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September 24, 2010

Jerome S. Cephas
Illinois Central Management Services
Procurement Counsel
100 W Randolph
Ste. 4-500
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Ref: Proposed Contract Number CMS1534610

Dear Mr. Cephas,

The existing State of Illinois StarCom21 radio system contract creates a monopoly that one vendor, Motorola, has enjoyed with Illinois state and local governments for the past decade. This contract not only locks in the infrastructure equipment and services to Motorola, but the purchase of all of the subscriber (user) radios as well.

Harris Corporation, the leading provider of tactical radios to the U.S. federal government for warfighters in Iraq and Afghanistan, who is also the company with more than 80 years experience in land mobile radios and systems, provides the complete public safety radio systems here in Illinois for Will County, Lake County, Peoria County, Rock Island County, Naperville, Aurora, and the Chicago CTA. We are surprised and extremely disappointed to see in recent filings that the State of Illinois is seeking to include readily available standard equipment on what would seem to be a services ONLY contract for a sole source procurement. Not only will this action cost multiple state and local Illinois agencies in the aggregate millions more dollars than are necessary, but it is contrary to what other neighboring states have done . Widespread practice informs the industry that the network services contract should be separated and unbundled from the instrument used to allow for equipment purchases. This is particularly true for the StarCom21 system because it is defined as an open architecture P25 network that enables multiple vendors to provide P25 radio equipment that fully function on it.

While we recognize that it is difficult for the state to build another system infrastructure at this time, we also recognize that the state should not pay more for the subscriber radios used on the system than it has to. At a time of state budget difficulties, this contract – bundled to include all equipment purchases – will cost the state at least 30% more than if the State of Illinois unbundled the services contract from the subscriber equipment contract and allowed multiple vendors to competitively supply subscriber radios, all of which are tested as being P25 standards compliant. P25 standard was developed by public safety users and vendors. The P25 standard offers agencies competitive procurement for a standards based product/system thus offer taxpayers a cost saving.

Almost ten years ago, the Motorola StarCom21 system was intended, announced, and built to be an "open P25 architecture" network so that any number of competing vendors could provide portable and mobile radios that would work on it. Unfortunately this promise has never been realized and a decade later, StarCom21 is still exclusively a Motorola network with a Motorola monopoly on radio equipment. Only Motorola portables and mobiles are available to State agencies via the current State of Illinois contract. This does not have to be the case. Harris Corporation and several other vendors manufacture portable radios and mobile radios that will

work on the Motorola StarCom21 radio system. Harris and others are ready and able to compete to fill the State's requirements. .

To see the benefits of competitive procurement, one has only to look at neighboring Indiana and Michigan, which have statewide networks similar to the Motorola StarCom21, but have many portable and mobile radio vendors on state contracts selling radios that work on their respective statewide systems. They are enjoying better pricing, better availability and arguably better service on this equipment. Illinois' contract, on the other hand, prohibits any competition on the state contract. The Motorola monopoly is extended beyond the state requirements for equipment since local governments often buy their radios off these state contracts because it simplifies their procurement process. The result? A windfall for Motorola as the monopoly vendor since the original contract of 2001. Imagine if a cellular carrier did this?

As a further disincentive to competition, there is a penalty levied if a non-Motorola radio is deployed onto the network. This unfair trade restriction affects the many cities and counties throughout Illinois that use competing vendor's radio products. These customers cannot use the state contract to purchase their equipment of choice. The unfortunate effect is an extension of the exclusivity of the statewide public safety network to create exclusivity for the devices that will work on it. Certainly at the very least, the state should remove the language from the lease agreement that levies a surcharge on entities that try to add a non-Motorola device. There are at least five suppliers other than Motorola (Harris, EF Johnson, Kenwood, Relm, and Tait), who can provide qualified and compatible radio equipment on the P25 StarCom21 system. To date, out of the more than 15,000 radios on the system, only 2 radios are supplied by a vendor other than Motorola, thus creating a virtual monopoly supported by contract restrictions.

EJ Johnson	(0) zero
Harris	(1) one
Kenwood	(0) zero
Motorola	(15,000+) fifteen thousand plus
Relm	(0) zero
Tait	(1) one

This sole source request for the radio equipment for the StarCom21 system makes poor business sense for the state, its taxpayers and for the public safety agencies in towns and counties who use the system or who need to use the state's contract to purchase equipment. Today, the State is paying more than the market rate for their portables and mobiles radios. The remedy is easy. Remove the equipment from the sole source request and put the equipment portion out for competitive bid.

Harris has demonstrated – without a doubt – that our high quality public safety radios work, and work well, on the Motorola StarCom21 network. We have customers in places such as Will County who are using our Harris radios and wish to utilize the same radio today on StarCom21. StarCom's intention was to create more competition, drive down prices, and offer the user agencies choices. We ask that you reconsider this sole source, and for the sake of taxpayers and fair competition, open the equipment process up to multiple vendors. Sever the equipment from the lease agreement and enjoy the cost-saving benefits of competitive procurements.

If you have any questions please do not hesitate to contact me at 312 497 3215.

Sincerely,



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