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COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING

4

COMMITTEE ON PUBLIC SAFETY and

5

TECHNOLOGY & INFORMATION SERVICES

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Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, February 10, 2005
2:20 p.m.

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10 RESOLUTION 040993 - Resolution authorizing a
11 Joint Hearing for both City Council's
12 Committee on Public Safety and City
13 Council's Committee on Technology and
14 Information Systems to hold public hearings
15 to investigate the malfunction of the City
16 of Philadelphia's 800 Megahertz Digital
17 Radio System which occurred five times...

15

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PRESENT:

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COUNCILWOMAN DONNA REED MILLER, Chair

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COUNCILMAN BRIAN O'NEILL, Chair

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COUNCILMAN FRANK RIZZO

COUNCILWOMAN BLONDELL REYNOLDS BROWN

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I N D E X

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JOHN MCFADDEN, Motorola.....	19

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2 COUNCILWOMAN MILLER: Good
3 afternoon. We're getting ready to call the
4 Committee to order. The Committee on Public
5 Safety and Technology and Information Services
6 is now in session.

7 For the record, in attendance is
8 Councilman Frank Rizzo, Councilwoman Donna
9 Reed Miller, Chair of Public Safety;
10 Councilman Brian O'Neill, Chair of Information
11 and technology; and Councilwoman Blondell
12 Reynolds Brown.

13 Will the Clerk please read the
14 resolution?

15 THE CLERK: Resolution 040993,
16 resolution authorizing a Joint Hearing for
17 both City Council's Committee on Public Safety
18 and City Council's Committee on Technology and
19 Information Systems to hold public hearings to
20 investigate the malfunction of the City of
21 Philadelphia's 800 Megahertz Digital Radio
22 System which occurred five times: Once on
23 March 25, 2004, at 8:59 p.m., then on May 18,
24 2004, at 9:04 p.m., again on July 9, 2004, at
25 6:30 p.m., and again on August 18, 2004, at

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2 7:26 p.m., and finally on October 3, 2004, at
3 1:30 a.m.; and, in furtherance of such
4 investigation, authorizing the issuance of
5 subpoenas to compel the attendance of
6 witnesses and the production of documents to
7 the full extent authorized under Section 2-401
8 of the Home Rule Charter.

9 COUNCILWOMAN MILLER: Thank you.
10 Councilman O'Neill.

11 COUNCILMAN O'NEILL: I would just
12 like to put on the record, there has been some
13 question about Verizon and their willingness
14 to testify. I'll take full responsible for
15 their not testifying today because I told the
16 person from Verizon the other day that within
17 the parameters of the hearings, as we set it
18 up, there wouldn't be any testimony about who
19 struck John and which finger was being pointed
20 where. We're really looking at just a recap
21 of the incident since our last hearing and
22 looking forward particularly from the
23 perspective of the City through the Law
24 Department is there any place we can go there
25 just as if you personally bought something,

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2 had a warranty, were paying a maintenance fee
3 and it wasn't working the way it was supposed
4 to. In addition to finding out why it wasn't
5 working, you'd still want to make sure you
6 were somehow compensated in some way, whether
7 it was a longer warranty added on to cover the
8 period when it wasn't working the way it was
9 supposed to or, as people have suggested, some
10 other method whether it's reduction or
11 elimination of the maintenance fee, something
12 to so that \$52 million investment that we may
13 never find out really why it's not working as
14 it should or hasn't worked as it should. But
15 everybody agrees that it hasn't been working
16 as it should and we paid \$52 million for it
17 and have a year and a half.

18 Verizon is willing to come to any
19 future meeting or hearing and participate. I
20 take full responsibility for any confusion
21 that occurred there. And I'll turn it back to
22 the Chair.

23 We've had many hearings. This is
24 going to be our last one. That's the only
25 thing we've agreed on, but we still want to

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2 pursue this in more informal channels. Thank
3 you.

