

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: March 16, 2017

CAO File No. 0220-05291-0048

Council File No.

Council District: ALL

To: The Mayor  
The Council

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer

Reference: Purchasing Agent Contract with Motorola Solutions, Inc.

Subject: **EQUIPMENT LEASE-PURCHASE FINANCING OF REPLACEMENT RADIOS**

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### RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the Los Angeles Police Department to acquire an additional 1,500 vehicle radios for specialized vehicles;
2. Authorize the Los Angeles Fire Department to acquire an additional 500 handheld radios for training purposes, reserves in the event of loss or damage, and specialized assignments;
3. Adopt a Resolution authorizing the City to enter into an Equipment Lease-Purchase Agreement and various other related documents with Motorola Solutions, Inc. with a not-to-exceed principal amount of \$64.5 million to finance the acquisition of 11,500 police handheld radios, 4,500 police vehicle radios, 3,500 fire handheld radios and related equipment necessary to operate the radios;
4. Authorize the City Administrative Officer to negotiate and execute the Equipment Lease-Purchase Agreement and various other related documents;
5. Authorize the City Administrative Officer to make technical corrections and adjustments as necessary to implement the Mayor and City Council intentions.

### SUMMARY

The 2016-17 Adopted Budget authorized the acquisition of 11,500 police handheld radios, 3,000 police vehicle radios, and 3,000 fire handheld radios for an estimated cost of up to \$91 million through a multi-year financing plan. Subsequently, the Los Angeles Police Department (LAPD) identified a need to replace an additional 1,500 radios in their specialized unit vehicles because

the life cycle of the current radios is near its end. Similarly, the Los Angeles Fire Department (LAFD) identified a need to replace an additional 500 radios for training purposes, reserves in the event of loss or damage, and specialized assignments. This report requests authorization to increase the number of radios to be acquired to meet the operational needs of LAPD and LAFD. The new radios will meet Federal standards for interoperability and communicate in the 700/800 MHz frequency range in compliance with a 2020 Federal mandate. The radio communication systems are essential to the performance of the duties of LAPD and LAFD. As the existing radio communication systems are nearing or have exceeded their useful life, the acquisition of the equipment and replacement of the current radio systems across the entire organization is urgently needed for LAPD and LAFD to continue to effectively perform their duties and for the preservation of officer safety and the safety of the community.

After the technical comparison and user field testing were completed, the LAPD requested Motorola Solutions and Harris/Dailey-Wells to submit their best financing offer which was required to include five payments with the first payment due two years after contract execution. The total cost from Motorola Solutions is lower than Harris/Dailey-Wells by approximately \$270,500. Motorola Solutions is offering the City a municipal lease-purchase financing option to lease radios over a six-year period with an option to purchase. The total lease payments equal \$64.5 million with the first payment due two years after contract execution and annually thereafter. The total lease payments include interest costs totaling approximately \$7.5 million. The discount rate applied is approximately 2.9 percent. Annual lease payments of \$12.9 million will begin in Fiscal Year 2018-19. The final lease payment will be in Fiscal Year 2022-23. The lease payments will be made from the Capital Finance Administration Fund.

Motorola's proposal is valid through March 30, 2017. If the City does not execute the municipal lease-purchase agreement and the related documents by March 30, 2017, the pricing quote is subject to change. The current pricing quote from Motorola includes a "Q1 order and partial shipment discount" of \$2.5 million. If the order is placed after the first quarter, the City may lose this discount.

To proceed with this lease financing, the Mayor and City Council will need to adopt the Authorizing Resolution (Attachment A), which incorporates the Equipment Lease Purchase Agreement (Attachment B).

This municipal lease-purchase financing will not cause the City's debt service payments to exceed six percent of General Revenues for non-voted approved debt as established in the City's Financial Policies, Debt Management Section. These recommendations are in compliance with the City's Financial Policies.

## **BACKGROUND**

LAPD currently utilizes Motorola handheld and vehicle radios for all operational communications. This radio system is nearing the end of its life cycle and needs to be replaced across the entire organization. LAFD currently utilizes Motorola handheld radios for all operational communications. This radio system has exceeded the end of its life cycle, is no longer supported,



and needs to be replaced across the entire organization.

LAPD and LAFD with the assistance of GSD and City Attorney determined it was most appropriate to use existing Purchasing Agent contract(s) to procure these radios. The City currently has existing contracts with Motorola Solutions and Harris/Dailey-Wells. Though both vendors have existing contracts in place, a comprehensive review was conducted to determine which radios best suited the needs and requirements of LAPD and LAFD.

Motorola Solutions and Harris/Dailey-Wells agreed to a side-by-side technical comparison and user field test. Both vendors provided 30 market ready radios, staff to assist with training, technical experts, and presented a comprehensive overview of the functionality of their proposed solutions to a group of City personnel comprised of the LAPD, LAFD, and the Information Technology Agency. The evaluation was separated into three specific categories: 1) technical specification, 2) user experience, and 3) facility support. As a result, LAPD and LAFD overwhelmingly preferred the radios produced by Motorola Solutions. For more details regarding the technical comparison and field testing evaluation, please see the attached correspondence from the Chief of Police to the Board of Police Commissioners, dated March 8, 2017, entitled "Update Report Regarding Financing Agreement with Motorola Solutions, Inc., for Portable and Handheld Radios" (Attachment C).

## **FISCAL IMPACT STATEMENT**

The recommended actions would commit the City to pay Motorola approximately \$64.5 million over six years, with the first lease payment commencing two years after the execution of the lease. Each annual lease payment of \$12.9 million will begin in Fiscal Year 2018-19 and will be paid from funds in the Capital Finance Administration Fund. The final lease payment will be in Fiscal Year 2022-23.

*RHL:HTT:09170121*

## **Attachments**

Attachment A – Authorizing Resolution

Attachment B – Equipment Lease-Purchase Agreement

Attachment C – LAPD Correspondence, dated March 8, 2017, entitled "Update Report Regarding Financing Agreement with Motorola Solutions, Inc., for Portable and Handheld Radios"

Attachment A  
Authorizing Resolution

**RESOLUTION OF THE CITY OF LOS ANGELES APPROVING OF THE  
ACQUISITION OF CERTAIN EQUIPMENT AND AUTHORIZING THE  
EXECUTION AND DELIVERY OF AN EQUIPMENT-LEASE PURCHASE  
AGREEMENT AND OTHER MATTERS RELATED THERETO**

**WHEREAS**, the City of Los Angeles (the "City") is a municipal corporation duly organized and existing pursuant to its charter and the Constitution and laws of the State;

**WHEREAS**, the Council of the City (the "Council") is the governing body of the City;

**WHEREAS**, the Los Angeles Police Department ("LAPD") and the Los Angeles Fire Department ("LAFD") have determined that their current radio systems are nearing the end of their life cycle or have exceeded the end of their life cycle, and need to be replaced across the entire organization;

**WHEREAS**, the 2016-17 Adopted Budget authorized the acquisition of handheld radios and vehicle radios for LAPD and LAFD at an estimated cost up to a maximum of \$91 million;

**WHEREAS**, following a field tests of radios from Motorola Solutions, Inc. and Dailey-Wells Communications, LAPD and LAFD determined that it was more preferable to acquire 11,500 police handheld radios, 4,500 police vehicle radios and 3,500 fire handheld radios (the "Equipment") from Motorola Solutions, Inc. pursuant to a purchasing agent contract;

**WHEREAS**, the acquisition of the Equipment and replacement of the current radio systems across the entire organization is urgently needed for LAPD and LAFD to continue to effectively perform their duties and for the preservation of officer safety and the safety of the community;

**WHEREAS**, the Council has determined that a need exists for the acquisition of such Equipment; and

**WHEREAS**, to assist in the financing of such Equipment, the City desires to enter into an Equipment Lease-Purchase Agreement (including the attachments and schedules thereto, the "Lease Agreement") with Motorola Solutions, Inc., a form of which has been prepared and submitted to this meeting;

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE  
CITY OF LOS ANGELES AS FOLLOWS:**

Section 1. The recitals herein contained are true and correct and the Council so finds.

Sec. 2. The acquisition of the Equipment is in the best interests of the City and is hereby approved.

Sec. 3. The Lease Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved. Each of the City Administrative Officer or any Assistant City Administrative Officer or a designee thereof (the "Authorized Officers") is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the City, to execute and deliver the Lease Agreement in substantially said form, and the City Clerk is authorized to attest thereto, with such changes, insertions and omissions therein as the Authorized Officer executing the Lease Agreement shall approve as he or she believes is in conformity with the interests of the City, and as approved as to form by the City Attorney, any Assistant City Attorney or Deputy City Attorney, such approval to be conclusively evidenced by such Authorized Officer's execution and delivery of the Lease Agreement with such changes, insertions and omissions; provided, however, that such changes, insertions and omissions shall not result in (a) the aggregate principal amount of the lease payments being greater than \$64,500,000, or (b) the term of the Lease Agreement ending later than seven years from the commencement date of the Lease Agreement (provided that such term may be extended as provided in the Lease Agreement).

Sec. 4. All prior acts and doings of the officials, agents and employees of the City which are in conformity with the purpose and intent to this Resolution and in furtherance of the acquisition of the Equipment, shall be and they are in all respects ratified, approved and confirmed.

Sec. 5. Each Authorized Representative is hereby authorized and directed, for and on behalf of the City, to execute and deliver any and all documents necessary or appropriate, and to take any and all actions necessary or desirable, to carry out the transactions contemplated by this Resolution, including but not limited to the execution and delivery of an arbitrage and tax certificate, all upon such terms as shall be satisfactory to such Authorized Representative.

Sec. 6. This Resolution shall take effect immediately upon its passage.

