

**CITY OF EL PASO, TEXAS  
AGENDA ITEM  
DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** Engineering and Construction Management

**AGENDA DATE:** October 23, 2012

**CONTACT PERSON NAME AND PHONE NUMBER:** Irene D. Ramirez, P.E., Assistant City Engineer (X4428)

**DISTRICT(S) AFFECTED:** All

**SUBJECT:**

Discussion and action authorizing the City Engineer, Engineering and Construction Management, to issue a Purchase Order in a total amount of \$20,063,362.00, to Motorola Solutions, Inc., an approved vendor on the State of Texas, Department of Information Resources Contract DIR-SDD-1304, for the purchase and installation of equipment for the 800MHz Project 25 Radio System Upgrade and expansion, to include a 3 year warranty and maintenance period, and authorize the City Manager to execute any agreements and related documents necessary to effectuate this award.

**BACKGROUND / DISCUSSION:**

This project consists of the Upgrade and Expansion of the 800MHz P25 Radio System to provide interoperability capabilities with the Rio Grande Region first responders' agencies. The upgrade and expansion of the 800MHz system builds on the foundation the City implemented in 2008 with the UASI/PSIC funded ASTRO25 system. This project will also accommodate the transition from City Hall while keeping all users operational.

**PRIOR COUNCIL ACTION:**

N/A

**AMOUNT AND SOURCE OF FUNDING:**

\$20,063,362.00. Funding source: General Fund – Fire, Sun Metro and Airport Departments through a 10-year Master Lease Agreement between the City and Motorola

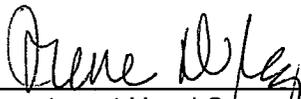
**BOARD / COMMISSION ACTION:**

N/A

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\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**DEPARTMENT HEAD:**



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(If Department Head Summary Form is initiated by Purchasing, client department should sign also)  
Information copy to appropriate Deputy City Manager

*Dedicated to Outstanding Customer Service for a Better Community*

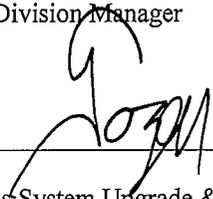
**S E R V I C E   S O L U T I O N S   S U C C E S S**

October 4, 2012

To: Javier Reyes, P.E. Engineering Division Manager

From: Victor Garzon, Project Manager

Signature: \_\_\_\_\_



Re: 800 MHz Project 25 Radio Communications System Upgrade & Expansion – DIR-SDD-1304



The Engineering and Construction Management Department recommends utilizing DIR-SDD State contract number 1304, to issue a \$ 20,053,362.00 purchase order to Motorola Solutions, Inc (formally Motorola, Inc.) for the 800MHz P25 Radio System to provide interoperability capabilities with the Rio Grande Region first responders' agencies. This 800 MHz P25 system will replace the current City's Public Safety Radio System (Smart-Net). The upgrade and expansion of the 800MHz P25 system builds on the foundation the City implemented in 2008 with the UASI/PSIC funded ASTRO P25 system. This project will also accommodate the relocation of the ASTRO P25 from City Hall to the E911 District while keeping all users operational. The following are the factors used to evaluate the use of this procurement program as the best approach:

1. *Is there an urgent need for the product/service? In other words, is time of the essence?*

Yes. The current Smart-Net System is getting to the end of its life cycle. No more spare parts are been fabricated for this system. Therefore, it needs to be replaced; failure to implement this project will affect the communication of the City's first responder's agencies. In addition, this project will also cover the relocation of the ASTRO P25 System located in City Hall to the E911 District before the demolition of the existing City Hall building

2. *Does the purchase through the Program promote the standardization of equipment?*

Yes. Motorola Solutions, Inc. (formally Motorola, Inc.) built the ASTRO P25 System which is the foundation of the upgrade and expansion of the P25 800MHz. Therefore, the City's Public Safety agencies will have standardized infrastructure.

3. *Does the purchase through the Program support local business? If not, is there a comparable product/service available locally?*

Yes, local businesses are being supported. Motorola Solutions, Inc (formally Motorola, Inc.) Logistics Facility in El Paso is located at 1200 Don Haskins Dr. El Paso TX 79936. This is a 100,000 sq. ft facility that employs over 80 local El Pasoans and supports the interests of National Security and Public Safety operations throughout the United States. In addition, R.T.C. Inc Motorola's Service partner is located at 300 E. Sunset Rd. El Paso TX 79922.