4 COUNCILWOMAN MILLER: Just to recap,
5 we've mutually agreed that this will probably
6 be our last public hearing. We see this a
7 wrap-up, as an opportunity to move forward and
8 continue working on the problem. And we
9 understand Motorola has some updates to
10 present today, and we want to get started
11 unless -- Councilman Rizzo, do you have
12 anything you want to say?

13 COUNCILMAN RIZZO: Nothing other
14 than I appreciate the joint COMMITTEE'S
15 efforts here.

16 COUNCILWOMAN MILLER: We'd like to
17 call up our first witness which is Phil
18 Goldsmith.

19 MR. GOLDSMITH: Good afternoon.
20 Phil Goldsmith, Managing Director.

21 COUNCILWOMAN MILLER: Good
22 afternoon.

23 MR. GOLDSMITH: I want to thank this
24 Committee for their continual oversight and
25 vigilance to what we believe is an important

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2 issue for the people of Philadelphia in terms
3 of public safety as well as our fire fighters
4 and police officers as well as other City
5 employees.

6 I'm joined in this room by many
7 experts, of which I am not one of them, that
8 can certainly talk about the technological
9 issues what has been done and what is being
10 done and what will continue to be done to be
11 ensure we have a communication process that's
12 reliable and meets the 21st century needs of
13 an urban city like Philadelphia.

14 I think the question -- it's been
15 almost two years I think. In fact, I remember
16 it because it was just as I was assuming the
17 position as Managing Director that we went
18 live on this system. And I think that when
19 you look at it from a two-year period of time,
20 the system has worked well, which is not to
21 say perfectly. And I continue to believe that
22 the system that this City has invested money
23 in is a better system and provides better
24 public safety than the old antiquated system
25 that we had.

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2 I think the issue we have as a City
3 and as a Council is very simple: Do we have a
4 system that meets our public safety needs? Is
5 it a system that's reliable that our men and
6 women in our uniformed services can depend on
7 and can rely on? And I think that as with any
8 new system, there's always shake-out problems,
9 there's always issues that have to be dealt
10 with.

11 I think over the past many months
12 since we had a few issues bubble up, that the
13 City, working with Motorola and subsequently
14 Verizon, has addressed a lot of these issues,
15 has tried to determine which of the issues are
16 related to the system itself, to the actual
17 Motorola system; which issues have been human
18 error; what we have to do in order to improve
19 our protocols, our testing and our cooperation
20 among Motorola, Verizon, as well as the City
21 of Philadelphia and make sure that we are
22 communicating effectively and promptly with
23 the men and women in our uniformed services so
24 they know where we are and what's going on.

25 I think I can say today that we've

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2 had no -- and I say this somewhat nervously,
3 we have not had any issues since the last
4 hearing, that we have made enormous progress.
5 I personally have met with Verizon, and we
6 probably had 12 of their representatives were
7 in my conference room pledging to do what
8 needs to be done and also making sure that
9 they are working effectively with Motorola.

10 This is an issue where there is
11 never one single problem or source of a
12 problem. It's where you have a lot of
13 different parts. And where we have had
14 issues, as I said, sometimes they've been a
15 Motorola issue, sometimes they've been a
16 Verizon issue, probably there's been times
17 that they've been a City issue. And then we
18 have an overriding issue we have on the
19 national level of the amount of traffic that
20 now comes into our City no one ever
21 anticipated, and these are FCC issues that
22 important issues to us. But they are issues
23 that we as a City cannot solve by ourselves.

24 We started some preventive testing,
25 I think it was yesterday, with Motorola.

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2 Verizon is going to be doing testing. And I
3 think we can say that we have a much better
4 comfort level in the system and our ability to
5 be communicating with the people in the field,
6 and the field back to headquarters, and in the
7 field among themselves.

8 We're beginning work with SEPTA.

9 We're beginning work with the School District
10 of Philadelphia to make sure that we can be
11 operable among those agencies, and we have a
12 project going on. It's funded by Home Land
13 Security funds to allow us to be communicating
14 with other counties and other counties with
15 us.

