



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: November 10, 2020

DATE: Thursday, November 05, 2020

TO: Board of County Commissioners

FROM: Quinn Korbolic, Acting Chief Information Officer, Technology Services 775-328-2348, qkorbolic@washoecounty.us

THROUGH: Christine Vuletich, Assistant County Manager

SUBJECT: Recommendation to receive update and provide for discussion and possible direction to staff on the current status, milestones, change orders and budget, of the Nevada Shared Radio System project in Washoe County. (All Commission Districts)

SUMMARY

In partnership with the State of Nevada acting through its Department of Transportation, and NVEnergy, Washoe County has, over the last two years, worked to plan and implement the Nevada Shared Radio System (NSRS), a statewide public safety radio system. This new radio system will replace the current “end-of-life” Enhanced Digital Access Communication System (EDACS), providing a current and nationally recognized public safety radio communications system using P25 technology.

Washoe County has taken a number of significant steps in advancing the county’s portion of this project, including ratification of the Nevada Shared Radio System agreement with NDOT and NVEnergy; execution of the System Purchase Agreement with Harris Corporation, dated September 18th, 2018; ratification of the Washoe County Regional Communication System P25 Radio System Interlocal Agreement with fifteen regional agencies; and acquisition of bond financing to fund the remainder of the project. Each of these steps is detailed specifically in the Previous Actions section of this report.

The information in this report is provided as an update on the status, milestones, change orders, and budget of the project.

Current Status and Most Recent Activities: While construction and implementation activities have been occurring in the southern portion of the state, activity in Washoe County has been limited to site surveys, planning, and design. To date, the most significant project activity was the installation of the County’s radio system Network Switching Center (NSC - see project milestones) which was completed as part of the statewide NSC installation process. County staff are currently reviewing detailed design documents for all County radio sites – this phase is expected to be completed in December 2020. Construction of greenfield radio sites is expected to commence in the spring of 2021.

AGENDA ITEM # _____

After Harris confirmed its estimates were within the prices negotiated in the System Purchase Agreement, notices to proceed with greenfield site civil planning, design and construction for a not-to-exceed amount of \$3,819,300.02 and microwave system installation for a not-to-exceed amount of \$2,331,727.35 were issued by way of change orders. Change orders are called for in the Agreement rather than notices to proceed, even when, as was the case here, neither the scope of work nor the cost for the work negotiated in the Agreement increases.

Project Milestones: Completed Project Milestones to date, as defined by the System Purchase Agreement with Harris Corporation, September 27, 2018, include:

- System Purchase Agreement signing, September 27, 2018
- Commencement of Network Switching Center (NSC) installation, November 22, 2019
- Completion of Network Switching Center installation, January 27, 2020
- Detailed Design Review Completion, *In Progress, expected completion, December 2020*

Change Orders: To date, Washoe County and Harris have executed nine change orders to the System Purchase Agreement between Harris corp. and Washoe County, September 27, 2018 (SPA). With one exception, change orders have not increased the cost of the project and have been executed to memorialize project decisions or as a “notice to proceed” from Washoe County to Harris on specific and substantial portions of the project. The Change orders include:

1. Begin site surveys: Notice to proceed
 - a. Per the SPA, Harris is required to submit a change order before the commencement of any work that utilizes System Civil allowance as defined in the SPA.
 - b. \$322,048 of allowance authorized
2. Site Remediation for NSC sites: Notice to proceed
 - a. Per the SPA, Harris is required to submit a change order before the commencement of any work that utilizes System Civil allowance as defined in the SPA.
 - b. \$45,304.43 of allowance authorized
3. Milestone Payments Schedule update
 - a. No cost
 - b. An update of Milestone payment schedule to accommodate Washoe County’s constrained budget in Fiscal Year 2019-2020.
4. Remove Dispatch Equipment and Services from Milestone Payment Schedule
 - a. Align Dispatch console pricing with SPA equipment list
 - b. Cost increase: \$18,204.00
 - c. Cost increase will be absorbed by regional Partner Agencies who choose to purchase Dispatch Radio Consoles.
5. Remove maximum purchase limit on Consoles as defined in Change Order 4.
6. Change security configuration of router for dispatch consoles.
7. Greenfield site civil planning, design and construction: Notice to proceed