4. *Do the available vendors have prior work experience and/or familiarity with the City?*

Yes. Motorola Solutions, Inc. (formally Motorola, Inc.) built the ASTRO P25 System (system core is located at City Hall's Basement) which is the foundation of the upgrade and expansion of the P25 800MHz system.

Mayor  
John F. Cook

City Council

District 1  
Ann Morgan Lilly

District 2  
Susie Byrd

District 3  
Emma Acosta

District 4  
Carl L. Robinson

District 5  
Dr. Michiel R. Noe

District 6  
Eddie Holguin Jr.

District 7  
Steve Ortega

District 8  
Cortney Carlisle Niland

City Manager  
Joyce A. Wilson



**FINANCIAL SERVICES – PURCHASING DIVISION**  
2 Civic Center Plaza, 7<sup>th</sup> Floor, City Hall – El Paso, Texas 79901  
(915) 541-4308 FAX: (915) 541-4347 [www.elpasotexas.gov](http://www.elpasotexas.gov)





5. *Is the pricing reasonable as compared to other similar products/work performed for the City of El Paso in the past or as quoted from other companies?*

Yes. The Department of Information Resources (DIR) provides lowest prices and best value to state and local government. In addition, to the discounts from the DIR Contract, the City negotiated to obtain additional discounts such as Customer Loyalty, Trade in of equipment, Extended Console Promotion, and Trade in of subscribers.

**Mayor**  
John F. Cook

**City Council**

*District 1*  
Ann Morgan Lilly

*District 2*  
Susie Byrd

*District 3*  
Emma Acosta

*District 4*  
Carl L. Robinson

*District 5*  
Rachel Quintana

*District 6*  
Eddie Holguin Jr.

*District 7*  
Steve Ortega

*District 8*  
Beto O'Rourke

**City Manager**  
Joyce A. Wilson

PROPOSAL TO  
CITY OF EL PASO

# SECTION H

# DETAILED PRICING

800 MHZ PROJECT 25 RADIO SYSTEM UPGRADE AND EXPANSION

REVISED OCTOBER 4, 2012



The design, technical, and cost information furnished with this proposal is proprietary information of Motorola Solutions, Inc. (Motorola). Such information is submitted with the restriction that it is to be used only for the evaluation of the proposal, and is not to be disclosed publicly or in any manner to anyone other than those required to evaluate the proposal, without the express written permission of Motorola Solutions, Inc.

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# DETAILED PRICING

Motorola's system options will allow the City of El Paso to customize your system to maximize your budget. Our solution provides you with an extensive list of subscriber choices to choose the right equipment for each of your Police, Fire and City Agency service providers. These options, coupled with our competitive system pricing incentives, are further supported by our system financing options with below market rate to ensure the City of El Paso will be able to maximize your investment through Motorola.

As requested, the Revised Pricing has been prepared based on September 13, 2012 Proposal Review Meetings held on September 24, 2012 and follow up correspondence to October 4, 2012 to bring added value to the City of El Paso. The design complies with the Federal Engineering Technical Specification and takes into account a rapid implementation of the Project 25 system to provide a seamless transition for continued Public Safety operations. Motorola will continue to provide Value Engineering as a part of the Design Review Process after Contract Award to maximize the benefit for the City of El Paso.



