the digital migration project. IMSD will return to the County Board and the County Executive for approval of the costs to fund the project in 2015.
- D. IMSD will be calculating project contingency for unseen or unknown cost. Contingency is calculated at 8% of the Motorola contract price.

Department/Prepared By Laurie Panella, Deputy Chief Information Officer

Authorized Signature  _____

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required