

## STAFF REPORT

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**Date:** October 26, 2022

**To:** Mayor and City Council

**Thru:** Doug Thornley, City Manager

**Subject:** **Staff Report (For Possible Action): Discussion and potential approval of the Second Amendment to the Axon Master Services and Purchasing Agreement (MSA) between Axon Enterprises Inc. and the City of Reno, on behalf of the Reno Police Department, to extend the existing MSA service plan for an additional ten years for the purchase of body worn cameras, Tasers, fleet video, Axon interview, unlimited cloud storage for evidence.com, virtual reality training, redaction assistant, and additional miscellaneous Axon Software utilizing a lump sum payment of \$5,632,620 from the State and Local Fiscal Relief Funds (SLFRF) allocated to the City of Reno through American Rescue Plan Act (ARPA) funds and \$5,912,631.39 from a 10 year medium term financial obligation (E911 Surcharge Fees and General Fund) in a total amount not to exceed \$11,545,251.39, contingent upon approval by the Department of Taxation of the State of Nevada.**

**From:** Jason Soto

**Department:** Police Department

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**Summary:**

In 2017, the Nevada Legislature mandated the use of portable event recording devices (body-worn cameras or BWC) for certain uniformed peace officers. The Legislature established a funding mechanism through a 911 surcharge for this mandate. The Reno Police Department entered into a five year master-services agreement with Axon Enterprises, Inc. to supply the needed BWC and equipment on April 3, 2018. In 2018 the Reno Police Department also purchased conducted energy weapons (Tasers) through Axon to give its officers an extended range less than lethal option. The Reno Police Department then expanded its portable event recording device program by purchasing 112 Axon vehicle cameras for its vehicle fleet.

This proposed second amendment to the Master Services and Purchasing Agreement will renew the expired Reno Police Department Taser agreement, will extend the expiring BWC agreement and will provide for additional Axon software systems, and will incorporate all Axon agreements into a single contract with Axon. The cost of this agreement will be paid through the use of

ARPA funding (\$5,632,620.00) and a ten-year medium-term financial obligation (\$5,912,631.39). Staff anticipates reimbursement of the costs associated with the video recording devices from the 911 surcharge fees. The anticipated annual reimbursement from the Emergency Response Advisory Committee is \$528,864 and the remaining annual amount of \$76,836 will be from the General Fund (Police budget). Departmental cost savings in the Police budget are anticipated in areas such as transcription services, police training, data storage, video support, and interview room maintenance. The agreement meets the needs of the City's Strategic Plan through Public Safety and Infrastructure. Staff recommends Council approve the ten (10) year amendment with Axon Enterprises, Inc. in a total amount not to exceed \$11,545,251.39.

**Alignment with Strategic Plan:**

Public Safety

**Previous Council Action:**

January 26, 2022 – Council heard a presentation regarding the allocation of the remaining \$24,499,998.50 of State and Local Fiscal Relief Funds from the first round of funding and approved staff's general allocation plan and directed staff to identify projects that address the established priorities for funding.

August 25, 2021 – Council accepted the State and Local Fiscal Relief Funds allocated through ARPA, allocated \$1,260,000 to urgent projects, and directed staff to begin a public engagement process to identify potential uses of remaining funds to support pandemic response and relief. In 2017, the 79th Nevada Legislature passed Senate Bill 176 (SB 176), which requires uniformed peace officers employed by a law enforcement agency and who are in routine contact with the public to wear a BWC device effective July 1, 2018. In compliance with the "Washoe County Board of County Commissioners' Policy" adopted January 16, 2018, the City of Reno, City of Sparks and Washoe County mutually agreed upon equipment from Axon Enterprise, Inc., to provide BWC's for the region. The initial term of the BWC Joinder Contract is from April 3, 2018 through April 1, 2023. Representatives of the Reno Police Department, Sparks Police Department, and the Washoe County Sheriff's Office mutually agreed upon a vendor to provide body worn cameras. This ensured equipment interoperability between all law enforcement agencies and smooth prosecution of criminal cases by the Reno City Attorney's Office, Sparks City Attorney's Office and the Washoe County District Attorney's Office.

August 11, 2021 - The City of Reno approved the first amendment to the current Master Services and Purchasing Agreement between the City of Reno and Axon Enterprises, Inc. (Joinder) to include the Axon Fleet Appendix authorizing the purchase of in-car video recording devices (dashboard cameras) and related peripheral equipment, network, and data storage for the Reno Police Department in an amount not to exceed \$1,200,000.

March 11, 2021 - President Biden signed the American Rescue Plan Act (ARPA) of 2021 establishing the Coronavirus State and Local Fiscal Recovery Fund (SLFRF). The SLFRF allocates funding to state, county, and local governments to support efforts to recover from the impacts of the COVID-19 pandemic. The SLFRF includes a direct allocation of \$51,519,997 to the City split into two tranches. The City received \$25,759,998.50 in the first tranche on May 19, 2021 and allocated \$1,260,000 to urgent projects on August 25, 2021.

February 18, 2021 - Expanding upon the successes of the BWC program the Reno Police Department moved forward with the addition of fleet cameras. The Washoe County Board of County Commissioners approve the 911 Emergency Response Advisory Committee recommendation to reimburse the City of Reno for the purchase of the dashboard cameras, an estimated cost of \$507,024. Subsequent years three through five are an estimated costs of \$227,136 annually for maintenance, system upgrades, dashboard camera replacements, and program support. As was done with the BWC, annually, the City of Reno will request reimbursement from the 911 Emergency Response Advisory Committee to pay for the dashboard camera program.