I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting held on \_\_\_\_\_.

HOLLY L. WOLCOTT, City Clerk

By \_\_\_\_\_  
Deputy



Attachment B  
Equipment Lease-Purchase Agreement

**EQUIPMENT LEASE-PURCHASE AGREEMENT**  
**Draft Version**

Lease Number: [\_\_\_\_\_]

LESSEE:

CITY OF LOS ANGELES  
200 North Spring Street  
Los Angeles, CA 90012

LESSOR:

MOTOROLA SOLUTIONS, INC  
500 West Monroe St.  
Chicago, IL 60661

This Equipment Lease-Purchase Agreement, together with Attachment A and Schedules A, B and C attached hereto and incorporated herein by this reference (collectively, this "*Equipment Lease*") sets forth the terms and conditions under which Lessor hereby leases to Lessee, and Lessee hereby accepts and leases from Lessor, certain equipment as described in Schedule A attached hereto (the "*Equipment*"). Items of equipment may be added to the Equipment from time to time by the parties' execution of amendments to this Equipment Lease.

The Equipment described in this Equipment Lease is being acquired by Lessee from Motorola Solutions, Inc, as vendor ("*Vendor*") pursuant to a purchasing agent contract by and between Vendor and Lessee and a related contract purchase order executed by Vendor and Lessee (the "*Procurement Contract*"). The Lessor has agreed to credit \$64,500,000 (the "*Funded Amount*") on the Commencement Date (as defined below) to an account held by Lessor in favor of Lessee to pay the acquisition price of the Equipment (the "*Acquisition Account*"). As set forth below, upon delivery and acceptance by the Lessee of any portion of the Equipment under the terms and conditions set forth below, the Lessor will debit the Acquisition Account for the acquisition price of such Equipment so accepted. Lessee is entering into this Equipment Lease in consideration of Lessor making the Funded Amount available to pay the acquisition price of the Equipment.

1. *Lease Term.* This Equipment Lease will become effective and will commence upon the execution hereof by Lessor and Lessee on [\_\_\_\_\_], 2017 (the "*Commencement Date*") and will remain in effect through the Lease Term (as hereinafter defined). Interest, if any, commences to accrue under this Equipment Lease on the date on which the Funded Amount is credited to the Acquisition Account. The term of this Equipment Lease will terminate upon the first to occur of: (a) the exercise by Lessee of the option to prepay the Lease Payments under Section 18 hereof, (b) Lessor's election to terminate this Equipment Lease upon an Event of Default under Section 16 hereof, (c) the payment by Lessee of all sums required to be paid by Lessee hereunder or (d) [\_\_\_\_\_], 2023, which is the final scheduled Lease Payment due date set forth on Schedule B attached hereto, unless such date and the corresponding term of this Equipment Lease shall be extended for a period equal to the period the obligation to make Lease Payments was abated pursuant to Section 12 hereof, but in no event shall the term of this Equipment Lease be extended later than the then remaining economic useful life of the

Equipment, as originally represented by the Lessor in Section 6 hereof or as later certified by the Lessor to the Lessee in writing (the "*Lease Term*").

2. *Lease Payments; Covenant to Budget and Appropriate.* (a) Subject to Sections 12 and 18 of this Equipment Lease, Lessee agrees to pay to Lessor or its Assignee, as rental for the beneficial use and enjoyment of the Equipment during each Rental Period, the Lease Payments (herein so called) in the amounts specified in Schedule B attached hereto. As used herein, "Rental Period" means each twelve-month period during the Lease Term, in the case of the first Rental Period, commencing on the Commencement Date and ending on the day immediately preceding the first Lease Payment due date set forth on Schedule B attached hereto and thereafter, commencing on each Lease Payment due date set forth on Schedule B attached hereto and ending on the day immediately preceding the next succeeding Lease Payment due date set forth on Schedule B attached hereto. The Lease Payments will be payable without notice or demand at the office of the Lessor (or such other place as Lessor or its assignee may from time to time designate in writing), and will commence on the first Lease Payment due date set forth on Schedule B attached hereto (the "*Lease Payment Commencement Date*") and thereafter on each of the Lease Payment due dates set forth in Schedule B attached hereto. Lessee agrees to pay the Lease Payments from Legally Available Funds (as hereinafter defined), and represents that any such Lease Payments shall constitute fair consideration for the beneficial use and enjoyment of all Equipment delivered and accepted and made available for Lessee's beneficial use and enjoyment for each respective Rental Period. Each Lease Payment for the Equipment shall be payable in any Rental Period only to the extent Lessee has the beneficial use and enjoyment of the Equipment during such Rental Period. Delivery and acceptance of any portion of the Equipment shall be evidenced by the execution and delivery by Lessee of a Delivery and Acceptance Certificate substantially in the form attached hereto as Schedule C. Upon delivery and acceptance by the Lessee of any portion of the Equipment, the Lessor will debit the Acquisition Account for the acquisition price of such Equipment so accepted. Any Lease Payment received later than ten (10) days from the Lease Payment due date set forth in Schedule B attached hereto will bear interest at a rate of 6% per annum from such Lease Payment due date until paid.

(b) So long as Lessee has the right to the beneficial use and enjoyment of the Equipment, and subject to Section 12 of this Equipment Lease, the obligations of Lessee to make Lease Payments for the Equipment or pay any other amounts due hereunder, and to perform and observe covenants and agreements contained therein, shall be absolute and unconditional under any and all circumstances subject to the terms and conditions of this Equipment Lease and without notice or demand by Lessor, notwithstanding any dispute between or among Lessee and Lessor, the Vendor, the manufacturer, seller or supplier of the Equipment or any other person.

***(c) Lessee's obligation to make Lease Payments or pay any other amounts due hereunder, subject to the terms and conditions of this Equipment Lease, shall constitute a current obligation payable exclusively from any funds that the governing body of Lessee duly appropriates or are otherwise legally available for the purpose of making such payments (the "Legally Available Funds"), and shall not be construed to be an indebtedness within the meaning of any applicable constitutional or statutory debt limitation or requirement. Lessee***

***has not pledged its full faith and credit or its taxing power to make any Lease Payments or pay any other amounts due hereunder.***

(d) Lessee hereby covenants to take such action as is necessary under the laws applicable to Lessee to budget for and include and maintain funds sufficient and available to discharge its obligation to meet all Lease Payments due hereunder in each of its fiscal years throughout the Lease Term. In so providing for the payment of Lease Payments in its annual budgets, Lessee may take into account Legally Available Funds (including the net proceeds of insurance) that are properly available to make such Lease Payments. The covenants on the part of Lessee herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the duty of each and every public official of Lessee to take such action and do such things as are required by law in the performance of the official duty of such officials to enable Lessee to carry out and perform the covenants and agreements agreed to be carried out and performed by Lessee in this Equipment Lease.

(e) Lessee shall not assert any right of set-off, defense, counterclaim, or recoupment for any reason whatsoever with respect to this Equipment Lease, except that Lessee may assert any right of set-off available to it as specifically provided in Section 264 of the City of Los Angeles Charter. To the extent permitted by applicable law, Lessee hereby waives any and all rights that it may now have or that at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Equipment Lease or any of the items of Equipment except in accordance with the express terms hereof.

(f) Such payments of Lease Payments and other amounts payable hereunder during the Lease Term shall constitute the total rental for each Rental Period during the Lease Term and shall be paid by Lessee in each Rental Period for and in consideration of the right of beneficial use and enjoyment of the Equipment during each such Rental Period for which said rental is to be paid. The parties hereto have agreed and determined that such Lease Payments payable for each Rental Period represents no more than the fair rental value of the Equipment for each such Rental Period. In making such determination, consideration has been given to costs of acquisition, installation and financing of the Equipment, other obligations of the parties hereunder, the uses and purposes which may be served by the Equipment and the benefits therefrom which will accrue to Lessee and the general public.

3. *Delivery and Acceptance.* Lessor will cause the Equipment to be delivered to Lessee at [\_\_\_\_], Los Angeles, California ("*Equipment Location*"). Lessee will accept the Equipment for purposes of this Equipment Lease as soon as it has been delivered and is operational. Lessee will evidence its acceptance of the Equipment by executing and delivering to Lessor a Delivery and Acceptance Certificate with respect thereto. Notwithstanding the foregoing, if Lessee fails to execute and deliver a Delivery and Acceptance Certificate as provided herein, and if Lessor believes the Equipment has been delivered and is operational, Lessor may require Lessee to notify Lessor in writing (within five (5) days of Lessor's request) whether or not the Equipment has been delivered and is operational. If Lessee fails to so respond within such five (5) day period, Lessee will be deemed to have accepted the Equipment and be deemed to have acknowledged that the Equipment was delivered and is



operational as if Lessee had in fact executed and delivered to Lessor a Delivery and Acceptance Certificate.

