



# P25 System Construction Cost Increases

P25 Joint Operating Committee – December 15, 2022



# Overview

- During the October 22nd P25 JOC meeting, we provided an overview of construction cost increases, payments, change orders, etc.
  - **Next Steps were to:**
    - Provide options on how P25 System Cost Increases can be spread across multiple Fiscal Years.
    - Work with L3Harris to negotiate costs of future change orders
    - Provide update on additional funding options.
    - Provide proposed Interlocal Addendum.



# Overview

- Today:
  - Review Project budget, expenditures and fund balance
  - Discuss recommend payment scenario
  - Review Cost by Agency
  - Review possible funding sources
  - Discuss Interlocal Agreement and possible Addendums related to additional payments.





# Project Budget

- Original Project total: \$26,537,510
  - The Contract separates payments in three separate “buckets”
    - End-user Radio equipment: \$10,960,587
    - Milestones - \$7,960,052
    - Civils Allowance – \$7,033,223
      - This “allowance” is only made available through Change Orders. Our Contract allows us to negotiate the cost of the services prior to performance of the services.
      - Contract included “extra” site builds as a form of contingency - \$1.6M
  - **Original Radio System total cost: \$14,993,275 (Milestones + Civils Allowance)**
  - **Current Radio System Cost \$15,049,490**
    - Change Orders have added \$56,215.



# Project payment Sources

	Funding Source				
Fiscal Year	Washoe County	WCRCS Infrastructure	Partner Agency Pre-payments	Bond Proceeds	Total
FY19	\$ 533,981				\$533,981
FY20	\$ 275,244	\$750,000			\$1,025,243
FY21	\$ 212,818		\$800,000	\$671,758	\$1,684,576
FY22				\$4,462,278	\$4,462,782
FY23				\$318,058	318,058
Total payments					\$8,024,138
The table above reflects all payments to date and remaining funds by source. All remaining project payments will be made from Partner Agency Pre-payments and Bond Proceeds.					
		Remaining funds	\$2,390,942	\$4,961,533	\$7,182,705



# P25 Site Infrastructure Cost Increases

- Remaining project funds: \$7,182,705
- Remaining costs:
  - Milestones: \$1,731,311
  - Civil Construction Estimate: \$9,500,000 - \$9,800,000 (range)
  - **Total Estimate: \$11,231,311 - \$11,531,311 (range)**
- Estimated difference between remaining project funds and projected remaining costs: **\$3,963,721 - \$4,269,721**



# P25 Site Construction – Recommended cost scenario

- **Scenario: Sites on BLM land are delayed due to long permitting timelines.**
- Sites Impacted: Smokey Quartz, Seven Lakes
- This scenario is likely to occur regardless of committee decision.
- Pros:
  - Costs for BLM sites will be delayed by one year (based on current Schedule), allowing us to spread costs over 2+ years.
- Cons:
  - Delays addressing two biggest needs for coverage improvement (Red Rock, Rancho Haven, Fish Springs; areas of Sparks & Spanish Springs).
  - Delaying construction introduces risk that costs will increase.
  - Delaying construction may require two Acceptance phases for the microwave equipment.



# P25 Site Construction – Recommended scenario cost breakdown

Payment ID	FY23	FY24	FY25	FY26
Ash Field Radio Site Construction	\$ 674,411.33	\$ 1,150,543.93		
Biltmore Site mitigation	\$ 248,387.49		\$ 380,840.00	
Cold Springs Radio Site Construction	\$ 764,783.53			
Red Peak Radio Site Construction	\$ 1,230,928.28			
Seven Lakes Radio Site Construction	\$ 665,976.33		\$ 1,506,102.68	
Smokey Quartz Radio Site Construction	\$ 369,403.55		\$ 841,853.00	
Smokey Quartz Power			\$ 180,000.00	
Microwave 1-5 Site installation	\$ 174,879.00			
Microwave 6-10 Site installation		\$ 174,879.00		
Microwave 11-15 Site installation		\$ 174,879.00		
Microwave 16-20 Site installation			\$ 174,879.00	
Microwave Change Order	\$ 268,892.00			
Microwave Acceptance Testing 1		\$ 291,465.92		
Microwave Complete Punch List		\$ 116,586.37		
Microwave Acceptance Testing 2			\$ 200,000.00	
Microwave Complete Punchlist 2			\$ 100,000.00	
Milestone R2 Installation Complete		\$ 955,206.00		
Milestone R3 Installation Complete			\$ 238,801.57	
Milestone Final System Acceptance				\$ 537,303.54
<b>Totals</b>	\$ 4,397,661.51	\$ 2,863,560.22	\$ 3,622,476.25	\$ 537,303.54
<b>Cumulative Total</b>	\$ 4,397,661.51	\$ 7,261,221.73	\$ 10,883,697.98	\$ 11,421,001.52
<b>Fund Balance at end of FY</b>	<b>\$ 2,785,043.96</b>	<b>\$ (78,516.26)</b>	<b>\$ (3,700,992.52)</b>	<b>\$ (4,238,296.06)</b>





