

ITEM # 19
DATE: 04-28-20

COUNCIL ACTION FORM

SUBJECT: AUTHORIZATION TO PURCHASE RADIO EQUIPMENT FROM RACOM

BACKGROUND:

In December 2018, the City Council authorized the City's participation in StoryComm, an entity created by a 28E Agreement with Iowa State University, Story County, and the Story County 911 Service Board to own and operate a new radio system.

As part of that agreement, Iowa States University's Procurement Services was delegated the task of developing an RFP, implementing a purchasing process, and negotiating a purchase contract for radio equipment.

In February 2019, Council authorized the City's representative on the StoryComm Board to proceed with a contract with RACOM Corp. for a new radio system "if the terms and conditions of the contract remain within performance and financial expectation." In May 2019, StoryComm entered into a contract with RACOM Corp.

Iowa State University agreed to serve as the fiscal agent for StoryComm. As the fiscal agent, Iowa State University agreed to receive invoices on behalf of StoryComm, pay those invoices, and then rebill the participating agencies for their share of the costs.

As the fiscal agent, Iowa State University developed procedures to manage the StoryComm account. Within those procedures, it was determined that ISU should receive invoices for, and bill back to the participating agencies only that radio order amount called for in the contract. **While the Ames contract guaranteed a minimum amount of \$728,978 for radio purchases, the actual amount for the purchases was \$806,206. This difference was anticipated. It includes adjustments reflecting changes in accessories and final decisions about radio selection. It is important to emphasize that this actual amount is still within the Council approved CIP budget.**

Iowa State University decided that the difference (\$77,228) should be billed directly to the participating agency who would then pay the vendor, RACOM. **Because the original authorization from the City Council related to payments for radios were to be made to Iowa State University as the fiscal agent of StoryComm, staff is now asking Council for authorization to pay RACOM for the specific amount of \$77,228, instead of StoryComm.**

ALTERNATIVES:

1. Authorize a Purchase Order to RACOM in the amount of \$77,228 to cover the difference between the radio contract guaranteed amount and the actual amount.
2. Do not authorize a Purchase Order to RACOM and direct staff to work with Iowa State University to reconsider their procedure.

CITY MANAGER'S RECOMMENDED ACTION:

The City has made radio selections that result in an additional \$77,228 in expenses beyond the original minimum contract amount. Payment to RACOM must ultimately take place for this purchase, and ISU has indicated this amount should come directly from the City rather than through ISU to the vendor.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 and thereby authorize a Purchase Order to RACOM in the amount of \$77,228 to cover the difference between the radio contract guaranteed amount and the actual amount.