16 So there has been a lot work, and I
17 think that we all recognize this as an
18 important issue and we're going to make sure
19 that our processes are correct in our systems,
20 both the protocols are proper and the
21 communications among our different vendors and
22 the City is running seamlessly. And I think
23 we're a long way there, but we cannot get
24 comfortable in what we've done; we've got to
25 remain vigilant because it's an important

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2 area.

3 So I'd be glad to answer any
4 questions and have any of the experts come up
5 and help me out.

6 COUNCILWOMAN MILLER: I have a
7 question as it relates to human error.
8 Certainly, you know the technology and all
9 those other errors are things that -- I don't
10 want to say we can't avoid, however, what is
11 happening the area to correct the human error
12 mistakes? Additional training? What are the
13 needs?

14 MR. GOLDSMITH: Some of it is
15 training. Again, I don't want to be here
16 pointing fingers. But part of it happened
17 with some of the other vendors. Part of it is
18 training issue. Part of it is understanding
19 that the human error took place first place as
20 opposed to thinking the cause was over here,
21 to understand that some cases someone was
22 doing some maintenance upgrade and forgot to
23 plug something back in. I mean, that's sort
24 of my very simple explanation of what
25 happened.

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2 Like anyone of us that run large
3 organizations, it becomes an issue of training
4 and accountability and making sure that you
5 have written protocols in place so people know
6 what is expected of them and what has to be
7 done. And I think in this case, both Motorola
8 and Verizon have said that they are trying to
9 tighten their end up, and we as a City are
10 trying to do the same thing.

11 COUNCILWOMAN MILLER: Okay.

12 Councilman Rizzo.

13 COUNCILMAN RIZZO: Mr. Goldsmith,
14 it's been reported that there have been three
15 issues that did not involve Motorola that were
16 -- either two of them have been agreed upon
17 that have been Verizon's responsibility and
18 one that in fact there's still questions on
19 what occurred there.

20 The protocol that you mentioned
21 earlier -- I understand that we have some
22 equipment that's in a landlord tenant
23 facility. Those protocols, could you comment
24 in the event we have another issue with a hub
25 or power outage and batteries going dead that

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2 we now are in the situation and we have the
3 ability not -- it was a boondoggle that
4 incident that occurred where the system was
5 off for -- there's a lot troubles with the
6 system. Sometimes we say the system was off.
7 It wasn't; it was in the backup mode. But
8 obviously that's not as desirable as it is in
9 its normal operating configuration.

10 What have we done to be assured that
11 the support that any vendor, including Verizon
12 -- it's troubling to me that a power outage
13 that lasted more than eight hours could have
14 the effect that it did on the system, what we
15 call a T1 line that is buried in the ground
16 between here and one of the transmitter sites
17 could become defective and take the system
18 out. And that's why I was hoping that Verizon
19 would be here today and be able to explain
20 that.

21 Maybe you can assure us all that
22 what you refer to as protocol, communication
23 between the monitoring center Verizon and any
24 other vendor that supports this system, how
25 confident are you that all these are now where

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2 they need to be?

3 MR. GOLDSMITH: Well, I think I
4 might ask Joe James to come up and help me
5 with this. But let me say that we met with
6 Verizon at our request. We told them we were
7 concerned about some of these issues that had
8 been occurring. They came in and we talked
9 about these issues, and some of them they
10 readily acknowledged and understood had to be
11 resolved and fixed. We impressed upon them
12 the importance and the urgency of this.

13 Now, I think from my conversation
14 with them that they understand. They
15 understood and took responsibility for, in
16 that particular case, what happened. I think
17 they were chagrined about it, and I think
18 they understood that they had some systemic
19 issues that they had to address. And I'm
20 going under the assumption that those issues
21 are being addressed or have been addressed,
22 but I prefer for the Deputy Commissioner Joe
23 James to talk about the specifics.

