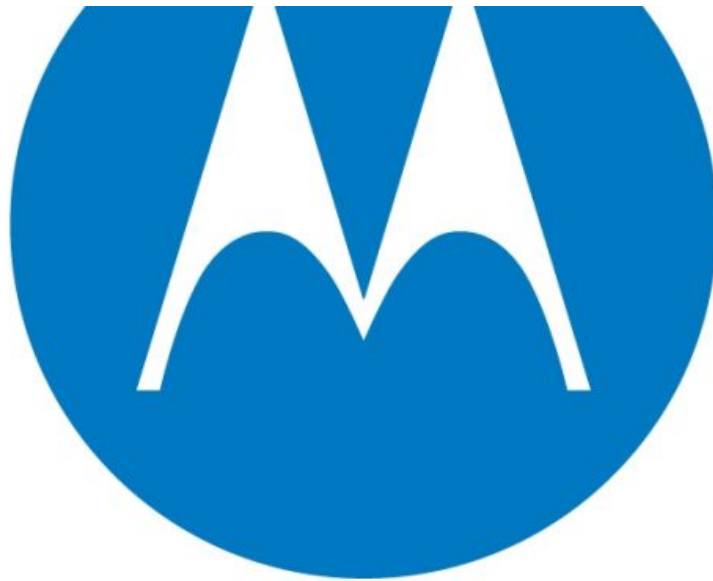


PROJECT 25 (<https://urgentcomm.com/type/project-25/>)



Motorola

MOTOROLA

NEWS

State of Florida seeks P25 contract progress with Motorola Solutions this week or will consider 'other options'

Written by Donny Jackson (<https://urgentcomm.com/author/donald-jackson/>) 17th December 2019

Motorola Solutions needs to work toward finalizing a contract with the state of Florida by Friday or risk losing the largest land-mobile-radio (LMR) contract opportunity in North America—a \$687 million deal to build Florida’s statewide Project 25 (P25) system that is scheduled to be launched in a little more than 18 months—according to a letter from a state official.

In a letter to Motorola Solutions CEO Greg Brown dated Dec. 12, Jonathan Satter—secretary of the Florida Department of Management Services (DMS)—calls on Motorola Solutions to honor the terms of the vendor giant’s bid that won the state procurement of Florida’s Statewide Law Enforcement Radio System (SLERS) this week or the state will consider “other options” for the proposed statewide P25 network.

Thus far, Motorola Solutions has not been willing to accept the terms of its bid in contract negotiations, with company representatives labeling some items as “deal breakers,” according to Satter. One key condition that all vendors seeking the P25 contract were required to accept was a “termination for convenience” clause, which effectively would let the state end the potential 20-year deal whenever it wants with little advance notice.

“Pursuant to the authority granted to the Department by the Florida Legislature during the 2019 legislative session, the Department [DMS] is authorized to enter into the contract with Motorola,” Satter states in the letter, a copy of which was provided yesterday to *IWCE’s Urgent Communications*. “To date, Motorola has consistently expressed a desire to modify substantive terms negotiated during the competitive procurement and agreed to by Motorola in its BAFO [best and final offer], including termination for convenience. Moreover, Motorola has represented to Department personnel that those terms are ‘deal breakers.’

“The Department will enter into a contract with Motorola that includes all substantive terms and conditions negotiated during the competitive procurement. The Department is requesting that Motorola work toward the finalization of a contract for execution by Friday, December 20, 2019, so that the Department and the state of Florida can move forward with the new System.

“If the Department and Motorola are unable to finalize and execute a contract by the date above, the Department will move forward with the evaluation of other options to procure a next-generation system.”

When *IWCE’s Urgent Communications* sought comment from Motorola Solutions about the Florida P25 situation earlier this month, a company spokesperson referred all media inquiries about the matter to Florida DMS. After receiving a copy of Satter’s letter yesterday afternoon, *IWCE’s Urgent Communications* sought comment from Motorola Solutions this morning, but the company did not provide a response in time to be included in this article. This story will be updated, if Motorola Solutions does provide a comment on the matter.

Florida DMS provided a copy of Satter's letter to *IWCE's Urgent Communications* after being asked numerous times for information about the status of the proposed statewide P25 network, which is scheduled to be in operation by the end of June 2021. In June 2021, Florida law-enforcement personnel are supposed to transition from the L3Harris-owned EDACS system to a new P25 network built by Motorola Solutions.

Motorola Solutions' winning bid included a price of \$687.8 million—about \$300 million less than the bid submitted by L3Harris (known as Harris at the time the bid was submitted), the incumbent SLERS vendor—to build a 144-site P25 network. and an implied acceptance of the “termination for convenience” clause, which was required of all qualified bidders in the procurement process. The Harris bid called for 190 tower sites to provide statewide coverage.

After Motorola Solutions was selected as the winning bidder for the statewide P25 system, Harris protested the award. Administrative Law Judge Bruce Culpepper recommended dismissal of the Harris protest in a case that included testimony from Motorola Solutions that the \$687.8 million bid represented “ceiling pricing” that would not be increased, even if costs associated with building SLERS increased.

“Should Motorola incur additional capital costs to implement its system, the state will not pay Motorola more than the ‘ceiling pricing’ Motorola quoted in its SLERS Design Pricing Workbook Pricing Summary,” according to Culpepper's opinion.