4. *Disclaimer of Warranties; Limitation of Liability.* Lessee acknowledges that the Equipment is being manufactured and installed by the Vendor and in connection therewith, Vendor is providing to Lessee a five year extended warranty with respect to the Equipment and is also providing to Lessee a service and maintenance plan with respect to the Equipment. Lessee acknowledges that on or prior to the date of acceptance of the Equipment, Lessor intends to sell and assign Lessor's right, title and interest in and to this Equipment Lease and the Equipment to an assignee subject to the limitations set forth in Section 15 of this Equipment Lease (such assignee, and any future assignee of Lessor's right, title and interest in and to this Equipment Lease, is hereinafter referred to as an "*Assignee*"). LESSEE FURTHER ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY SET FORTH IN THE PROCUREMENT CONTRACT, NEITHER LESSOR NOR ANY ASSIGNEE MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE OR KIND WHATSOEVER, AND AS BETWEEN LESSEE, ON ONE HAND, AND LESSOR OR ANY ASSIGNEE, ON THE OTHER, THE EQUIPMENT SHALL BE ACCEPTED BY LESSEE "AS IS" AND "WITH ALL FAULTS". LESSEE AGREES TO SETTLE ALL CLAIMS DIRECTLY WITH VENDOR AND WILL NOT ASSERT OR SEEK TO ENFORCE ANY SUCH CLAIMS AGAINST ANY ASSIGNEE. NEITHER LESSOR NOR ANY ASSIGNEE SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER AS A RESULT OF THE LEASE OF THE EQUIPMENT, INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, PROPERTY DAMAGE OR LOST PRODUCTION WHETHER SUFFERED BY LESSEE OR ANY THIRD PARTY. Lessee covenants and agrees not to assert against any Assignee any claims or defenses by way of set-off, counterclaim, recoupment or the like which Lessee may have against Vendor, except that Lessee may assert any right of set-off available to it as specifically provided in Section 264 of the City of Los Angeles Charter. Neither Lessor nor any Assignee is responsible for, and neither Lessor nor any Assignee shall be liable to Lessee for, damages relating to loss of value of the Equipment for any cause or situation (including, without limitation, governmental actions or regulations or actions of other third parties).

5. *Lessee's Representations and Warranties.* Lessee represents, warrants and covenants on the Commencement Date that: (a) Lessee is a state or a duly constituted political subdivision or agency of the state where the Equipment is to be located; (b) the execution, delivery and performance by the Lessee of this Equipment Lease has been duly authorized by all necessary action on the part of the Lessee; (c) this Equipment Lease constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms; (d) Lessee will comply with the information reporting requirements of Section 149(e) of the Internal Revenue Code of 1986, as it may be amended from time to time (the "*Code*"), and such compliance shall include but not be limited to the execution of information statements requested by Lessor; (e) Lessee will be the only entity to own, and Lessee's employees will be the only persons to use and operate, the Equipment during the Lease Term; (f) Lessee will do or cause to be done all things necessary to preserve and keep this Equipment Lease in full force and effect, (g) Lessee has complied with all applicable local, state and federal laws including without limitation laws regarding open meetings and public bidding, and by due notification presented this Equipment Lease and each Lease for approval and adoption as a valid obligation on its part, (h) Lessee has or will have sufficient funds available to pay all amounts hereunder as and when due and (i) the Equipment

will be used for one or more authorized governmental or proprietary functions essential to Lessee's proper, efficient and economic operation.

6. *Tax and Arbitrage Representations.* Lessee further represents on the Commencement Date as follows: (a) the estimated total costs of the Equipment will not be less than the total principal portion of the Lease Payments set forth in Schedule B attached hereto; (b) no proceeds of this Equipment Lease will be used to reimburse Lessee for expenditures made more than 60 days prior to the Commencement Date or, if earlier, more than 60 days prior to any official action taken to evidence an intent to finance on a federally tax-exempt basis; (c) Lessee has not created or established, and does not expect to create or establish, any sinking fund or similar fund (i) that is reasonably expected to be used to pay the Lease Payments, or (ii) that may be used solely to prevent a default in the payment of the Lease Payments; (d) the Equipment has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in part, prior to the last maturity of Lease Payments set forth on Schedule B attached hereto; (e) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, this Equipment Lease to be an arbitrage bond within the meaning of Section 148(a) of the Code; (f) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, this Equipment Lease to be a private activity bond within the meaning of Section 141(a) of the Code; (g) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the interest portion of the Lease Payments to be or become includable in Lessor's gross income for Federal income taxation purposes under the Code and (h) the Equipment has been ordered or is expected to be ordered within six (6) months of the Commencement Date, and all amounts credited by Lessor to the Acquisition Account to pay the acquisition price of the Equipment will be expended on costs of the Equipment and the financing within three (3) years of the Commencement Date.

Lessor represents on the date hereof that the economic useful life of the Equipment is not less than eight (8) years. Lessor acknowledges that the representation contained in the preceding sentence will be relied upon by Lessee in making certain of the representations contained in the Arbitrage and Tax Certificate delivered by the Lessee to the Lessor in connection with this Equipment Lease, and Lessor further understands that bond counsel to Lessee may rely upon the representation contained in the second preceding sentence, among other things, in providing an opinion with respect to the exclusion from gross income of the interest portion of the Lease Payments pursuant to Section 103 of the Code. Lessor shall provide a representation substantially in the form, and an acknowledgement substantially in the form, set forth in the preceding sentence to Lessee as to the economic useful life of any items of equipment added to the Equipment from time to time.

Lessee acknowledges that any breach by Lessee of the covenants contained in Section 5 or this Section 6 of this Equipment Lease may cause the interest portion of Lease Payments to become includable in gross income of the owner or owners thereof for federal income tax purposes. Upon an Event of Taxability, notwithstanding anything to the contrary contained in Section 11 of this Equipment Lease, Lessee agrees to pay promptly after any such Event of Taxability and on each Lease Payment due date set forth on Schedule B attached hereto thereafter to Lessor an amount equal to the difference between (A) the amount of the interest

portion of such Lease Payment that would have been paid to the Lessor during the period for which the interest portion of such Lease Payment is includable in the gross income of the Lessor if such interest portion had been calculated at a rate equal to the Taxable Gross Up Rate, beginning on the Taxable Date (the "Taxable Period"), and (B) the amount of the interest portion of such Lease Payment actually paid to the Lessor during the Taxable Period. As used above, "Event of Taxability" means any breach by Lessee of the covenants contained in Section 5 or this Section 6 of this Equipment Lease which has the effect of causing the interest portion of Lease Payments to become includable, in whole or in part, in the gross income of the Lessor for federal income tax purposes. "Taxable Date" means the date on which the interest portion of Lease Payments is first includable in gross income of the Lessor as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability. "Taxable Gross-Up Rate" means, with respect to a Taxable Period, the product of (i) the rate utilized to establish the interest portion of Lease Payments during such period and (ii) 1.54. "Determination of Taxability" means and shall be deemed to have occurred on the first to occur of the following: (i) on the date when Lessee files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred; (ii) on the date when the Lessor has received written notification from Lessee, supported by a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax exempt municipal finance, to the effect that an Event of Taxability has occurred; (iii) on the date when Lessee shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that based upon filings of Lessee (or a statutory notice of deficiency, or a document of substantially similar import), or upon any review or audit of Lessee or upon any other ground whatsoever, an Event of Taxability shall have occurred; or (iv) on the date when Lessee shall receive notice from the Lessor that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Lessor the interest portion of any Lease Payment due to the occurrence of an Event of Taxability; *provided, however,* no Determination of Taxability shall occur under subparagraph (iii) or (iv) above unless Lessee has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined. Notwithstanding anything herein to the contrary, any additional amount payable by Lessee pursuant to this Section 6 shall be payable solely from Legally Available Funds, subject to Section 12 of this Equipment Lease.

7. *Title to Equipment; Security Interest.* It is Lessor's and Lessee's intention that this Equipment Lease not constitute a "true" lease for federal income tax purposes and, therefore, it is Lessor's and Lessee's intention that Lessee be considered the owner of the Equipment for federal income tax purposes. Upon delivery of any Equipment to Lessee hereunder, title to such Equipment will vest in Lessee, subject to the rights of Lessee hereunder, unless Lessor (or its Assignee) terminates this Equipment Lease pursuant to Section 17 hereof, in which event title to such Equipment shall immediately vest in Lessor (or its Assignee) free and clear of any right, title or interest of Lessee. In order to secure all of its obligations hereunder, Lessee hereby (x) grants to Lessor a first priority security interest in any and all right, title and interest of Lessee in the Equipment and in all additions, attachments, accessions, and substitutions thereto,

and on any proceeds therefrom; (y) agrees that Lessor or any Assignee may file such financing statements as necessary to evidence or perfect such security interest; and (z) agrees to execute and deliver all financing statements, certificates of title and other instruments reasonably requested by Lessor or any Assignee to evidence such security interest. Upon payment of all of the Lease Payments as the same become due and payable, Lessor will transfer any and all of its right, title and interest in all of the Equipment to Lessee "AS IS", WITHOUT WARRANTY, express or implied, except that the Equipment shall be free and clear of any liens created by Lessor.

8. *Use; Repairs.* Lessee will use the Equipment in a careful manner for the use contemplated by the manufacturer of the Equipment and shall comply with all laws, ordinances, insurance policies and regulations relating thereto, and will pay all costs, claims, damages, fees and charges arising out of the possession, use or maintenance of the Equipment. Lessee, at its expense, will keep the Equipment in good repair and furnish all parts, mechanisms and devices required therefor. Vendor is providing to Lessee a five year extended warranty with respect to the Equipment and is also providing to Lessee a service and maintenance plan with respect to the Equipment, and Lessee intends to satisfy its obligations under this Section 8 with such warranty and service and maintenance plan.

9. *Alterations.* Lessee will not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent unless such alterations, additions or improvements may be readily removed without damage to the Equipment.

10. *Location; Inspection.* The Equipment will not be removed from the Equipment Location without Lessor's prior written consent, which will not be unreasonably withheld; provided that any items of Equipment that are intended by design to be a mobile piece of technology or are installed in motor vehicles may be moved within the continental U.S. without consent, but the permanence base will remain the Equipment Location. Lessor will be entitled to enter upon the Equipment Location or elsewhere during reasonable business hours to inspect the Equipment or observe its use and operation.

11. *Liens and Taxes.* Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances, except those created hereunder. Lessee shall pay, when due, all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, excluding however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes, Lessee shall reimburse Lessor therefor within thirty (30) days of written demand as additional rental in addition to the Lease Payments.