# H.1 TABLE 1 - PROPOSAL PRICING SHEET SUMMARY

<b>System Components (Table H-2)</b>	<b>List Price</b>	<b>DIR Price</b>
System Control Equipment (Master and Prime Site COEP Special Refresh)		\$ 1,001,798.83
Remote Site Equipment		\$ 3,161,210.48
Dispatch Console Equipment (Less EPSO 6 Ops, Raynor Logging)		\$ 3,247,996.21
Temporary & Backup System		\$ 192,134.15
Other (Required per Tech. Spec.)		\$ 1,237,158.10
<b>Total Infrastructure</b>	<b>\$ 12,217,104.00</b>	<b>\$ 8,840,297.76</b>
<b>Services (Table H-3)</b>	<b>DIR Price</b>	<b>DIR Price</b>
Installation	\$ 762,193.14	\$ 762,193.14
Project Management	\$ 697,963.30	\$ 697,963.30
System Engineering & System Technologist	\$ 1,055,199.00	\$ 1,055,199.00
System Staging	\$ 405,623.00	\$ 405,623.00
Subscriber Programming and Installation	\$ 624,568.00	\$ 624,568.00
Coverage and Acceptance Testing	\$ 140,000.00	\$ 140,000.00
Documentation	\$ 37,385.00	\$ 37,385.00
Training	\$ 246,690.00	\$ 246,690.00
3 Year Warranty & Maintenance	Included	Included
Other (Required per Tech. Spec & COEP )	\$ 40,000.00	\$ 40,000.00
<b>Total Services</b>	<b>\$ 4,009,611.44</b>	<b>\$ 4,009,611.44</b>
Infrastructure Development Cost (Table H-4)	\$ 2,096,220.05	\$ 2,096,220.05
Subscriber Cost (Table H-5b) APX Specific Radio Packages	\$ 6,021,395.00	\$ 4,111,426.00
Recommended Subscriber Cost Savings for 109 Fire APX w/o AES/OTAR	\$ -	\$ (132,435.00)
<b>Total Proposal Price</b>	<b>\$ 24,344,330.49</b>	<b>\$ 18,925,120.24</b>
<i>Motorola's Compliant Total Proposal Price w Modifications 9/24/12</i>		
<i>Includes a 3 Year Warranty for All Equipment and Services</i>		
<b>Recommendations for the City of El Paso</b>		<b>Price</b>
Motorola Microwave PTP - 8 Links for Loop Design includes 3 Year Warranty, On Site Maintenance (Inside/Outside Design for Best Use)		\$ 806,007.00
Itemized Optional Spares for Maintainability and On Site Spares		\$ 267,603.76
Itemized ISSI/CSSI for State of Texas Manual Roaming	Itemized Separately	
<b>Optional Fire Station Alerting, FSA Mach Alert includes 3 Yr Warranty</b>	<b>UPDATED PRICE</b>	<b>\$ 1,532,166.00</b>
System Upgrade Assurance (SUA) ASTRO 7.13 Infrastructure, Years 4 - 6	Itemized Separately	
Service and Maintenance Extension for ASTRO 25 System, Years 4 - 6	Itemized Separately	
Service and Maintenance Extension for FSA, Years 4 - 6	Itemized Separately	
<b>Recommended Options Proposal Price</b>		<b>\$ 2,605,776.76</b>
<i>System Discount Bundle Tied to the Following Criteria valid thru 10/25/2012</i>		
<i>Customer Loyalty, Technology Refresh, License Transfer, Recycling &amp; Trade in of Legacy Infrastructure \$957,785.00</i>		\$ (957,785.00)
<i>Extended Console Promotion for CENTRACOM GOLD as Proposed \$270,000.00 which represents \$5,000 per each of the 54 City Consoles</i>		\$ (270,000.00)
<i>Discount for Trade In of Subscribers up to 959 Units by June 30, 2013</i>		\$ (239,750.00)
<i>Discount for Years 4-6 Service &amp; Maintenance, System Upgrade Assurance Agreement if Purchased with Initial Contract</i>	Itemized Separately	
<b>Total Recommended Discounted Proposal Price for 2012 thru Year 3</b>		<b>\$ 20,063,362.00</b>

Revised October 4, 2012  
 Use or disclosure of this proposal is subject to the restrictions on the section cover page.

City of El Paso  
 800MHz Project 25 Radio System Upgrade and Expansion

## Exhibit B

### Payment Schedule

The Contract Price in U.S. dollars is \$ 20,063,362.00. Except for a payment that is due on the Effective Date, Customer will make payments to Motorola within thirty (30) days after the date of each invoice. Customer will make payments when due in the form of a check, cashier's check, or wire transfer drawn on a U.S. financial institution and in accordance with the following milestones.

#### **Subscriber Equipment Payments: \$ 3,557,382.00**

Subscriber Equipment and Accessories will be billed 100% upon shipment to the City of El Paso, as shipped 100% payment of each shipment will be payable and due within 30 days after the date of each invoice.