# Cost by Agency – Recommended Scenario

Agency	Radio IDs June 30, 2022	Percent Share June 30, 2023	Agency Contribution FY24	Agency Contribution FY25	Agency Contribution FY26	Total Agency Contribution FY24- FY26
Reno Tahoe Airport Authority	278	4.88%	\$90,299.84	\$90,299.84	\$26,219.13	\$206,818.82
US Drug Enforcement Agency	26	0.46%	\$8,445.31	\$8,445.31	\$2,452.15	\$19,342.77
Pyramid Lake Paiute Tribe	85	1.49%	\$27,609.66	\$27,609.66	\$8,016.64	\$63,235.97
City of Reno	1,310	22.99%	\$425,513.65	\$425,513.65	\$123,550.58	\$974,577.88
Reno Sparks Indian Colony	70	1.23%	\$22,737.37	\$22,737.37	\$6,601.94	\$52,076.68
City of Sparks	468	8.21%	\$152,015.56	\$152,015.56	\$44,138.68	\$348,169.81
Truckee Meadows Fire & Rescue	335	5.88%	\$108,814.56	\$108,814.56	\$31,594.99	\$249,224.11
Nevada System of Higher Education, UNR, TMCC	76	1.33%	\$24,686.29	\$24,686.29	\$7,167.82	\$56,540.40
North Lake Fire Protection District	113	1.98%	\$36,704.61	\$36,704.61	\$10,657.42	\$84,066.64
US Department of Veteran's Affairs	23	0.40%	\$7,470.85	\$7,470.85	\$2,169.21	\$17,110.91
Truckee Meadows Water Authority	106	1.86%	\$34,430.88	\$34,430.88	\$9,997.22	\$78,858.97
Washoe County School District	1,157	20.31%	\$375,816.26	\$375,816.26	\$109,120.62	\$860,753.14
Air National Guard	30	0.53%	\$9,744.59	\$9,744.59	\$2,829.40	\$22,318.58
Washoe County	1,620	28.44%	\$526,207.72	\$526,207.72	\$152,787.74	\$1,205,203.18
<b>TOTAL</b>	<b>5,697</b>		<b>\$1,850,497.16</b>	<b>\$1,850,497.16</b>	<b>\$537,303.54</b>	<b>\$4,238,297.85</b>



# Available WCRCs Funds for Construction FY24 – FY26

- Debt Service Fund ~\$126k
- WCRCs unappropriated funds:
  - Infrastructure: ~\$215k (by the end of FY23)
  - Expansion: ~\$20k
  - Operations: ~\$15-215k (range)
  - **FY24 TOTAL: \$250k-\$450k**
  - **FY25 \$180k infrastructure contribution\***
  - **FY26 \$180k infrastructure contribution\***
- **Total WCRCs Infrastructure funds: \$810k**

\*Assumes JOC approval 10% Infrastructure contribution



# Costs by Agency – Recommended Scenario: Less \$810k (WCRCs Infrastructure)

Agency	Radio IDs June 30, 2022	Percent Share June 30, 2023	Agency Contribution FY24	Agency Contribution FY25	Agency Contribution FY26	Total Agency Contribution FY24- FY26
Reno Tahoe Airport Authority	278	4.88%	\$75,660.56	\$75,660.56	\$15,971.63	\$167,292.75
US Drug Enforcement Agency	26	0.46%	\$7,076.17	\$7,076.17	\$1,493.75	\$15,646.08
Pyramid Lake Paiute Tribe	85	1.49%	\$23,133.62	\$23,133.62	\$4,883.41	\$51,150.66
City of Reno	1,310	22.99%	\$356,529.98	\$356,529.98	\$75,262.00	\$788,321.96
Reno Sparks Indian Colony	70	1.23%	\$19,051.22	\$19,051.22	\$4,021.63	\$42,124.07
City of Sparks	468	8.21%	\$127,371.01	\$127,371.01	\$26,887.49	\$281,629.52
Truckee Meadows Fire & Rescue	335	5.88%	\$91,173.70	\$91,173.70	\$19,246.39	\$201,593.78
Nevada System of Higher Education, UNR, TMCC	76	1.33%	\$20,684.18	\$20,684.18	\$4,366.35	\$45,734.71
North Lake Fire Protection District	113	1.98%	\$30,754.11	\$30,754.11	\$6,492.07	\$68,000.29
US Department of Veteran's Affairs	23	0.40%	\$6,259.69	\$6,259.69	\$1,321.39	\$13,840.77
Truckee Meadows Water Authority	106	1.86%	\$28,848.99	\$28,848.99	\$6,089.90	\$63,787.88
Washoe County School District	1,157	20.31%	\$314,889.45	\$314,889.45	\$66,471.86	\$696,250.77
Air National Guard	30	0.53%	\$8,164.81	\$8,164.81	\$1,723.56	\$18,053.17
Washoe County	1,620	28.44%	\$440,899.66	\$440,899.66	\$93,072.10	\$974,871.43
<b>WCRCs Infrastructure</b>			\$300,000.00	\$300,000.00	\$210,000.00	\$810,000.00
<b>TOTAL</b>	<b>5,697</b>		<b>\$1,850,497.16</b>	<b>\$1,850,497.16</b>	<b>\$537,303.54</b>	<b>\$4,238,297.85</b>



# Interlocal Agreement - Addendum

- Additional costs are divided proportionate to the number of radios, based on LIDS, each agency operates on the system.
  - LID Count on June 30, 2022.
- Specify each agency's share in an addendum
- Specify when County will invoice agencies (July 1, 2023, 2024, 2025) and by when each agency shall submit payments (July 31, 2023, 2024, 2025).
- Additional provisions address:
  - Excess funds: Payments in FY26 will be lowered if total payments specified in addendum exceed actual costs
  - Insufficient Funds: Payments in FY26 will be increased if total payments specified in addendum are insufficient to cover actual costs
  - Non-payment





# Next Steps

- Washoe County:
  - Continue to work with L3Harris to efficiently construct and implement the P25 Radio System.
  - Continue to work with L3Harris to negotiate change orders for site construction.
- Partner Agencies:
  - Work with Washoe County to finalize Interlocal Addendum including finalization of costs and payment timeline.
- Future Meetings:
  - January P25 JOC: approve Interlocal Addendum