24 MR. JAMES: Thank you. Good
25 afternoon, Councilman and Chair.

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2 In regard to that particular
3 incident, we have worked very closely with
4 Verizon and Motorola together to unite the two
5 service management teams together in an effort
6 to avoid this type of human error or, as you
7 describe, faux pas happening in the future.

8 I think one of the things that was
9 apparent once when we reviewed the cause
10 analysis of that particular incident, there
11 were some systemic issues in how they process,
12 do their response to an outage. And it was
13 clear in our review of it and what we needed
14 to apply the fix was to make sure that the
15 protocols that they were speaking in common
16 nomenclature and the processes involved and
17 oversight that was very similar to what we had
18 instituted with Motorola when we started to
19 experience those problems of an early alert
20 system that got our response team on board the
21 moment that we saw issues arise and not wait
22 until the general experiences that there were
23 two hours and the power wouldn't come back up
24 and we don't have to dispatch tonight, we can
25 wait until tomorrow. So we've gone through a

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2 very exhaustive process with both teams to
3 unite the teams along with our team to align
4 it so that the processes and protocols are
5 uniform, language is used in a uniform manner,
6 and the alert system is systemic to how we do
7 our business and how we make our responses
8 when we have an outage.

9 COUNCILMAN RIZZO: Commissioner, do
10 you feel confident that today that all the
11 support, whatever vendor, Verizon, you name
12 it, that all of the Achilles heal that support
13 this system has been tested, quality assured
14 that -- and maybe you can just take 30 seconds
15 and explain how a single telephone line could
16 cause you all of this confusion. It seems to
17 me it is so vulnerable -- and I'm hoping that
18 the redundancies are going to be in place or
19 lines that we know aren't 50, 60 years old in
20 the ground supporting the system. It's
21 mind-boggling to me to think that a phone line
22 could put us in a backup situation that
23 easily.

24 MR. JAMES: Well, in response to
25 this was one of the things the Managing

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2 Director discussed very specifically with the
3 Verizon team when we met. We wanted to look
4 at an overall to process to install
5 preventative maintenance process that would
6 give us the kind of reassurance and the
7 quality controls that every component of the
8 system that they touched is being checked and
9 checked on a somewhat regular basis to ensure
10 that we didn't have to wait until we had a
11 problem.

12 And as you described, our radio
13 system basically has to touch the ground at
14 some point for communications to operate, and
15 our dispatch consoles are connected using
16 facilities that are provided by Verizon. If
17 any one of those links were to go down would
18 have an impact on the ability of the
19 dispatcher to use their primary means of
20 communication or affect the ability of a tower
21 to have the coverage of a particular section
22 of the City.

23 I think since our meeting and our
24 efforts have been underway, one of the things
25 that we're going through that's been started

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2 is a preventative maintenance plan, a joint
3 preventative maintenance plan between Verizon
4 and Motorola and the City to go out to every
5 site, touch every piece, verify every
6 component, test every circuit and make sure
7 that we have the kind of comfort level and the
8 kind of quality controls in place. And I
9 think we're in that process. We expect that
10 to last about 30 days, and we can go into some
11 further program testing.

12 COUNCILMAN RIZZO: Thank you.

13 MR. JAMES: Sure.

14 COUNCILWOMAN MILLER: Thank you.

15 I'd like to say before we call up
16 our other witnesses from Motorola that in
17 future meetings when you're discussing this,
18 we'd like you to make sure that this Committee
19 knows about those meetings so that
20 Councilmembers can be attendance and any other
21 Members of this Committee.

22 MR. GOLDSMITH: Sure.

23 COUNCILWOMAN MILLER: Thank you.

24 Thank you for your testimony.

25 We'd like to call up John McFadden

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2 from Motorola.