- a. Per the SPA, Harris is required to submit a change order before the commencement of any work that utilizes System Civil allowance as defined in the SPA.
 - b. This change order authorizes Harris to begin planning and design activities for greenfield radio system sites and, when the design is approved by Washoe County, construct the sites.
 - c. Authorizes Harris to invoice Washoe County at the lesser of 1) the actual cost of the work to be performed or 2) not-to-exceed \$3,819,300.02 of site civils allowance.
8. Microwave System installation: Notice to Proceed
- a. Per the SPA, Harris is required to submit a change order before the commencement of any work that utilizes System Civil allowance as defined in the SPA.
 - b. This change order authorizes Harris to begin installation of the Washoe County approved Microwave System.
 - c. Authorizes Harris to invoice Washoe County a not-to-exceed amount of \$2,331,727.35 of site civils allowance, split over a number of microwave system installation milestone payments.
9. Smart Breaker Design
- a. Cost increase: \$6,910.00
 - b. Split cost between NSRS partners (NDOT, NVEnergy, Washoe County) on the design of Smart Breaker systems for radio sites.

Project budget and financing summary: Washoe County staff continue to responsibly manage costs for the P25 radio system. The budget summary below (Table 1) reflects actual payments and costs projected to be paid, based on the SPA for site civil allowance payments and Milestone payments.

Table 1 – Project budget summary

| | Site Civil Allowance payments | Milestone Payments | Total |
|------------|-------------------------------|--------------------|--------------|
| Total paid | \$483,938 | \$2,523,994 | \$3,007,932 |
| To be paid | \$6,549,285 | \$5,436,058 | \$11,985,343 |
| Total | \$7,033,223 | \$7,960,052 | \$14,993,275 |

To obtain financing for Washoe County's portion of the NSRS project, Washoe County staff worked diligently over a period of eight months, starting in January 2020 to secure General Obligation Bond financing. The NSRS Bond was sold on September 2nd, 2020, and the bond closed on September 16. Total bond proceeds include the par amount of \$9,135,000 and a premium of \$1,411,219.95. The bond includes an exceptionally low interest rate of 1.38%.

The NSRS Bond proceeds along with Washoe County Regional Communication System (WCRCS) P25 Interlocal Agreement Partner Agency pre-payments, \$3,190,942, make up the fund from which Site Civil Allowance and Milestone payments (Table 1) will be made, totaling \$13,737,161. To date, of the \$3,007,932 paid to Harris corp., \$809,225 has been paid directly by Washoe County, \$750,000 has been paid by the WCRCS

Infrastructure fund, \$800,000 has been paid from Partner Agency pre-payments, and \$648,707 has been paid from Bond Proceeds (Table 2). All future payments to Harris Corp. will be made from the total of the remaining Partner Agency pre-payments and the bond proceeds, \$12,288,454 (Table 2).

Table 2 – Project expenditures to date by fiscal year and source

| | Funding Source | | | | |
|----------------|-----------------------|----------------------|-----------------------------|---------------|--------------|
| Fiscal Year | Washoe County | WCRCS Infrastructure | Partner Agency Pre-payments | Bond Proceeds | Total |
| FY19 | \$ 533,981 | | | | \$533,981 |
| FY20 | \$ 275,243 | \$750,000 | | | \$1,025,243 |
| FY21 | | | \$800,000 | \$648,707 | \$1,448,707 |
| Total payments | | | | | \$3,007,931 |
| | | Remaining funds | \$2,390,942 | \$9,897,513 | \$12,288,454 |

Washoe County Strategic Objective supported by this item: Safe, Secure and Healthy Communities and Regional and Community Leadership

PREVIOUS ACTION

On July 14, 2015, the Board of County Commissioners approved a Memorandum of Understanding (MOU) confirming the intent of the State of Nevada, Washoe County Regional Communications System (WCRCS) and NV Energy to move forward as a cohesive communications system to obtain a replacement public safety Project 25 Phase II communications system of a common manufacturer to assure a fully compatible statewide system.