12. *Loss of Use or Enjoyment; Rent Abatement; Risk of Loss, Damage or Destruction.*  
(a) If there is substantial interference with or loss of Lessee's beneficial use or enjoyment of the Equipment hereunder, Lease Payments due hereunder shall be abated such that the resulting Lease Payments in any Rental Period during which such interference continues does not exceed the fair rental value of such Equipment then available for Lessee's beneficial use and enjoyment. Lessee hereby waives the benefits of California Civil Code Sections 1932(1), 1932(2) and



1933(4) and any and all other rights to terminate this Equipment Lease by virtue of any such interference, and this Equipment Lease shall continue in full force and effect. Lessee shall notify Lessor in writing of any threat to its beneficial use or enjoyment of the Equipment within fifteen (15) days after it learns of such threat. The obligation to make full Lease Payments with respect to any Equipment shall recommence as of the date Lessee has regained beneficial use and enjoyment of such Equipment, and the provisions of this Equipment Lease, including, but not limited to, dates on which Lease Payments are due as set forth on Schedule B attached hereto, shall be extended for a period equal to the period the obligation to make Lease Payments was abated.

(b) All risk of loss, damage, theft or destruction to each item of Equipment shall be borne by Lessee. No such loss, damage, theft or destruction of the Equipment, in whole or in part, shall impair the obligations of Lessee hereunder, all of which shall continue in full force and effect, subject, however, to Section 12(a) hereof. In the event of damage to any item of Equipment, Lessee will immediately place the same in good repair with the proceeds of any insurance recovery applied to the cost of such repair. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee at the option of Lessor will either (i) replace the same with like equipment in good repair such that the fair rental value of such Equipment (including such replacement Equipment) then available for Lessee's beneficial use and enjoyment under this Equipment Lease is not less than the fair rental value of the original Equipment subject to this Equipment Lease; or (b) on the next Lease Payment due date, pay Lessor the Lease Payment due on such Lease Payment due date plus an amount equal to the portion of the then applicable Balance Payment set forth on Schedule B attached hereto allocable to such Equipment so lost, stolen, destroyed or damaged beyond repair under Section 18 hereof. Lessee is mitigating such risk of loss, damage, theft or destruction by maintaining the insurance required by Section 13 of this Equipment Lease.

13. *Insurance; Rental Interruption.* (a) Lessee will, at its expense, maintain at all times during the Lease Term, fire and extended coverage, public liability and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers as shall be satisfactory to Lessor, or Lessee may self-insure against any or all such risks. All insurance or self-insurance covering loss of or damage to the Equipment shall be carried in an amount no less than the amount of the then applicable Balance Payment set forth on Schedule B attached hereto. The initial amount of insurance or self-insurance required shall be as set forth in Schedule B attached hereto. Each insurance policy, if any, will name Lessee as an insured and Lessor or its Assignees as an additional insured, and will contain a clause requiring the insurer to give Lessor prior written notice of any alteration in the terms of such policy or the cancellation thereof as permitted under the terms of such policy. The net proceeds of any such insurance or self-insurance will be payable to Lessee and Lessor or its Assignees as their interests may appear. Upon acceptance of the Equipment and upon each policy renewal date, as applicable, Lessee will deliver to Lessor a certificate evidencing such insurance. In the event that Lessee is self-insuring, Lessee will furnish Lessor with a letter or certificate to such effect. In the event of any loss, damage, injury or accident involving the Equipment, Lessee will promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto.

(b) Lessee shall maintain or cause to be maintained at its expense, throughout the Lease Term, insurance or self-insurance against Lease Payment abatement and loss of use of the Equipment or portions thereof under this Equipment Lease, with coverage equal to the maximum total Lease Payments payable by Lessee hereunder for any consecutive twelve (12) month period during the Lease Term. Such insurance or self-insurance shall cover abatement of Lease Payments payable by Lessee resulting from Lessee's loss of beneficial use or enjoyment of the Equipment hereunder or any substantial portion thereof and caused by any and all perils, either insured or uninsured, including acts of God. Such insurance or self-insurance may be maintained in conjunction with or separate from any other similar insurance carried by Lessee. The net proceeds of such insurance or self-insurance shall be payable to Lessee and Lessor or its Assignees as their interests may appear in amounts equal to such abatement, if any, during the restoration period, in the order in which such abated Lease Payments come due and payable. Each insurance policy, if any, will name Lessee as an insured and Lessor or its Assignees as an additional insured, and will contain a clause requiring the insurer to give Lessor prior written notice of any alteration in the terms of such policy or the cancellation thereof as permitted under the terms of such policy. Upon acceptance of the Equipment and upon each policy renewal date, Lessee will deliver to Lessor a certificate evidencing such insurance. In the event that Lessee is self-insuring, Lessee will furnish Lessor with a letter or certificate to such effect.

14. *Indemnification.* Lessee shall, to the extent permitted by law, indemnify, defend and hold Lessor harmless against any and all claims, actions, proceedings, expenses, damages or liabilities, including reasonable attorneys' fees and court costs, arising in connection with this Equipment Lease, including, but not limited to, its selection, purchase, delivery, possession, use, operation, rejection, or return and the recovery of claims under insurance policies thereon; *provided, however,* that Lessee shall not be required to indemnify Lessor pursuant to this Section 14 for any claims, actions, proceedings, expenses, damages or liabilities to the extent, but only to the extent, caused by the willful misconduct or active negligence of the Lessor.

15. *Assignment.* Without Lessor's prior written consent, Lessee will not (a) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Equipment Lease, the Equipment or any interest in this Equipment Lease or the Equipment; or (b) sublet or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Upon prior written notice to the Lessee and confirmation that the Assignee will be able to comply with Section 25 of this Equipment Lease, the Lessor may assign its rights, title and interest in and to this Equipment Lease, the Equipment and any documents executed with respect thereto, and/or grant or assign a security interest therein, in whole (but not in part) without Lessee's consent, so long as any such Assignee is an "accredited investor" (as defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended) or any "qualified institutional buyer" (as defined in Rule 144A promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended) and so long as such assignment does not violate any City ordinance. Notwithstanding the foregoing, Lessor may not assign its rights, title and interest in and to this Equipment Lease, the Equipment and any documents executed with respect thereto, and/or grant or assign a security interest therein, to a bank or trust company as paying or escrow agent for holders of certificates of participation in this Equipment Lease. Any such Assignee shall have all of the

rights of Lessor under this Equipment Lease. Subject to the foregoing, this Equipment Lease inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

No assignment or reassignment of any Lessor's right, title or interest in this Equipment Lease or the Equipment shall be effective unless and until Lessee shall have received a notice of assignment, disclosing the name and address of such Assignee and confirmation that such Assignee will be able to comply with Section 26 of this Equipment Lease. During the Lease Term, Lessee shall keep a complete and accurate record of all such assignments in form necessary to comply with Section 149(a) of the Code, and the regulations, proposed or existing, from time to time promulgated thereunder. No further action will be required by Lessor or by Lessee to evidence the assignment, but Lessee will acknowledge such assignments in writing if so requested.

After notice of such assignment, Lessee shall name the Assignee as additional insured and loss payee in any insurance policies obtained or in force. Any Assignee of Lessor may reassign this Equipment Lease and its interest in the Equipment and the Lease Payments to any other person who, thereupon, shall be deemed to be Lessor's Assignee hereunder.

16. *Event of Default.* As used herein, the term "Event of Default" means the occurrence of any one or more of the following events: (a) Lessee fails to make any Lease Payment (or any other payment) as it becomes due in accordance with the terms hereof, and any such failure continues for ten (10) days after the due date thereof; (b) Lessee fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder, and such failure is not cured within thirty (30) days after written notice thereof by Lessor; (c) the discovery by Lessor that any statement, representation, or warranty made by Lessee in this Equipment Lease or in any writing ever delivered by Lessee pursuant hereto or in connection herewith was false, misleading or erroneous in any material respect when made; (d) proceedings under any bankruptcy, insolvency, reorganization or similar legislation shall be instituted against or by Lessee, or a receiver or similar officer shall be appointed for Lessee or any of its property, and such proceedings or appointments shall not be vacated, or fully stayed, within thirty (30) days after the institution or occurrence thereof; or (e) an attachment, levy or execution is threatened or levied upon or against the Equipment.

17. *Remedies.* Upon the occurrence of an Event of Default, and as long as such Event of Default is continuing, Lessor may, at its option, exercise any one or more of the following remedies:

(a) terminate this Equipment Lease and retake possession of the Equipment wherever situated and sell or lease, sublease or make other disposition of the Equipment for use over a term in a commercially reasonable manner, all for the account of Lessee. Lessor shall apply the sale proceeds in the following manner:

FIRST, to pay all proper and reasonable costs and expenses associated with the recovery, repair, storage and sale of the Equipment, including reasonable attorney's fees and expenses;

SECOND, to pay Lessor (i) the amount of all unpaid Lease Payments, if any, that are then due and owing, together with interest and late charges thereon, (ii) the then applicable Balance Payment set forth on Schedule B attached hereto (taking into account the payment of past due Lease Payments as aforesaid), plus a pro rata allocation of interest, at the rate utilized to establish the interest portion for the Lease Payment next due, from the next preceding due date of a Lease Payment until the date of payment by the buyer of the Equipment and (iii) any other amounts due hereunder; and

THIRD, to pay to Lessee the remainder of the sale proceeds, purchase moneys or other amounts paid by a buyer of the Equipment;

(b) without terminating this Equipment Lease, to collect each installment of Lease Payments hereunder as it becomes due; and

(c) proceed by appropriate court action to enforce performance by Lessee of the applicable covenants of this Equipment Lease or to recover for the breach thereof.