3 MR. MCFADDEN: Good afternoon.

4 COUNCILWOMAN MILLER: Good
5 afternoon.

6 MR. MCFADDEN: Good afternoon,
7 Chairperson Donna Miller, Councilman Rizzo,
8 O'Neill, Blondell Reynolds. Thank you very
9 much for allowing us to come today and talk
10 about the system.

11 One of the things I'd like to talk
12 about before we start is on July 14th I came
13 before this Committee and testified and again
14 on July 30th. At that time, I was the sales
15 vice president for the Northern Division for
16 Motorola. At this time, I'm a consultant to
17 Motorola specifically for projects like
18 Philadelphia that I was involved in the sale
19 of. I also from Motorola have the authority
20 to bind the company and to testify at the
21 hearings for Motorola. I just want to make
22 sure you understand my role. It has changed a
23 little.

24 COUNCILMAN RIZZO: I hope we were
25 helpful in that change.

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2 MR. MCFADDEN: Yes, you were.

3 With me today is Brian Swan who is
4 our systems manager and also Bob Janice who is
5 our quality director for the Northern Divisio.

6 We don't have a prepared statement.

7 COUNCILWOMAN MILLER: We'd actually
8 like to be updated. It's my understanding the
9 failure hasn't occurred since October 8th or
10 whatever date. I don't have my glasses on, so
11 I can't find the date real quick. But we want
12 to be updated on the status of -- what's been
13 corrected? What still needs to be worked on?
14 We heard the testimony from the Managing
15 Director who says he's been working with
16 Verizon and Motorola. And what do we have to
17 look forward to moving into the future with
18 this whole system?

19 MR. MCFADDEN: That is correct, we
20 are working with Verizon to make sure that
21 this system is swept, that we are one team
22 working on this together.

23 Let's go back to the incidents. The
24 incidents we had going back over the last year
25 can basically be described as kind of

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2 shake-out of a new system. There are 200 of
3 these systems around the United States, cities
4 like Cleveland, Baltimore, Washington, D.C.
5 Each of the municipalities or cities has a
6 different operating procedure, so they kind of
7 overlay their operating procedure over the
8 system.

9 In Philadelphia's case, there were
10 things that were -- so we had the basic
11 system, and as we overlayed the operations,
12 things appeared. As those things appeared,
13 they were basically corrected by software
14 changes over the last year. There hasn't been
15 what we would consider any of those incidences
16 probably since August. I think the Managing
17 Director kind of indicated that the system is
18 extremely stable at this time. But they were
19 software modifications done to the system
20 basically to optimize it for your operation.
21 There were some issues that were actually
22 parts that needed to be repaired or parts that
23 had an issue and were replaced. So it was a
24 combination of software upgrades that we made
25 and parts that -- in one case, there were

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2 timing boards that had a problem. We replaced
3 them. We provided spares.

4 So at this point, I think a lot of
5 that stuff, in our minds, is behind us. We
6 stand ready to work with the City and continue
7 to monitor this system. This system, again,
8 is monitored 24 hours a day out of our
9 headquarters in Chicago. We have not left the
10 City of Philadelphia's as a customer we don't
11 intend to. We'll be here. We'll continue to
12 support whatever you want to do. That's kind
13 of been our commitment, and we intend to
14 continue to do that.

15 COUNCILWOMAN MILLER: Well, we do
16 have a warranty. That means that you have to
17 do it anyway, correct?

18 MR. MCFADDEN: Well, the warranty --
19 I don't know the exact terms of the warranty,
20 but when you buy a system from us, if there's
21 something wrong or something you don't like,
22 we don't leave. The warranty could be
23 expired; we don't leave. I'm not sure the
24 exact status of the warranty. I know we're in
25 a maintenance mode at this point. So our

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2 commitment is, regardless of what our warranty
3 says, we're going to be here and put people on
4 this system until you're comfortable and
5 happy.

