

MARIN EMERGENCY RADIO AUTHORITY

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MEMORANDUM

DATE: October 4, 2005
TO: MERA Executive Committee
FROM: Martin J. Nichols, Executive Officer
SUBJECT: AGENDA ITEM D: NEW COUNTY MAINTENANCE AGREEMENT

Marin County Public Works has proposed a new MERA Maintenance Agreement. The comparison of the current and proposed agreement follows:

<u>Item</u>	<u>Current</u>	<u>Proposed</u>
<u>Annual Cost:</u>	\$356,500	\$538,375
<u>Services:</u>	Preventative Maintenance Emergency Repair (24/7) Programming new equipment (Radio Shop Building Maintenance and Garage)	Same
<u>Payment Terms:</u>	Fee for service	Fixed fee with credits for work not done
<u>Term:</u>	Year-to-year	Five years (one year termination notice)
<u>Hours of Service:</u>		
Radio Shop-PM	3,900	1,328
System Repairs	(Included above)	1,827
Radio Shop Programming	1,950	630
Build Maintenance	452	264
Garage	60	66
TOTAL HOURS	6,362	4,115
<u>Hourly Rate:</u>	\$70	\$125

The County Public Works Department wants this contract to be effective July 1, 2005.

In the FY 2005-06 MERA operating budget, we budgeted \$300,000 for the County Maintenance Agreement. We have paid the county about \$54,000 (prior year billings).

Additionally, the County's Public Works Department claims MERA still owes them \$60,000 from FY 2004-05.

I have met with Mr. Mansourian and discussed the budgeting problem created by this new contract. We have agreed to recommend the following compromise:

1. For FY 2005-06:
 - a. Shop rate of \$100 per hour (total contract of \$410,000)
 - b. \$300,000 paid during FY 2005-06
 - c. Special payment in July in 2006 of \$110,000
2. Beginning in FY 2006-07, the shop rate increases to \$125 per hour.
3. We agree to settle past claims for a one-time payment of \$36,000 to be paid in July 2006.

I recommend we finance this year's obligations with the remaining \$246,000 in the current appropriation, plus our \$50,000 contingency.

In FY 2006-07 we will budget:

1. FY 2005-06 final payment of:	\$110,000
2. FY 2004-05 settlement cost of:	30,000
3. FY 2006-07 contract payment of:	<u>538,000</u>
TOTAL	\$678,000

Beginning in FY 2007-06, we would budget just the annual payment of \$538,000 plus "C.P.I."

cc: Farhad Mansourian