Notwithstanding anything to the contrary contained in this Equipment Lease, the exercise of rights or remedies hereunder is not intended, and shall not be construed to permit or authorize the acceleration of Lease Payments hereunder under any circumstance.

Upon an Event of Default hereunder and if so directed by Lessor, Lessee agrees to deliver the Equipment to Lessor, at Lessee's sole cost and expense, to a reasonable location specified by Lessor. In addition, Lessee shall execute and deliver such documents as may reasonably be required to evidence further that title to and possession of the Equipment is in Lessor, free and clear of any interest of Lessee and all liens and security interests to which the Equipment may have become subject.

18. *Prepayment.* Upon thirty (30) days prior written notice from Lessee to Lessor, and provided that no Event of Default has occurred and is continuing, or no event which with notice or lapse of time, or both, could become an Event of Default then exists, Lessee will have the right to prepay the Lease Payments on any Lease Payment due date set forth in Schedule B attached hereto by paying to Lessor the Lease Payment then due together with the Balance Payment amount set forth opposite such date. Upon satisfaction by Lessee of such prepayment conditions, Lessor will transfer any and all of its right, title and interest in all of the Equipment to Lessee "AS IS", WITHOUT WARRANTY, express or implied, except that the Equipment shall be free and clear of any liens created by Lessor.



19. *Notices.* All notices to be given under this Equipment Lease shall be made in writing and mailed by certified mail, return receipt requested, to the other party at its address set forth below or at such address as the party may provide in writing from time to time. Any such notice shall be deemed to have been received five days subsequent to such mailing.

If to the Lessor, to:

[Insert]

If to the Lessee, to:

City of Los Angeles  
Office of the City Administrative Officer  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: Debt Management Group

20. *Section Headings.* All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Equipment Lease.

21. *Governing Law.* This Equipment Lease shall be construed in accordance with, and governed by the laws of, the State of California.

22. *Delivery of Related Documents.* Lessee will execute or provide, as requested by Lessor, such other documents and information as are reasonably necessary with respect to the transaction contemplated by this Equipment Lease.

23. *Entire Agreement; Waiver.* This Equipment Lease, together with each attachment and schedule attached hereto and each Delivery and Acceptance Certificate, and other documents or instruments executed by Lessee and Lessor in connection herewith, are incorporated herein by reference and made a part hereof. This Equipment Lease constitutes the entire agreement between the parties with respect to the lease of the Equipment, and shall not be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of the Equipment Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Equipment Lease.

The waiver by Lessor of any breach by Lessee of any term, covenant or condition of this Equipment Lease shall not operate as a waiver of any subsequent breach hereof or thereof.

24. *Execution In Counterparts.* This Equipment Lease may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument; *provided, however,* that only the original of this Equipment Lease

marked "Lessor's Original" shall constitute the original for this Equipment Lease for purposes of the sale or transfer of this Equipment Lease as chattel paper.

25. *Standard Provisions for City Contracts.* Certain standard provisions for City contracts are attached hereto as Attachment A and are hereby incorporated by reference into this Equipment Lease, and the Lessor and each Assignee agree to be subject to all of such provisions. Anything herein to the contrary notwithstanding, to the extent of any conflict between the provisions of this Equipment Lease and Attachment A attached hereto, the provisions of this Equipment Lease shall be controlling.

IN WITNESS WHEREOF, the parties have executed this Equipment Lease-Purchase Agreement as of the \_\_\_\_ day of \_\_\_\_\_, 2017.

LESSOR:

MOTOROLA SOLUTIONS, INC

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

LESSEE:

CITY OF LOS ANGELES

By: \_\_\_\_\_  
Assistant City Administrative Officer

ATTEST:  
HOLLY WOLCOTT, CITY CLERK

By: \_\_\_\_\_  
Deputy City Clerk

Approved as to form:  
this \_\_\_\_ day of \_\_\_\_\_, 2017

MICHAEL N. FEUER, CITY ATTORNEY

By: \_\_\_\_\_  
Deputy City Attorney

**ATTACHMENT A**  
**CITY'S STANDARD PROVISIONS**

The Lessor agrees to be subject to the following provisions unless otherwise exempt from any of such provisions or unless any of such provisions are not applicable. References herein to "Contractor" shall mean the "Lessor" (including its assignees) under the Equipment Lease, and references herein to "Contract" or "contract" shall mean the Equipment Lease unless the context provides otherwise. Anything herein to the contrary notwithstanding, to the extent of any conflict between the provisions hereof and the Equipment Lease, the provisions of the Equipment Lease shall be controlling. Lessee's right to terminate the Equipment Lease pursuant to the provisions of this Attachment A may only be exercised on a Lease Payment due date set forth in Schedule B attached to the Equipment Lease and Lessee's concurrent prepayment of the Lease Payments on such Lease Payment due date set forth in Schedule B attached to the Equipment Lease pursuant to Section 18 of the Equipment Lease.

**SECTION 1. INDEPENDENT CONTRACTOR**

Contractor is acting hereunder as an independent contractor and not as an agent or employee of Lessee. No employee of Contractor has been, is, or shall be an employee of Lessee by virtue of the contract, and Contractor shall so inform each employee organization and each employee who is hired or retained under the contract. Contractor shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of Lessee.

**SECTION 2. LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE**

If applicable, Contractor represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by Lessee's Business Tax Ordinance, Section 21.00 et seq. of the Los Angeles Municipal Code. For the term covered by this contract, Contractor shall maintain, or obtain as necessary, all such Certificates required of it under the Business Tax Ordinance, and shall not allow any such Certificate to be revoked or suspended.

**SECTION 3. NON-DISCRIMINATION AND AFFIRMATIVE ACTION**

A. The Contractor shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and Lessee. In performing this Agreement, the Contractor shall not discriminate in its employment practices, including compensation, against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, marital status, domestic partner status, pregnancy, childbirth and related medical conditions, citizenship, and political affiliation or belief. The Contractor shall comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).

B. The Contractor shall comply with the provisions of the Los Angeles Administrative Code §10.8 through 10.13, to the extent applicable hereto. If this Agreement contains a consideration in excess of One Thousand Dollars (\$1,000) or more, Contractor shall comply with the Equal Employment Practices Provisions of the Los Angeles Administrative Code Section 10.8.3., in which event, said provisions are incorporated herein by this reference. If this Agreement contains a consideration in excess of Twenty-Five Thousand Dollars (\$25,000), the Affirmative Action Program of this Agreement shall be the mandatory contract provisions set forth in Los Angeles Administrative Code §10.8.4, in which event, said provisions are incorporated herein by this reference. The Contractor shall also comply with all rules, regulations, and policies of Lessee's Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action.

C. Any subcontract entered into by the Contractor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this section.

D. No person shall on the grounds of race, religion, national origin, ancestry, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, marital status, domestic partner status, pregnancy, childbirth and related medical conditions, citizenship, and political affiliation or belief be excluded from participation in, be denied the benefit of, or be subjected to discrimination under this program/project. For purposes of this Section, Title 24 Code of Federal Regulations Part 107 and Section 570.601(b) defines specific discriminatory actions that are prohibited and corrective action that shall be taken in situation as defined therein.

#### SECTION 4. EQUAL EMPLOYMENT PRACTICES

Unless otherwise exempt, this Contract is subject to the equal employment practices provisions in Section 10.8.3 of the Los Angeles Administrative Code, as amended from time to time.

A. During the performance of this contract, Contractor agrees and represents that it will provide equal employment practices and Contractor and each subcontractor hereunder will ensure that, in his or her employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, domestic partner status, marital status, pregnancy, childbirth and related medical conditions, citizenship and political affiliation or belief.

1. This provision applies to work or service performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. Contractor agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

B. Contractor will, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive consideration, including compensation, for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, domestic partner status, marital status, pregnancy, childbirth and related medical conditions, citizenship, and political affiliation or belief.

C. As part of Lessee's supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, Contractor shall certify in the specified format that he or she has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis of compensation or because of race, religion, ancestry, national origin, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, domestic partner status, marital status, pregnancy, childbirth and related medical conditions, citizenship, and political affiliation or belief.

D. Contractor shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment practices provisions of City contracts. Contractor shall, upon request, provide evidence that it has or will comply therewith.

E. The failure of any Contractor to comply with the Equal Employment Practices provisions of this contract may be deemed to be a material breach of City contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice, and an opportunity to be heard has been given to Contractor.

F. Upon a finding duly made that Contractor has failed to comply with the Equal Employment Practices provisions of a City contract, the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by Lessee. In addition such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the Contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, Contractor shall be disqualified from being awarded a contract with Lessee for a period of two years, or until Contractor shall establish and carry out a program in conformance with the provisions hereof.

G. Notwithstanding any other provision of this contract, Lessee shall have any and all other remedies at law or in equity for any breach hereof.

H. Nothing contained in this Contract shall be construed in any manner so as to require or permit any act which is prohibited by law.

I. At the time a supplier registers to do business with Lessee, or when an individual bid or proposal is submitted, Contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of City Contracts.

J. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Hiring practices;
2. Apprenticeships where such approved programs are functioning and other on-the-job training for non-apprenticeable occupations;
3. Training and promotional opportunities; and
4. Reasonable accommodations for persons with disabilities.

K. Any subcontract entered into by Contractor, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of Contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject Contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the Contractor's Contract with Lessee.