“Motorola attested that it is fully aware that it bears all costs necessary to ensure that its SLERS service meets the ... coverage and capacity objectives. Therefore, even if the individual component prices of Motorola's system increase prior to the start of the SLERS contract, the ultimate price Motorola quoted to the Department [DMS] remains the same.”

Culpepper's findings also addressed the “termination for convenience” clause in a prospective contract—a stipulation that initially caused Harris officials to express reservations about the new SLERS initiative.

“This provision authorizes the Department [DMS] the right to terminate the SLERS contract for any reason, or no reason whatsoever,” according to Culpepper's ruling. “One example of how the Department might cancel the contract ‘for convenience’ would be if the Legislature determined that the state no longer needed, or wanted, the SLERS. The Termination for Convenience clause would allow the Department to terminate its agreement without incurring any financial obligation.”

In May, Scott Adler—Motorola Solutions' vice president and general manager for the southeast region—acknowledged that the “termination for convenience” language would be a discussion point as Motorola Solutions seeks to reach a final contract agreement with the state of Florida.

“That’s certainly an item on our radar screen that we’ve been discussing with the state and would expect to continue to address throughout the course of our negotiations,” Adler said during an interview with *IWCE’s Urgent Communications* in May.

Several industry sources have said that such “termination for convenience” language would be difficult for any vendor to accept, especially because Motorola Solutions would have to make significant upfront investments to make the statewide P25 system a reality.

Other sources have noted that such language might have been acceptable in the past, when there was general agreement that mission-critical voice for public safety could only be delivered through an LMR system. But there is less certainty about that notion today, as AT&T has announced plans to provide FirstNet subscribers with mission-critical-push-to-talk (MCPTT) services early next year. MCPTT is unproven, but many believe MCPTT could be a viable alternative to P25 during the next few years.

Beyond the “termination for convenience” clause, there are other complicating factors that likely need to be addressed before DMS and Motorola Solutions can reach a long-term contract that would upgrade SLERS to P25 technology. Some of these key issues include:

Funding—Under the current SLERS arrangement, L3Harris is paid about \$18 million per year to own and operate the statewide EDACS system. Motorola Solutions’ P25 proposal calls for payments of more than \$32 million annually. Motorola Solutions would get the \$18 million that now goes to L3Harris when the existing SLERS arrangement expires in June 2021, but no sources have been identified publicly yet to pay for the remaining \$14 million per year. Florida’s state legislature is scheduled to meet this year from mid-January to mid-March.

Tower sites—Motorola Solutions’ proposal calls for 144 sites, with “70-plus sites” requiring the construction of new towers, Adler said in May. That number could increase substantially, because the Motorola Solutions’ plan included using 21 existing SLERS towers that are owned by L3Harris for free. Whether Motorola Solutions can access these sites prior to the June 2021 deadline is the subject of pending litigation.

Timing—When the SLERS project was bid, the winning vendor was supposed to have 48 months to build a new P25 statewide system that would be operational at the end of June 2021. Even if Motorola Solutions could reach a contract agreement with DMS by the end of the week, the company would be challenged to complete the massive statewide radio network in less than 18 months, especially if it does not know the fate of the 21 L3Harris-owned towers for months.

For Florida DMS, getting a firm answer this week about the Motorola Solutions contract is critical to making future SLERS plans, particularly if some alternatives require action on the part of the state legislature, which soon will begin its annual 60-day session. Such clarification also is important to the 20,000 SLERS users, who need to know when the proposed P25 system will be a reality before purchasing new radios.

If Florida DMS chooses to move in different direction other than contracting with Motorola Solutions, many industry analysts interviewed by *IWCE's Urgent Communications* noted that there is a risk that the state could face a legal challenge.

For Motorola Solutions, losing the Florida SLERS contract would be a blow to the company, which understandably cited the large Florida P25 award upon its announcement last year as a notable indicator of the LMR market's long-term strength.

But many industry analysts familiar with the situation have questioned whether executing a contract with Florida DMS under the current terms makes good business sense, especially given the need for significant upfront expense to build a statewide P25 system and the "termination for convenience" clause that could undermine the potential return on investment with little warning.

For L3Harris, the contractual delays between Motorola Solutions and Florida DMS could open the door for some sort of reprieve for the incumbent vendor, particularly as it becomes increasingly likely that some sort of short-term extension for the existing SLERS network may be necessary.

In terms of providing a potential long-term solution in Florida, L3Harris has an advantage of being able to access existing SLERS towers, which could ease the EDACS-to-P25 transition. But most of the other items surrounding the P25 proposal for SLERS that are problematic for Motorola Solutions also would be issues for L3Harris, according to industry sources. In fact, L3Harris officials expressed their concerns about the "termination for convenience" clause on multiple occasions during the SLERS procurement process.

Tags: Companies , Critical Infrastructure , Land Mobile Radio , News , Project 25 , Public Safety , Public-Safety Broadband/FirstNet , Regional Coordination , State & Local Government , System Design , System Installation , System Operation , Tower & Site , News

RELATED



Assured Wireless announces HPUE products that extend range of FirstNet devices on Band 14

(<https://urgentcomm.com/2020/10/09/assured-wireless-announces-hpue-products-that-extend-range-of-firstnet-devices-on-band-14/>)



NewsScan: New simulation technology helps get the jump on wildfires

(<https://urgentcomm.com/2020/10/08/newsScan-new-simulation-technology-helps-get-the-jump-on-wildfires/>)