6 COUNCILWOMAN MILLER: Thank you.
7 Councilman Rizzo.

8 COUNCILMAN RIZZO: Thank you.

9 Mr. McFadden, again, thanks for all
10 your cooperation and your company's
11 cooperation throughout this process.

12 What I'd like to ask you is that we
13 had three incidences, two definitely
14 associated with Verizon; one we're not sure
15 whether they were just implicated because of
16 some human error or what. Why is this
17 system -- Commissioner James explained this
18 closer working relationship between the
19 vendors that you are so very dependent upon to
20 keep this system in an up status. Why is the
21 Verizon component so critical? And what I'm
22 trying to express is, why can these minor --
23 they sound just like minor hardwire telephone
24 company issues -- put the system into this
25 distress? What are you doing? And we heard

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2 that they're checking everything that supports
3 the system. You would have thought that that
4 would have been done by the provider of these
5 services and not had to be asked. But why are
6 we so vulnerable here? And do you feel more
7 confident now with this new relationship or
8 this renewed relationship and the work that is
9 going on, the quality assure? Because these
10 issues are hurting the system and even though
11 it's not Motorola's issue, it's still an issue
12 that really affects our fire fighters, our
13 police officers. They don't care whether it's
14 a Verizon problem or Motorola problem. They
15 know their radios go bonk or whatever.

16 MR. MCFADDEN: These are network
17 issues. There's redundancy built into the
18 system. We always talk about the redundancy.
19 And the redundancy in the system is if there
20 was -- and the example everybody's using,
21 suppose there was a terrorist attack and there
22 were no phone lines. Suppose that there was a
23 terrorist attack and there was no electricity
24 for three days from the power company. This
25 system has enough redundancy to stay on the

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2 air. So when we talk about redundancy,
3 there's multiple levels of redundancy.

4 The issue we talked about, I guess,
5 during December affected two consoles. And I
6 don't know the details, quite frankly, of the
7 phone lines and how they work or what happened
8 with the phone lines. But we're willing to
9 work with Verizon and keep working if that
10 would help them and help ourselves and help
11 the City, quite frankly. I mean, it's our
12 goal to keep this system as reliable as
13 possible. And that's the redundancy. So
14 there's multiple levels of redundancy,
15 telephone lines, multiple things that make up
16 the system.

17 COUNCILMAN RIZZ0: You say you have
18 200 of these systems throughout the United
19 States. I know you even have it in foreign
20 countries.

21 MR. MCFADDEN: In the United States
22 there are 200 systems of this release.
23 There's others of other releases. So it's
24 actually more, but 200 that look exactly like
25 Philadelphia's system.

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2 COUNCILMAN RIZZO: Since this system
3 is so dependent on hardwire, is there anything
4 Motorola could recommend to our communications
5 people? Is it about money? Is there a better
6 way to do this? Could our own internal
7 network be a better alternative to -- how do I
8 put it? A telephone company technician could
9 go change one pair to another pair while he's
10 installing a residential phone and again cause
11 chaos to the system.

12 Have you ever made recommendations
13 to get away from this relationship and do it
14 differently?

15 MR. MCFADDEN: No, there really
16 isn't in a major City -- the best way to do
17 this is with T1 lines because -- there's other
18 ways of doing it, but they're as reliable as
19 T1 lines. There's always that issue that
20 everything is 99.999 percent reliable. It's
21 always that one piece that's not a hundred.
22 In any kind of network that you have, there's
23 always something that could affect the network
24 or part of the network or a percentage of the
25 network. So it's very difficult to say you

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2 should be using something else versus phone
3 lines.

4 We find the phone lines of T1s to be
5 the best way to do this in a major
6 metropolitan area.

7 COUNCILMAN RIZZO: Thank you. And I
8 want to thank you personally. It's refreshing
9 to hear you say that you're with us and that
10 this system is going to work well and you're
11 not going to run from us even though you may
12 not have any official responsibility, or at
13 least that's what you implied.