#### SECTION 5. LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

A. Unless otherwise exempt in accordance with the provisions of the Ordinance referred to in this section, this contract is subject to the applicable provisions of the Living Wage Ordinance (LWO), §10.37 et seq. of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), §10.36 et seq., of the Los Angeles Administrative Code, as amended from time to time. The Ordinances require the following:

1. Contractor/Consultant assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of benefits as defined in the LWO;
2. Contractor/Consultant further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. Contractor/Consultant shall require each of its Subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. Contractor/Consultant shall deliver the executed pledges from each such subcontractor to Lessee within ninety (90) days of the execution of the Subcontract. Contractor's/Consultant's delivery of executed pledges from each such Subcontractor shall fully discharge the obligation of the Contractor/Consultant to comply



with the provision in the LWO contained in §10.37.6(c) concerning compliance with such federal law.

3. The Contractor/Consultant, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to Lessee with regard to the employer's compliance or anticipated compliance with the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. Contractor/Consultant shall post the Notice of Prohibition Against Retaliation provided by Lessee.

4. Any Subcontract entered into by the Contractor/Consultant relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of LWO and the SCWRO, and shall incorporate the "Living Wage Ordinance and Service Contractor Worker Retention Ordinance" language.

5. Contractor/Consultant shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.

B. Under the provisions of §10.36.3(c) and §10.37.5(c) of the Los Angeles Administrative Code, Lessee shall have the authority, under appropriate circumstances, to terminate this contract and otherwise pursue legal remedies that may be available if Lessee determines that the subject Contractor/Consultant has violated provisions of the LWO and the SCWRO.

C. Where under the LWO §10.37.6(d), the designated administrative agency has determined (a) that the Contractor/Consultant is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the awarding authority in such circumstances may impound monies otherwise due the Contractor/Consultant in accordance with the following procedures. Impoundment shall mean that from monies due the Contractor/Consultant, the awarding authority may deduct the amount determined to be due and owing by the Contractor/Consultant to its employees. Such monies shall be placed in the holding account referred to in LWO §10.37.6(d)(3) and disposed of under procedures there described through final and binding arbitration. Whether the Contractor/Consultant is to continue work following an impoundment shall remain in the unfettered discretion of the awarding authority. The Contractor/Consultant may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.

#### SECTION 6. EQUAL BENEFITS ORDINANCE

Unless otherwise exempt, this contract is subject to the provisions of the Equal Benefits Ordinance (EBO), Section 10.8.2.1 of the Los Angeles Administrative Code as amended from time to time.

A. During the performance of the contract, Contractor certifies and represents that Contractor will comply with the EBO.

B. The failure of Contractor to comply with the EBO will be deemed to be a material breach of this contract by Lessee.

C. If Contractor fails to comply with the EBO Lessee may cancel, terminate or suspend this contract, in whole or in part, and all monies due or to become due under this contract may be retained by Lessee. Lessee may also pursue any and all other remedies at law or in equity for any breach.

D. Failure to comply with the EBO may be used as evidence against Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.

E. If Lessee's Designated Administrative Agency determines that a Contractor has set up or used its contracting entity for the purpose of evading the intent of the EBO, Lessee may terminate the contract. Violation of this provision may be used as evidence against Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.

Contractor shall post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the performance of a contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Office of Contract Compliance at 213-847-1922.”

#### SECTION 7. AMERICANS WITH DISABILITIES ACT

In implementing this Agreement, Contractor represents and certifies that it will:

A. Comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments; and California Government Code Section 11135.

B. Not discriminate in the provision of its programs, services or activities on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability.

C. Provide reasonable accommodation upon request to ensure equal access to all of its programs, services and activities.

Contractor represents and certifies that any construction for housing performed with funds provided through this Agreement will be done in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 CFR, Part 40.

Contractor represents and certifies that its buildings, and facilities used to provide services in accordance with this Agreement, are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

Contractor understands that Lessee is relying upon these certifications and representations as a condition to funding this Agreement.

Contractor will require its subcontractors, if any, to include this language in any subcontract.

#### SECTION 8. CONTRACTOR RESPONSIBILITY ORDINANCE

Unless otherwise exempt in accordance with the provisions of the Ordinance, this Contract is subject to the provisions of the Contractor Responsibility Ordinance, §10.40 et seq., of Article 14, Chapter 1 of Division 10 of the Los Angeles Administrative Code, which requires Contractor/Consultant to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect Contractor's/Consultant's fitness and ability to continue performing the contract. In accordance with the provisions of such Ordinance, by signing this Contract, Contractor/Consultant pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this contract, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees. The Contractor/Consultant further agrees to: (1) notify the awarding authority within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the Contractor/Consultant is not in compliance with all applicable federal, state and local laws in performance of this contract; (2) notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the Contractor/Consultant has violated the provisions of §10.40.3(a) of the Ordinance; (3) ensure that its subcontractor(s), as defined in the Ordinance, submit a Pledge of Compliance to awarding authorities; and (4) ensure that its subcontractor(s), as defined in the Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify Awarding Authorities within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated §10.40.3(a) of the Ordinance in performance of the subcontract.

#### SECTION 9. MINORITY, WOMEN, AND OTHER BUSINESS ENTERPRISE OUTREACH PROGRAM

Contractor agrees and obligates itself to utilize the services of Minority, Women and Other business Enterprise firms on a level so designated in its proposal, if any. Contractor certifies that it has complied with Mayoral Directive 2001-26 regarding the Outreach Program for Personal Services Contracts Greater than \$100,000, if applicable. Contractor shall not change any of these designated subcontractors, nor shall Contractor reduce their level of effort, without prior written approval of Lessee, provided that such approval shall not be unreasonably withheld.

#### SECTION 10. SLAVERY DISCLOSURE ORDINANCE

Unless otherwise exempt, this contract is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code as amended from time to time. Contractor certifies that it has complied with the applicable provisions of the Slavery Disclosure ordinance. Failure to fully and accurately complete the affidavit may result in termination of this contract.

#### SECTION 11. CHILD SUPPORT ASSIGNMENT ORDERS

This Contract is subject to the Child Support Assignment Orders Ordinance, Section 10.10 of the Los Angeles Administrative Code, as amended from time to time. Pursuant to the Child Support Assignment Orders Ordinance, Contractor will fully comply with all applicable State and Federal employment reporting requirements for Contractor's employees. Contractor shall also certify (1) that Contractor will fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (2) that the Principal Owner(s) of Contractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) that Contractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with Section 5230, et seq., of the California Family Code; and (4) that Contractor will maintain such compliance throughout the term of this Contract.

Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, the failure of Contractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders or Notices of Assignment, or the failure of any Principal Owner(s) of Contractor to comply with any Wage and Earnings Assignment Orders or Notices of Assignment applicable to them personally, shall constitute a default by the Contractor under this Contract, subjecting this contract to termination if such default shall continue for more than ninety (90) days after notice of such default to Contractor by Lessee.

Any subcontract entered into by Contractor, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of Contractor to obtain compliance of its subcontractors shall constitute a default by Contractor under this Contract, subjecting this Contract to termination where such default shall continue for more than ninety (90) days after notice of such default to Contractor by Lessee.

Contractor certifies that, to the best of its knowledge, it is fully complying with the Earnings Assignment Orders of all employees, and is providing the names of all new employees to the

New Hire Registry maintained by the Employment Development Department as set forth in Section 7110(b) of the California Public Contract Code.

#### SECTION 12. FIRST SOURCE HIRING ORDINANCE

Unless otherwise exempt, this contract is subject to the applicable provisions of the First Source Hiring Ordinance (FSHO), Section 10.44 et seq. of the Los Angeles Administrative Code as amended from time to time.

A. Contractor shall, prior to the execution of the contract, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that Contractor estimates it will need to fill in order to perform the services under the contract.

B. Contractor further pledges that it will, during the term of the contract: (1) at least seven (7) business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the Economic and Workforce Development Department (EWDD), which will refer individuals for interview; (2) interview qualified individuals referred by EWDD; and (3) prior to filing any employment opportunity, the Contractor shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the Contractor interviewed and the reasons why referred individuals were not hired.

C. Any subcontract entered into by the Contractor relating to this contract, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.

D. Contractor shall comply with all rules, regulations and policies promulgated by the DAA, which may be amended from time to time.

Where under the provisions of Section 10.44.13 of the Los Angeles Administrative Code the DAA has determined that the Contractor intentionally violated or used hiring practices for the purpose of avoiding the FSHO, that determination will be documented in the Awarding Authority's Contractor Evaluation, required under Los Angeles Administrative Code Section 10.39 et seq., and must be documented in each of the Contractor's subsequent Contractor Responsibility Questionnaires submitted under the Los Angeles Administrative Code Section 10.40 et seq. This measure does not limit Lessee's authority to act under the FSHO.

Under the provisions of Section 10.44.8 of the Los Angeles Administrative Code, the Awarding Authority shall, under appropriate circumstances, terminate this contract and otherwise pursue legal remedies that may be available if the DAA determines that the Contractor has violated provisions of the FSHO.

#### SECTION 13. LIMITATIONS ON CAMPAIGN CONTRIBUTIONS IN CITY ELECTIONS

The Contractor, Subcontractors, and their Principals are obligated to fully comply with City of Los Angeles Charter Section 470(c)(12) and related ordinances regarding limitations on

campaign contributions and fundraising for certain elected City officials or candidates for elected City office if the contract is valued at \$100,000 or more and requires approval of a City elected official. Additionally, Contractor is required to provide and update certain information to Lessee as specified by law. Any Contractor subject to Charter Section 470(c)(12), shall include the following notice in any contract with a subcontractor expected to receive at least \$100,000 for performance under this contract:

**Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions**

As provided in Charter Section 470(c)(12) and related ordinances, you are a subcontractor on City of Los Angeles Contract #\_\_\_\_\_. Pursuant to City Charter Section 470(c)(12), subcontractor and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. Subcontractor is required to provide to contractor names and addresses of the subcontractor's principals and contact information and shall update that information if it changes during the 12 month time period. Subcontractor's information included must be provided to Contractor within ten (10) business days. Failure to comply may result in termination of contract or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling 213/978-1960.