#### **Fixed Network Equipment (FNE) Payments: \$ 16,505,980.00**

- 1) 10% due upon contract execution
- 2) 10% due upon completion of Design Review Acceptance
- 3) 40% due upon shipment of FNE equipment
- 4) 25% due upon installation of FNE equipment
- 5) 10% due upon Conditional Acceptance
- 6) 5% due upon Final System Acceptance

Motorola reserves the right to make partial shipments of equipment and to request payment upon shipment of such equipment. In addition, Motorola reserves the right to invoice for installations or civil work completed on a site-by-site basis, when applicable.

#### **System Upgrade Assurance (SUA) Payments: \$ 0.00**

System Upgrade Assurance will be billed as a Lump Sum due upon Final Acceptance, if purchased with the initial contract. System Upgrade Assurance will be billed annually in advance of service at the first of the fiscal year, if purchased subsequent to the initial contract. Adjustments may be made annually and agreed to in writing by both parties.

#### **Maintenance and Services Payments: \$ 0.00**

Contracted Maintenance and Services will be billed monthly in advance over the term of the Agreement. Adjustments may be made annually and agreed to in writing by both parties. For Services above contract, invoicing we be done monthly as incurred-



## El Paso Price Page to Payment Milestones

	Amounts from Price <u>Pages</u>	Subscriber Equipment Payments for Invoicing <u>proposes</u>	Fixed Network Equipment Payments for Invoicing <u>proposes</u>
Infrastructure	8,840,298		8,840,298
Services	4,009,611		4,009,611
Infrastructure Development	2,096,220		2,096,220
Subscribers	4,111,426	4,111,426	
Subscriber Cost Savings for 109 Fire APX w/o AES/OTAR	(132,435)	(132,435)	
<b>Proposal Pricing</b>	<b>18,925,120</b>		
Microwave PTP	806,007		806,007
Spares ISSI/CSSI	267,604 Separate		267,604
FSA	1,532,166		1,532,166
System Upgrade Assurance	Separate		
Service/Maintenance ASTRO (years 4-6)	Separate		
Service/Maintenance FSA (years 4-6)	Separate		
<b>Recommended</b>	<b>2,605,777</b>		
System Discount ( customer loyalty-Trade in)	(957,785)	(181,775)	(776,010)
Extended Console Promotion	(270,000)		(270,000)
Subscriber Trade in upto 959 units	(239,750)	(239,750)	
<b>Total</b>	<b><u>20,063,362</u></b>	<b><u>3,557,466</u></b>	<b><u>16,505,896</u></b>
Subscribers Before Discount	4,111,426	19%	
Fixed Network Before Discount	17,551,906	81%	
Discounts	<u>(1,599,970)</u>		
	<b>20,063,362</b>		

Revised October 4, 2012  
Use or disclosure of this proposal is subject  
to the restrictions on the section cover page.

#-H-4 Summary Pricing

City of El Paso  
800MHz Project 25 Radio System Upgrade and Expansion

Motorola Solutions Confidential Restricted 

## Exhibit C

### Scope & Terms and Conditions

Scope. Motorola Solutions, Inc. ("Seller") will sell to the City of El Paso, ("Customer") and the Customer will purchase from Seller the equipment and services related to the 800MHz P25 Radio Communications System described in Seller's Proposal dated **September 13, 2012 and revised pricing dated October 4, 2012**. The terms and conditions, set forth in DIR Contract No. DIR-SDD-1304 and Scope & Terms and Conditions, together with the Proposal, comprise the "Agreement." The Customer may indicate its acceptance of this Agreement by signing below. Only these terms and conditions apply to the transaction, notwithstanding any inconsistent or additional terms and conditions contained in the purchase order.

Price and Payment Terms. The Contract Price is U.S. **\$20,063,362.00** billed as per Exhibit B over the term of the Agreement, excluding applicable sales, use, or similar taxes and freight. Seller will submit invoices to Customer for equipment and services when they are performed.

Software. If this transaction involves software, any software owned by Seller ("Motorola Solutions Software") is licensed to Customer solely in accordance with Seller's Software License Agreement ("SLA"), which is attached as Exhibit A and incorporated herein by this reference. Any software owned by a third party ("Non-Motorola Software") is licensed to Customer in accordance with the standard license, terms, and restrictions of the copyright owner unless the owner has granted to Seller the right to sublicense its software pursuant to the SLA, in which case the SLA applies and the owner will have all rights and protections under the SLA as the Licensor. Seller makes no representations or warranties of any kind regarding Non-Motorola Software.

