

Emergency Communications Operations Board

Action 22-002 – NGEN True-Up Methodology for NGEN Agreement

Date: December 16, 2021

Presented by: Steve Paxton & John Vaught **On behalf of:** ECD & ITD

Request:

1. Recommend a True-Up methodology to be incorporated into the draft NGEN Agreement.

Summary/Discussion:

As requested by this Board at the 11/18/2021 meeting, this action is to determine the NGEN device True-Up methodology that will be incorporated into the draft NGEN Agreement.

NGEN Radio system costs, including Debt Service on the loan taken to build the system, and ongoing Operations & Maintenance (O&M) costs are charged to NGEN system users based on their proportion of total devices on the system. A “True-Up” of these devices is periodically conducted to be used for future cost sharing. Timing and methodology will be part of the NGEN Agreement.

The County proposed three alternative true-up methodologies to the Operations Board that more equitably share costs across all agencies by charging all devices that touch the system; the current true-up methodology does not capture all devices.

Details of each option with example cost scenarios have been distributed. Please note that the totals dollars allocated are for example purposes only and do not reflect actual charges for future years.

In Summary, the options are:

- Option 1: Status Quo - includes only Digital and Analog Radios and allocates costs evenly per device.
- Option 2: Includes Digital, Analog, and Broadband Push To Talk (BPTT) devices and evenly distributes costs per device. This will charge for every device that touches the system.
- Option 3: Includes all devices from Method 2, but assigns a weighting factor to Fire devices to reduce the cost of these devices. This is to reflect lower usage of Fire devices vs others.
- Option 4: A portion of the fees are charged as a flat fee to each agency and the remainder of the fees are allocated by device count.

The cost allocation methodology is an important piece of the NGEN Agreement which final draft state. Once the Operations and Executive Board agree on a final methodology, that method will be added to the Agreement and the review process of the full agreement will begin. The methodology may still be changed or fine-tuned during review of the final agreement.

The language from the draft Agreement which describes the status quo cost allocation (i.e. radios only, excluding spares, cache, BPTT) follows. These sections may be modified if the Boards recommend one of the proposed alternative allocation methods. Section 12 describes the methodology which is subject to change depending on the method chosen and Section 13 describes the True-up process. *Agreement extract begins:*

12. COST ALLOCATION

- A. Fees assessed to each Party are based on a cost allocation methodology that includes the overall annual NGEN O&M budget and their respective agency, or agencies true-up for the current fiscal year.
- B. The annual NGEN O&M budget is the total dollar value to operate and maintain the county-wide P25 digital trunked and analog conventional infrastructure and services.
- C. Formula Definitions:

The monthly cost per radio (m) is determined by the following formula:

$$m = \frac{b}{12a}$$

- D. Where, m = monthly Agency fee per radio; a = combined agency True-up (device count); b = annual NGEN O&M Budget.
- E. During the budget process, the NGEN Executive Board may elect to fund system enhancements or upgrades in addition to O&M Fees.

13. TRUE-UP

- A. True-up is the radio device count for all agencies using either the P25 digital trunked system (Digital), the analog conventional system (Analog Overlay), or both. Device access may be through mobile, portable, base station, remote radio, data transmission equipment, and terminals.
 - i. Digital True-up: For Agencies with radio devices, excluding BPTT devices, that register to the P25 digital trunked system, their True-up is extracted from the NGEN Unified Administration System (UAS) when the NGEN Executive Board approves a True-up to be performed.

ii. Analog True-up: For Agencies whose radios exclusively use the analog conventional portion of the system and are not registered to the UAS, a manual inventory will be provided to the Radio Manager when the NGEN Executive Board approves a True-up to be performed.

B. The NGEN Operations Board will review the combined True-Up and make a recommendation to the NGEN Executive Board for approval. The NGEN Executive Board will review and take action on the True-Up no later than the last NGEN Executive Board meeting of the fiscal year. This approval shall determine if the True-Up will be used for billing in the following fiscal year.

C. Radio devices are those devices in the NGEN UAS that are part of the current active inventory excluding mutual-aid, and spare radios.

i. Mutual-aid radios are those set aside for the sole use of providing interoperability to agencies outside of the NGEN coverage area.

ii. Spare (or Cache) radios are those radios that are active in the UAS but designated, by name, as “Spare”, or “Cache” to be used as necessary for specific events or in times of emergency.

D. Except in the case of replacement of an existing NGEN user device, if a Participating Agency elects to remove devices during the fiscal year, no credit or adjustment shall be made for that fiscal year and costs for that agency shall not be reduced based on those removed devices until the next annual billing cycle resulting from a new True-Up. *(Agreement extract ends)*

Timing: If a recommendation is made at this meeting, it will be brought to the January Executive Board meeting for consideration and action. The full agreement will then be brought back to the Operations Board for first review at the next meeting.

ECD & ITD Recommendation:

The County recommends Option 2 as it captures all devices that touch the NGEN system and distributes costs to all system users.

Operations Board Action

Recommendation: **No Action taken.** Board requested that County Staff put together a 5th option using device usage and that a working group comprised of Operations Board members convene before the next Operations Board meeting to discuss the options and come up with a recommendation to be voted on at the next Operations Board meeting. Directed County staff to distribute NGEN Agreement to Operations Board for review without the True-Up language.

Vote Date __/__/__

2nd __na_ Approved: Yeas __na__ Nays __na__

Motion by _none__

DocuSigned by:
Gardens Pantolzer
1/14/2022 | 10:59 AM PST

/s/ Chair AA0BA0001EDB455...