Contractor, Subcontractors, and their Principals shall comply with these requirements and limitations. Violation of this provision shall entitle Lessee to terminate this Agreement and pursue any and all legal remedies that may be available.

**SECTION 14. IRAN CONTRACTING ACT OF 2010**

For Contracts for the provision of goods and/or services estimated at \$1,000,000 or more, Contractor shall comply with the requirements of the Iran Contracting Act of 2010 (Public Contract Code Sections 2200-2208). Contractor shall, upon entrance of the contract and any renewal thereof, complete, sign and submit to Lessee the Iran Contracting Act of 2010 Compliance Affidavit. Provision of a false certification can result in certain penalties, including termination of the contract.

**SECTION 15. FAIR CHANCE INITIATIVE FOR HIRING ORDINANCE**

Unless otherwise exempt under Federal or State law, City Contractors and subcontractors with 10 or more employees are prohibited under Los Angeles Administrative Code Section 10.48 from seeking a job applicant's criminal history information until a job offer is made and from withdrawing a job offer unless the employer performs an assessment of the applicant's criminal history and the duties of the position. Contractors and subcontractors are required to include information regarding the ordinance in all job solicitations and advertisements and to post



notices informing job applicants of their rights. Additional information and forms may be found at Department of Public Works, Bureau of Contract Administration at <http://bca.lacity.org/>.

**SCHEDULE A**

**EQUIPMENT**

Lease No.: [\_\_\_\_\_]

QUANTITY	DESCRIPTION (Manufacturer, Model, and Serial Nos.)
	Refer to attached Equipment List.

**SCHEDULE B**  
**LEASE PAYMENT SCHEDULE**

Compound Period:  
Nominal Annual Rate:  
Effective Annual Rate:

	EVENT	START DATE	AMOUNT	NUMBER	PERIOD	END DATE
1	Funded					
	Amount					
2	Payment					

AMORTIZATION SCHEDULE—Normal Amortization

FUNDED  
AMOUNT

PAYMENT NUMBER	DUE DATE	LEASE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION	BALANCE PAYMENT
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Grand Totals

INITIAL INSURANCE REQUIREMENT: [\_\_\_\_\_]

**CERTIFICATE OF INCUMBENCY**

I, \_\_\_\_\_ (Signature of Secretary/Clerk) do hereby certify that I am the duly elected or appointed and acting Secretary or Clerk of the CITY OF LOS ANGELES, an entity duly organized and existing under the laws of the State of California that I have custody of the records of such entity, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of such entity holding offices set forth opposite of their respective names. I further certify that (i) the signatures set opposite their respective names and titles are their true and authentic signatures and (ii) such officers have the authority on behalf of such entity to enter into that certain Equipment Lease-Purchase Agreement No. [\_\_\_\_\_] dated \_\_\_\_\_, between CITY OF LOS ANGELES and Motorola Solutions, Inc.

NAME

TITLE

SIGNATURE

\_\_\_\_\_

(Individual who signed Lease documents should be listed here and sign where applicable)

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of CITY OF LOS ANGELES, hereto this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

By: \_\_\_\_\_  
(Signature of Secretary/Clerk)

[SEAL]

## EVIDENCE OF INSURANCE

Fire, extended coverage, public liability and property damage insurance, as well as insurance against Lease Payment abatement or loss of use of the Equipment or portions thereof, for all of the Equipment listed on Schedule A to that certain Equipment Lease-Purchase Agreement No. [ ] dated will be maintained by the CITY OF LOS ANGELES as stated in the Equipment-Lease Purchase Agreement.

This insurance shall name MOTOROLA SOLUTIONS, INC or its assignee as additional insured and loss payee for the term of that certain Equipment Lease-Purchase Agreement No. [ ] dated .

This insurance is provided by:

---

Name of insurance provider

---

Address of insurance provider

---

City, State and Zip Code

---

Phone number of insurance provider

In accordance with the Equipment Lease-Purchase Agreement No. [ ], CITY OF LOS ANGELES, hereby certifies that following coverage are or will be in full force and effect:

TYPE	AMOUNT	EFFECTIVE DATE	EXPIRATION DATE	POLICY NUMBER
Fire and Extended Coverage				
Property Damage				
Public Liability				
Lease Payment Abatement				
Loss of Use				

LESSEE:

CITY OF LOS ANGELES

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

Its: \_\_\_\_\_

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



## STATEMENT OF ESSENTIAL USE/SOURCE OF FUNDS

To further understand the essential governmental use intended for the equipment together with an understanding of the sources from which payments will be made, *please address the following questions* by completing this form or by sending a separate letter:

1. What is the specific use of the equipment? Communications

2. Why is the equipment essential to the operation of City of Los Angeles? Police Department and Fire Department need to communicate with other officers and headquarters to ensure the safety of the public.

3. Does the equipment replace existing equipment? Yes

If so, why is the replacement being made? Old and outdated

4. Is there a specific cost justification for the new equipment? No

If yes, please attach outline of justification.

5. What is the expected source of funds for the payments due under the Equipment Lease-Purchase Agreement for the current fiscal year and future fiscal years? General Fund

LESSEE: CITY OF LOS ANGELES

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

Its: Assistant City Administrative Officer

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

## SCHEDULE C

### EQUIPMENT LEASE-PURCHASE AGREEMENT DELIVERY AND ACCEPTANCE CERTIFICATE

The undersigned Lessee hereby acknowledges receipt of the Equipment described below ("*Equipment*") and Lessee hereby accepts the Equipment after full inspection thereof as satisfactory for all purposes of the Equipment Lease-Purchase Agreement executed by Lessee and Lessor.

Equipment Lease-Purchase Agreement Date: \_\_\_\_\_

Equipment Lease-Purchase Agreement No.: [\_\_\_\_\_]

### EQUIPMENT INFORMATION

QUANTITY	MODEL NUMBER	EQUIPMENT DESCRIPTION

LESSEE:

CITY OF LOS ANGELES

By: \_\_\_\_\_  
Assistant City Administrative Officer  
Date: \_\_\_\_\_

## Attachment C

LAPD Correspondence, dated March 8, 2017, entitled "Update  
Report Regarding Financing Agreement with Motorola Solutions, Inc.,  
for Portable and Handheld Radios"

## INTRADEPARTMENTAL CORRESPONDENCE

March 8, 2017

1.17

**TO:** The Honorable Board of Police Commissioners

**FROM:** Chief of Police

**SUBJECT:** UPDATE REPORT REGARDING FINANCING AGREEMENT WITH  
MOTOROLA SOLUTIONS, INC., FOR PORTABLE AND HANDHELD  
RADIOS

### RECOMMENDED ACTIONS

1. That the Board of Police Commissioners (Board) RECEIVE and FILE the attached update report regarding Financing Agreement for Portable and Handheld Radios.

### DISCUSSION

The following is provided as an update on the replacement of handheld and mobile radios for the Los Angeles Police Department (LAPD). The Fiscal Year 2016-2017 approved budget includes the authority for the LAPD and Los Angeles Fire Department (LAFD) to negotiate a financing agreement for the purchase of new radios. Both of the vendors that currently sell radios to the City, Motorola Solutions and Harris/Dailey-Wells, have existing commodities agreements in place with the Department of General Services for the purchase of radios, and both LAPD and LAFD are able to make purchases via those existing City contracts. Though both vendors have existing City contracts in place, both LAPD and LAFD determined that it would be best to field test radios from both available vendors, before proposing a financing agreement. The field-testing of radios resulted in both departments overwhelmingly preferring the radios produced by Motorola Solutions.

The authority to enter into any financing agreement, however, resides with the City Chief Administrative Officer (CAO). As such, the attached report is provided to the Board of Police Commissioners for informational purposes only. The CAO will negotiate a financing agreement with Motorola Solutions, in consultation with the City Attorney.

If you have any questions, please have a member of your staff contact Sergeant II Daniel Gomez, Tactical Technology Section, Information Technology Bureau, at (213) 486-0370.

Respectfully,

  
CHARLIE BECK  
Chief of Police

Attachment

## UPDATE REGARDING FINANCING AGREEMENT FOR PORTABLE AND HANDHELD RADIOS

### **BACKGROUND**

The Los Angeles Police Department (LAPD) currently utilizes Motorola handheld and vehicle radios for all communications for all operational communications. This radio system is nearing the end of its life cycle and will need to be replaced across the entire organization.

The Fiscal Year 2016-2017 approved budget includes the authority for the Los Angeles Police Department (LAPD) and Los Angeles Fire Department (LAFD) to negotiate a financing agreement for the purchase of new radios. Both of the vendors that currently sell radios to the City, Motorola Solutions and Harris/Dailey-Wells, have existing commodities agreements in place with the Department of General Services for the purchase of radios, and both LAPD and LAFD are able to make purchases via those existing City contracts.

Though both vendors have existing City commodities contracts in place with the Department of General Services, both LAPD and LAFD determined that it would be best to field test radios from both available vendors, before negotiating a financing agreement. Both Motorola Solutions and Harris/Dailey-Wells agreed to the side-by-side technical comparison and user field test. The field-testing of radios resulted in both departments overwhelmingly preferring the radios produced by Motorola Solutions.

### **METHODOLOGY**

Both vendors provided 30 market ready radios for a field test, staff to assist with training, technical experts, and presented a comprehensive overview of the functionality of their proposed solutions to a group of City personnel comprised of the LAPD, LAFD and Information Technology Agency. The Motorola APX-8000 was the first system deployed, and then the Harris XL-200P followed. The review was separated into three specific categories for overall evaluation.