**Seller**

**Customer**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name and Title: \_\_\_\_\_

Name and Title \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



Exhibit D

System Acceptance Certificate

Customer Name: \_\_\_\_\_

Project Name: \_\_\_\_\_

This System Acceptance Certificate memorializes the occurrence of System Acceptance. Motorola and Customer acknowledge that:

1. The Acceptance Tests set forth in the Acceptance Test Plan have been successfully completed.
2. The System is accepted.

Customer Representative:

Motorola Representative:

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**FINAL PROJECT ACCEPTANCE:**

Motorola has provided and Customer has received all deliverables, and Motorola has performed all other work required for Final Project Acceptance.

Customer Representative:

Motorola Representative:

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## H.2 FINANCING OPTIONS

Motorola has provided financing information on the following pages.

## Municipal Lease-Purchase Agreement

**"The Affordability Advantage"** At Motorola Customer Financing, we specialize in designing funding programs specifically structured to meet our customer's cash flow and budget requirements.

### Program Elements

- Financing contracts can be match funded or advance funded depending on a customer's financial objectives:
  - ✓ Minimize interest rate risk.
  - ✓ Minimize total project cash flow.
  - ✓ Achieve annual budget.
- Payment frequency can be tailored to match the availability of customer fundings.
- Although the underlying financing structure typically incorporates a fixed rate, variable rates, graduated payment programs, and deferred payment plans can be offered to maximize a customer's alternatives.
- Construction period financing is available to accommodate the timing of milestone implementation and project duration.
- The lease obligation can be paid off during the financing period, free from any penalties.
- Every payment builds equity towards ownership.
- Title to the equipment transfers upon equipment acceptance.
- Unlike most bonds, a reserve/contingency fund is not required, thereby making the lease purchase highly competitive with bonds.
- Due to a non-appropriation clause, payments are usually classified as expense rather than debt.

### Financing Advantages

- Because interest payments from a qualifying government entity are exempt from federal income taxes, Motorola can share this benefit by offering lower interest rates.
- One-hundred percent (100%) of a project's acquisition cost can be financed.
- Facilitates the ease of doing business by offering the customer comprehensive single vendor solution.
- Accelerates the implementation of operational objectives allowing the entire system to be acquired today.
- Unlike general obligation bonds, the municipal lease purchase agreement may not require the need for voter approval, thereby shortening the acquisition cycle.
- Eliminates costly bond counsel, underwriting, printing, and other up front fees normally associated with issuing general obligation bonds.
- Provides for an additional source of financing by leaving existing credit lines and bond issuance capabilities undisturbed.
- Stretches limited public sector investment dollars by requiring future taxpayers to pay for the use of equipment as it is being used versus paying for the entire acquisition today.
- Spreads the cost over a shorter period than bond financing to more closely match the equipment's useful life.
- Can expedite the acquisition process for future add-on purchases.
- Acts as an inflation hedge against future product price and interest rate increases.
- May streamline asset administration by offering customized billing tailored to track inventory by radio unit, location, and department.

Please feel free to contact  
Paul Mecaskey (847) 538-3707 or Bill Stancik (847) 538-4531  
of Motorola Customer Financing to discuss these alternatives.



## **Motorola Customer Financing**

Motorola not only stands for the industry's highest quality communications systems, but also offers competitive solutions oriented financing programs. For the past 44 years, Motorola Customer Financing has provided governmental entities with funding solutions designed to facilitate the acquisition of essential public safety communications equipment. Since 1980, Motorola has committed to, entered into or arranged over \$8.7 billion of equipment finance transactions for its U.S. customers. Additionally, Motorola has privately placed in excess of \$2.3 billion of leases to third party financial institutions. Motorola Customer Financing recognizes that each opportunity presents unique issues and characteristics, therefore our approach involves understanding the City of El Paso's operational goals and financial objectives. A customized financing program is then developed.

By leveraging Motorola's financial strength and vendor alliances, City of El Paso will be able to secure *below market* interest rates through Motorola Solutions, Inc., while allowing existing credit lines and bond issuance capabilities to remain intact. As part of providing a comprehensive solution to the City's communications requirements, Motorola is pleased to present the following financing program for the acquisition of your Motorola 800 MHz Project 25 Communications solution.

The following describes Motorola's Municipal Lease Purchase Program.