September 26, 2018 - The City of Reno approved an agreement for five years between the City of Reno and Axon Enterprise, Inc., pursuant to NRS 332.115, for the purchase of Taser conducted energy weapons (CEW's) for the Reno Police Department in an amount not to exceed \$492,000. These CEW's were purchased with a limited warranty and no cartridge or battery replacement program. Currently the Reno Police Department spends approximately \$28,000 a year for cartridges and batteries. Axon is also phasing out this model of Taser as technology has improved and its operational life cycle is nearing an end.

March 28, 2018 - The City of Reno approved the Master Services and Purchasing Agreement with Axon Enterprises, Inc. The agreement was for Portable Event Recording Devices (BWC), peripheral equipment and data storage. With the executed agreement, the Reno Police Department successfully deployed a BWC program in April 2018, well ahead of the statutory mandate. These BWC's have proven to be valuable tools for law enforcement professionals and has been successful in providing evidence for criminal proceedings, administrative reviews pertaining to performance and discipline, and in providing essential elements of transparency to the public.

### **Discussion:**

With April 2023 approaching the Reno Police Department opened negotiations with Axon to begin talks for the next generation of BWCs. During these conversations, it was apparent technology had advanced and the needs of the department had increased. It was also learned Axon offered bundle pricing through its Officer Safety Plan, which combined the pricing of the BWC, Taser, and Fleet systems. This bundled pricing plan will replace the current Reno Police

Department BWC agreement which expires in April 2023, replace the aging and soon-to-be unsupported Tasers, and pulls in the current Fleet contract, simplifying the multiple contracts into one agreement.

The 10 year contract maximizes cost savings over the term of the agreement. Axon has continued to grow as a company over the past five years of the original contract and has become the leading technology provider for law enforcement. On average Axon increases its pricing structure by 6-8% per year. This will lock in the current pricing structure for a 10 year period.

The Officer Safety Plan package also includes many additional features the Reno Police Department did not currently have the ability to utilize. The bundle includes:

- Axon Interview - a 21st century interview room recording system that uses artificial intelligence (AI) technology to transcribe reports as the interviews are being recorded
- Virtual reality training - immersive cutting-edge technology allowing officers to experience real world situations in a controlled training environment. This training platform includes Nevada Legislative and Nevada P.O.S.T. mandated, scenario based, de-escalation training, crisis intervention training and dealing with the mentally ill.
- Unlimited storage in Evidence.com
- Unlimited Taser cartridges and batteries
- Redaction Study - AI redaction suite for BWC/Fleet public records requests
- Auto transcription
- Third party video support - product is able to decode 90% of the proprietary video playback programs to reduce cost and save time.
- Citizen - gives the Reno Police Department a platform to work directly with the community to solve crimes by allowing the community the ability to download videos directly to the Reno Police Department.

The package also ensures the Reno Police Department will continue to have the most up to date technology on the market with automatic refresh dates within the agreement. The BWC's will be refreshed every 2.5 years with the latest BWC model while Fleet and Taser will be updated with the latest models every 5 years. During this time Axon will provide warranties on all equipment with replacement if the item cannot be repaired. Axon will also continue to update and improve software, including virtual reality programs and technology at no additional cost.

### **Financial Implications:**

This 10 year contract with Axon Enterprise, Inc. is for the Axon Officer Safety Plan which will bundle our three current Axon agreements into a single line item. The total 10 year contract will not exceed \$11,545,251.39. The City will use State and Local Fiscal Relief Funds (SLFRF) allocated to the City of Reno through the American Rescue Plan Act (ARPA) to make a one-time upfront payment of \$5,632,620. The remainder of the funds will be in the form of a 10-year

medium-term obligation (\$5,912,631.39) with estimated annual payments of \$605,700. Funding for the medium-term obligation is anticipated at \$528,864 in annual reimbursement from the Emergency Response Advisory Committee and the remaining annual amount of \$76,836 will be from the General Fund (Police budget). Departmental cost savings in the Police budget are anticipated in areas such as transcription services, police training, data storage, video support, and interview room maintenance.

**Legal Implications:**

Legal review completed for compliance with City procedures and Nevada law.

**Recommendation:**

Staff recommends Council approve the Second Amendment to the Axon Master Services and Purchasing Agreement (MSA) between Axon Enterprises Inc. and the City of Reno, on behalf of the Reno Police Department, to extend the existing MSA service plan for an additional ten (10) years for the purchase of body worn cameras, tasers, fleet video, axon interview, unlimited cloud storage for evidence.com, virtual reality training, redaction assistant, and additional miscellaneous Axon Software utilizing a lump sum payment of \$5,632,620.00 from the State and Local Fiscal Relief Funds (SLFRF) allocated to the City of Reno through the American Rescue Plan Act (ARPA) and \$5,912,631.39 from a ten (10) year medium term financial obligation (E911 Surcharge Funds) in a total amount not to exceed (NTE) \$11,545,251.39, contingent upon approval by the Department of Taxation of the State of Nevada and authorize the Chief of Police, City Manager and/or Mayor to sign the necessary documents.

**Proposed Motion:**

I move to approve staff recommendation.

**Attachments:**

Final Axon Second Amendment for RPD