***Technical Specification:*** The radios were evaluated to ensure they complied with the P-25 requirements, which is a suite of standards for digital radio communications for use by federal, state/province and local public safety organizations in North America that enable agencies to communicate with other agencies. In addition, existing operational protocols were examined to ensure the radios met the needs of the LAPD. Staff from Information Technology Division, Communication Engineering Section, Tactical Technical Section, and Information Technology Agency evaluated these specifications.

***User Experience:*** Officers were selected from across the LAPD to use the radios as part of their primary duty assignment and assess the overall experience with the proposed radios. The officers were from patrol divisions and specialized units.



## UPDATE REGARDING FINANCING AGREEMENT FOR PORTABLE AND HANDHELD RADIOS

The feedback requested pertained to ease of use, reliability, form factor, clarity, functionality and overall experience.

**Support:** Each vendor's manufacturing facilities were visited to inspect their quality control and manufacturing process to verify they could meet the volume needed to support a potential purchase and on-going support. Additionally, a review of each vendor's ability to leverage existing LAPD infrastructure was examined related to programming radios via provided software, custom scan lists and various other support features.

### RESULTS

The following are the results compiled from each of the groups and consolidated for consideration:

**Technical Considerations:** The evaluation groups found that both radio systems met the P-25 standards and met the military specifications for determining ruggedness. Each vendor's published specification sheets were reviewed and, where feasible, verified for accuracy. Each unit's capabilities were reviewed prior to deployment.

**Findings:** The Motorola system performed as designed in the pre-evaluation and during the field-testing. The APX-8000 has several available batteries, including an extended battery that is rated at 17 hours. This battery exceeds the average LAPD shift of 12 hours.

The Harris solution presented several issues, that not only made the radio cumbersome to use, but also posed an officer safety issue. Before the Harris solution was deployed to the field for user experience evaluation, the technical team discovered that when the emergency trigger was activated on the Harris radio it would change to emergency mode, but would not alert the dispatch console at Communications Division. The result of this design would mean that an officer who initiated the emergency trigger would go unnoticed by dispatch and additional resources would not be sent to assist the officer who needed emergency assistance/backup.

The issue identified with the emergency trigger created an officer safety issue that the LAPD found unacceptable. The LAPD notified Dailey-Wells that the radios could not be deployed as designed for a field evaluation. Harris researched the issue and developed a firmware upgrade that resolved the issue. The technical team verified the modifications did correct the particular issue and the LAPD proceeded with the field test.

A related design flaw, affecting the emergency trigger, was also discovered when the radio was in position "B" (direct /simplex mode). If an officer was in position



## UPDATE REGARDING FINANCING AGREEMENT FOR PORTABLE AND HANDHELD RADIOS

“B” on the Harris radio and engaged the emergency trigger, the radio would remain in direct/simplex mode, not allowing the emergency signal to be transmitted to Communications Division. This issue was discovered after the field-testing, during final technical review.

Once discovered, this second issue was also provided to Daily-Wells and a new firmware upgrade was developed and applied to the evaluation radios that corrected this issue. The technical team verified the modification.

The Harris radio also has a 16-channel concentric knob located at the top of the radio that an officer can turn in order to change radio channels. This is a frequently used feature by officers. It was discovered that if an officer used the knob to select a frequency outside of his/her pre-designated 16 channels, and then tried to return to his/her base channel utilizing this same switch, the channel would not return, but would remain on the previous channel. This would cause the officer to broadcast on the wrong frequency. To correct the issue, the officer would have to remove the radio from his/her holster and manually select the desired frequency through direct entry on the keypad, or return the concentric switch to the “A” position and then press the “Zone Up” feature.

This issue was also presented to Daily-Wells, and a resolution is still pending as of the completion of this report.

The battery specification provided by Harris is rated at 10 hours, and is less than typical LAPD shift of 12 hours. This would require multiple batteries per shift and create a situation where a radio could become unusable after 10 hours of use. Harris indicated that a high-capacity battery was pending, but was not available during this test/review process. As of this report, the high-capacity battery was still not commercially available.

Given that the Motorola solution performed well from beginning to end, and the Harris solution presented a number of issues – some that persist today despite Harris being given multiple chances to make system corrections – the clear preference in this category was deemed to be for the Motorola Solutions offering.

Note: Both Motorola and Harris provided mobile radio solutions at the end of the review period. The devices were not field-tested but were bench tested by the technical team and reviewed based on their published specification sheets. Both systems met the LAPD’s basic needs.

**User Experience:** For the Motorola radio, the issue most identified was that the size of the antenna was considered uncomfortable due to its overall length and lack of pliability. However, Motorola was also able to provide a shorter antenna. Overall form factor was rated high, as well as the overall ease of use and functionality.

## UPDATE REGARDING FINANCING AGREEMENT FOR PORTABLE AND HANDHELD RADIOS

For the Harris radios, officers noted that the overall size of the radio and antenna was preferred compared to the Motorola radio. The functionality and ease of use, however, was considered more complicated and frustrated the officers testing the radio. Consistent comments noted the interface had too many steps to get to the functions that were needed. Also, officers discovered that while the Harris radios allowed them to custom create a scan list, it would delete each time the radio was powered off. This caused frustration for the officers and repeated work to create lists every time the radio was powered off and back on again.

Several officers noted that the overall quality of the Harris radio felt inferior to the both the current Motorola radio (XTS-5000) and the proposed Motorola APX-8000.

The reception/clarity of both the Motorola and Harris radios were described positively by the end-users.

**Findings:** The Motorola radio system was found to work as designed from the beginning of the technical review and throughout the field trials. Additionally, the Motorola radio received the most positive comments in the free form narrative section of the surveys that were completed, and during in-person reviews. The issue of the antennas was relayed to the vendor and a smaller antenna was provided that takes advantage of the LAPD's current infrastructure. This antenna performed as designed and is nearly that same length as the current model antenna on the Motorola XTS-5000.

The Harris radio received high marks for its overall size and form factor. However, the overall experience with the radio was that of frustration, since the officers consistently noted that the interface was too complicated and, during field operations, they could not quickly navigate through the interfaces. Harris was provided this information and some firmware adjustments were made, but the overall sentiment persisted throughout the testing. Specifically, users identified the scan feature of the radio to be problematic and cumbersome to use. The radio at time of testing required the user to manually un-select channels that the officer did not want to monitor. The process of un-highlighting each channel was a common complaint, causing an officer to cycle through up-to dozens of channels to deselect. In addition, once completed, the radio would not retain these changes once the radio was powered off causing the officer to repeat the process. This capability is a frequently used feature by field personnel to monitor activity and calls for service surrounding their primary area of assignment, and the required process is overly burdensome and not realistic to expect of an officer to perform in the field.

**Support:** The technical team noted that the Motorola Solutions offering provided an advantage when leveraging existing infrastructure and features already deployed as part of the current radio platform, as well as in-progress system



## UPDATE REGARDING FINANCING AGREEMENT FOR PORTABLE AND HANDHELD RADIOS

upgrades. Programming and configuration was also considered intuitive and performed as designed.

Dailey-Wells/Harris was responsive to the identified issues and in several cases delivered firmware changes, allowing for field-testing to continue. However, the technical team described the programming and configuration of Harris software as “glitchy” and prone to freezing. This often caused technical staff to have to restart their tasks and repeat several hours of work in order to finalize the configurations. This issue was brought to the attention of Dailey-Wells, but the issues persist through the completion of this report.

***Findings:*** The technical team found the Motorola Solutions preferable when reviewing the system from an “out of the box perspective” and the team was able to leverage several features from existing infrastructure.

Both Motorola Solutions and Harris demonstrated that they had state of the art manufacturing facilities and industry leading quality control features.

As noted above, the Harris offering required additional configuration and on-going technical support throughout the evaluation process. The issue related to the programming/configuration of the radios persists and was noted by multiple technical team members. The overwhelming preference for this category was deemed to be for the Motorola Solutions offering.

### FINANCING

Both vendors were asked to submit their best financing offer, which was required to include 5 installment payments, the first payment being due 24 months after the execution of the financing agreement, for 11,500 handheld police radios, 4,500 mobile police radios, and 3,500 handheld fire radios. The Motorola Solutions financing offer came to a total of \$64.5 M over the life of the financing agreement. The Harris/Dailey-Wells offer came to a total of approximately \$58.4 M to \$62 M, depending on available discounts and financing options, over the life of the agreement.

### CONCLUSION

The Motorola Solutions offering was found to meet the operational needs of the LAPD and was preferred from both the end-users’ review and the technical team assessment. No adjustments to the Motorola system were required during the technical review and the solution worked as designed from point of delivery through field-testing.

The offering from Dailey-Wells was found to be deficient and not to meet the operational needs of the Department when first delivered; particularly based on the emergency trigger design. This created an officer safety issue and required the provided radios to be

## UPDATE REGARDING FINANCING AGREEMENT FOR PORTABLE AND HANDHELD RADIOS

modified prior to deployment. In addition, issues identified by the technical team continue to persist with programming of the radios through the provided software.

The published battery specifications were also a differentiator between both vendors. The extended battery option provided by Motorola exceeded the typical deployment of officers, where the battery offering by Harris fell below the average deployment period. This was considered a potential officer safety issue and would require additional logistics to ensure each deployment location had the capacity to keep additional charged batteries at the ready. No extended battery is available on the Harris solution at this time.

The authority to enter into any financing agreement resides with the City Chief Administrative Officer (CAO). As a result of all available data provided, the CAO will negotiate a financing agreement with Motorola Solutions, in consultation with the City Attorney, and will seek all requisite City approvals.