### **Program Elements**

Because interest income earned in a Municipal Lease Purchase transaction with a qualifying governmental entity is exempt from federal income taxes, Motorola can share this benefit by offering *below market* interest rates.

The Municipal Lease Purchase Agreement usually will not require a voter approval, and unlike general obligation bonds, the Municipal Lease Purchase eliminates costly bond counsel, underwriting and other up front fees associated with the bond issuance.

Title to the communications equipment will pass to City of El Paso upon equipment acceptance.

Due to a Non Appropriation clause contained in the Municipal Lease Purchase Agreement, the payments due under the agreement is usually classified as a current expense rather than a debt.

A large system purchase or future equipment add-ons can be easily accommodated by executing equipment schedules which can be added to the Municipal Lease Purchase Agreement.

Total project financing can be achieved through the Municipal Lease Purchase Agreement by including installation, engineering services, program management, maintenance, delivery, and any tax into the agreement.



### **Program Features**

Motorola's billing process can capture key information to the project and provide City of El Paso with value added reporting to manage inventory, and to prorate project costs.

Payment frequency can be structured as monthly, quarterly, semi annually, or annually. We may be able to offer a structure that defers the 1<sup>st</sup> annual lease payment **twenty-four months** from contract execution.

Financing terms of up to **fifteen years**, for infrastructure components, can be quoted for Municipal Lease Purchase Agreements.

Through the use of step up or step down payment schedules or deferred payments, payments on the Municipal Lease Purchase Agreement can be tailored to match budget availability and timing.

Only the equipment outlined in this Motorola proposal will be eligible for the lease purchase.

City of El Paso will be responsible to insure the equipment as outlined in the Municipal Lease Purchase Agreement.

City of El Paso will be responsible for personal property, sales, leasing, use, stamp, or other taxes.

### **Documentation Requirements**

Equipment Lease Purchase Agreement	The Agreement must be executed by the person authorized to sign on behalf of the City of El Paso.
Opinion of Counsel	Reviewed and executed by the attorney representing the City
Schedule A	Outline of the equipment list and the payment amount to be signed and dated by the City.
Schedule B	Schedule of payment dates and amortization of payment amounts to be signed and dated by the City.
Evidence of Insurance	City to complete in full and sign.
Certificate of Incumbency	Certificate evidencing the authority of the signator to execute the Agreement and supporting schedules. The Clerk of the City and the signator of the Agreement execute this Certificate.
Statement of Essential Use	To be completed in full and signed by the City.
IRS Form 8038G	Reviewed and executed by the City. Motorola will file the form with the IRS.

UCC-1	Reviewed and executed by the City.
Tax Opinion	Provided by the City's Bond Counsel
Escrow Agreement	Upon commencement of the lease, the lease proceeds will be deposited in an interest bearing escrow account, with interest accruing for the benefit of the Lessee. Funds will be disbursed from the escrow account to satisfy the milestone billing obligations of the procurement contract.
Performance Bond	Performance Bond to name potential assignee as the "dual obligee" under the rider.
Tax Compliance Agreement	To be completed by City and No Arbitrage Certificate
Financing Commitment	Letter signed by the City that evidences the
Letter	City's intent to enter into a lease agreement with Lessor. Upon execution interest rate is locked.

The following information will need to be provided by the City:

Resolution approving	Please provide a copy of the vote authorizing and this Equipment Lease Purchase Agreement
Financial Statements	Please provide a copy of the last year's audited financial Statements from the City.

Motorola Solutions, Inc. is pleased to submit the following proposal for the financing of the 800 MHz Project 25 Communications solution.

Transaction Type:	Municipal Lease-Purchase Agreement
Quote Date:	October 4, 2012
Lessor:	Motorola Solutions, Inc. (or its assignee)
Lessee:	City of El Paso
Amount Financed:	<b><u>\$20,063,362.00</u></b>
Equipment:	As per the Motorola Equipment Proposal.
Title:	Title to the equipment will vest with Lessee.
Insurance:	Lessee will be responsible to insure the equipment as outlined in the lease contract.
Taxes:	Personal property, leasing, use, stamp, or other taxes are for the account of the Lessee.



Payment structures listed below are for annual, in arrears arrangements, with the 1<sup>st</sup> annual lease payment to commence **one year** from lease signing. Monthly, Semi-annual and Quarterly payments are available at the same interest rates as outlined above. This pricing is subject to the indexing language described below.