On December 13, 2016, the Board held a second reading adopted an amendment to WCC 5.456 authorizing the Chief Information Officer to negotiate and execute agreements with other public and private entities as are required to assure the continued present and future operation of Washoe County's emergency radio system(s) and to present such agreements to the Washoe County Board of Commissioners for final approval when required by law or policy; and describing that such agreements may include, without limitation, provisions for sharing the use, governance, operation, maintenance, and upgrade of any Washoe County radio system with other public or private entities, unless otherwise prohibited by law.

On May 9, 2017, the Board approved of and directed the Washoe County Manager to sign the Nevada Shared Radio System Contract by and between the State of Nevada acting through its Department of Transportation, NV Energy and Washoe County, Nevada, as recommended by the Joint Operating Committee (JOC) of the Washoe County Regional Communications System (WCRCS)

On September 25, 2018, the Board approved the System Purchase Agreement between Washoe County and Harris Corporation, Communications System Segment, in the

amount of [\$26,537,510.68]; and authorized the Washoe County Purchasing and Contracts Manager to execute the agreement.

On May 26, 2020, the Board accepted and ratified the Washoe County Regional Communication System P25 Radio System Interlocal Agreement which establishes an operational and management structure that provides the opportunity for signing agencies to participate in the ongoing governance, administration and management of the P25 Radio System; and a framework to allocate costs of the system to signing agencies proportionate to their use of the radio system.

BACKGROUND

The State of Nevada Department of Transportation, Washoe County Regional Communications System (WCRCS) and NV Energy, partners in the Nevada Shared Radio System (NSRS), have recognized the need for a shared statewide communications network to be used for daily operations, interagency communication, interoperability and emergency communications. The NSRS has well-established capabilities and shared system use agreements in place. Today's public safety environment has highlighted the need for system owners to work together to establish interoperable communications, recognizing the cost benefit to all parties.

The Department of Transportation, the WCRCS and NV Energy have worked together to establish the current NSRS, a state-wide radio system, with infrastructure owned and maintained by each entity. The NSRS is accessible on communication equipment used by key public service officials, public safety officials and private safety services statewide.

The vendor for the current NSRS infrastructure and subscriber equipment announced most equipment in use on the NSRS has reached its "product end-of-life." Wherein the vendor has indicated that it has stopped marketing, manufacturing, selling, and supporting the announced products, and it will no longer guarantee that it will provide replacement parts or fix software issues for those products and vendor support will be severely limited. This poses a significant concern, risk and potential liability for the NSRS system owners and users.

The Nevada Shared Radio System faces the immediate need to replace the entire Land Mobile Radio (LMR) system with a system of current and nationally recognized technology. To preserve the current arrangement of shared infrastructure to benefit all within the state, Washoe County, NV Energy and the State of Nevada, acting through its Department of Transportation, have cooperated over the last several years to develop and implement a framework for statewide LMR system governance and to select a common manufacturer to replace the current statewide LMR system.

Based on the "end-of-life" determination, State of Nevada, Washoe County and NV Energy have taken several steps with the end-goal of a public safety Project 25 Phase II communications system from a common manufacturer. As noted in Previous Actions, the three NSRS members entered into the NSRS agreement in May 2017, which established a governance structure, and a service level agreement for the new NSRS. Subsequently, NDOT released a Request for Proposal (RFP – NDOT RFP 697-16-016) to replace the Nevada Shared Radio System. Review of the proposals was undertaken by representatives from each of the NSRS member agencies. When review was complete, NDOT sent a Notice of Intent to award the agreement to Harris Corporation. Thereafter,

each of the three NSRS partners successfully negotiated the terms and conditions of their respective system purchase agreements.

FISCAL IMPACT

No fiscal impact related to the project update.

RECOMMENDATION

It is recommended that the Board of County Commissioners acknowledge receipt of the update on the current status, milestones, change orders and budget, of the Nevada Shared Radio System project in Washoe County, and provide possible direction to staff.

POSSIBLE MOTION

Should the Board agree with the recommendation, a possible motion would be:

“Acknowledge receipt of the update on the current status, milestones, change orders and budget, of the Nevada Shared Radio System project in Washoe County, and provide possible direction to staff.”