**10 Yr Option**

<b>Lease Term:</b>	Ten Years
<b>Payment Frequency:</b>	Annual
<b>Payment Structure:</b>	Arrears
<b>Lease Rate:</b>	<b>2.260%</b>
<b>Lease Factor:</b>	0.112429
<b>Lease Payment:</b>	<u>\$2,255,714.49</u>
<b>Payment Commencement:</b>	First payment due Sept 1, 2013.

Indexing arrangement –Non bank qualified structure 7 and 10 year terms

The Lease Payments shall be calculated using a rate of interest (“Lease Rate”) that is initially indexed to the seven (7 )and ten (10) year average life Interest Rate Swap (the “Index Rate”) as reported on the Federal Reserve Statistical Release H.15 Report. The average life Interest Rate Swap corresponds to the respective lease term. The H.15 Report can be accessed at the Federal Reserve Bank web site: [www.federalreserve.gov/releases/h15/](http://www.federalreserve.gov/releases/h15/). On the Commitment Date, the final Lease Rate will be calculated by taking the Index Rate for that date from the H.15 Report, plus a spread of 1.80% and multiplying the sum of those two numbers by .64 to calculate the Lease Rate for the 7 year term. The rate for the 10 year term will be calculated by taking the Index Rate for that date from the H.15 Report, plus a spread of 2.57% and multiplying the sum of those two numbers by .64. The rates are then fixed for the full term of the Lease.

The following H.15 average life Index Rates were in place at the approximate time this quote was issued:

7 year: .68%

10 year: 1.06%

***THIS PROPOSAL SHOULD NOT BE VIEWED AS A COMMITMENT TO FINANCE, IT IS SUBJECT TO FORMAL MOTOROLA SOLUTIONS, INC. CREDIT COMMITTEE APPROVAL AND THE RECEIPT OF A MUTUALLY ACCEPTABLE LEASE CONTRACT. THE INDEXING METHODOLOGY OUTLINED ABOVE IS VALID FOR CONTRACT ENTERED INTO BY OCTOBER 30, 2012. AFTER 10/30/2012 THE INDEX IS SUBJECT TO ADJUSTMENT. PLEASE FEEL FREE TO CONTACT BILL STANCIK AT 847 538-4531 IF THERE ARE ANY QUESTIONS OR IF AN ALTERNATE STRUCTURE IS REQUIRED.***



# H.3 TEXAS DIR CONTRACTUAL DOCUMENTATION

## Exhibit A

Contract Documents as posted on Texas DIR Website for Motorola Solutions, Inc. (115 Pages)



**TECHNOLOGY IN TEXAS**  
Leadership, Solutions, Savings for Government and Education

Dept. of Information Resources

All  Go >

Home Co-op Contracts Texas.gov Security Data Center CTS IT Leadership About DIR Contact Us

### ICT Cooperative Contracts

Information and Communications Technology

Increase Your Technology Buying Power today

<b>Motorola Solutions, Inc. formerly Motorola, Inc.</b>		<b>DIR Contract Number</b>	DIR-SDD-1304
<b>URL</b>	<a href="#">Vendor Website</a>	<b>Contract Term End Date</b>	12/21/2013
<b>Vendor ID</b>	1361115800000	<b>Contract Exp Date</b>	12/21/2013
<b>HUB Type</b>	Non HUB		

<b>Motorola Solutions, Inc. formerly Motorola, Inc.</b>	<b>DIR</b>
Contact <a href="#">Brice Shelton</a>	Contact <a href="#">Lisa Maldonado</a>
Phone (512) 516-8649	Phone (512) 463-5662
Fax 512-427-7295	Fax (512) 475-4759

#### How to Order

1. For product and pricing information, visit the [Motorola Solutions, Inc. formerly Motorola, Inc. website](#) or contact [Brice Shelton](#) at (512) 516-8649.
2. Generate a purchase order, made payable to Motorola Solutions, Inc. formerly Motorola, Inc.. You must reference the DIR Contract Number **DIR-SDD-1304** on your purchase order.
3. E-mail or Fax your purchase order and quote form to your designated vendor sales representative.

#### Contract Overview

DIR negotiates pricing for a quantity of one. Customers are encouraged to negotiate additional discounts based on volume.

#### Available Brands

Motorola