14 MR. MCFADDEN: My name is on this
15 too.

16 COUNCILMAN RIZZO: Exactly. We
17 appreciate you did not duck one little bit
18 from this issue, and it's refreshing to see a
19 company like yours participate in this hearing
20 process. And I'm confident that you want to
21 assure that name Motorola is serving the City
22 well.

23 MR. MCFADDEN: Thank you.

24 COUNCILMAN O'NEILL: Can I ask one
25 question? Have we already paid the 52

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2 million, or is it in installments over 10
3 years?

4 MR. MCFADDEN: It's paid for.

5 COUNCILMAN O'NEILL: We really
6 appreciate you coming here. Thank you.

7 COUNCILWOMAN MILLER: Thank you very
8 much for coming.

9 The next witness is Don Marino from
10 the Law Department and Michael Eichert.

11 Good afternoon. State your name for
12 the record.

13 MR. MARINO: Donald C. Marino. I'm
14 Chair of the Litigation Group in the City's
15 Law Department.

16 MR. EICHERT: And Michael Eichert,
17 Chief Deputy City Solicitor.

18 COUNCILWOMAN MILLER: We're here
19 today with question regarding our warranty,
20 and that's basically what we want to know
21 about.

22 MR. MARINO: Well, I think Motorola
23 has pretty much indicated that -- the original
24 warranty, I'm advised, has expired. But
25 despite that, Motorola still has remained

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2 behind and is working with the City to correct
3 any problems that may arise.

4 COUNCILMAN O'NEILL: How long was
5 the original warranty? Couldn't have been
6 very long. We haven't had the system very
7 long.

8 MR. MARINO: Actually, I believe
9 Commissioner James is better suited than I to
10 answer that, but I think it expired in May
11 of -- what?

12 As I said, the Commissioner has more
13 information on that than that I do. He may be
14 suited to answer your specific questions with
15 regard to the warranty.

16 COUNCILMAN O'NEILL: Hyundai gives a
17 10-year warranty on a \$10,000 car. Seems like
18 we got a fairly short one. Whether the
19 company's willing to stand it its stead or
20 not, but I'm just talking about from an
21 upfront perspective. I'd rather not count on
22 their being nice. If I pay \$62 million -- and
23 maybe Commissioner James can just shed some
24 light on that.

25 MR. JAMES: Councilman, it was done

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2 in phases because we did it over a phase
3 period of time, so different components came
4 out of warranty at different points in time.
5 It's a one-year warranty. When we negotiated
6 the contract, what we had received assurance
7 from Motorola was a 10-year commitment on the
8 ability to get equipment and parts for the
9 system, but we only signed up for a one-year
10 warranty so that we stay within the bounds of
11 looking at the warranty and be able to
12 renegotiate it depending on what we think is
13 appropriate for us to do.

14 COUNCILMAN O'NEILL: Hindsight is
15 beautiful. I love it. But you were there at
16 the negotiating table. I'm sure there was
17 trade-offs in how long the warranty would be
18 and how much you'd pay and all that.

19 Councilman Rizzo just mentioned it
20 started at 52 and went up to 62 million.
21 Where did the last 10 come in?

22 MR. JAMES: I'm not sure about the
23 62 million number. The original project was
24 \$52 million.

25 COUNCILMAN O'NEILL: If Councilman

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2 Rizzo says it's \$62 million, he knows more
3 about the system than anybody in the City, I
4 thin, so I would defer to his numbers.

5 COUNCILMAN RIZZO: What I am
6 interested in while you're here at the table,
7 we have paid -- and you know the City
8 Controller is doing an audit on this. The
9 original price of the system was \$52,767,380,
10 which was amended in August 2004 to
11 54,811,406, then 3,597,713 in annual warranty
12 and maintenance costs for three years. Now
13 while we're having all these difficulties, do
14 you really believe that -- I understand there
15 are some things that break that aren't
16 associated with our problems, but we're
17 talking 3 and a half million dollars over a
18 three-year period that we're paying in
19 maintenance. Seems to me that we need to
20 recover something here.

21 MR. JAMES: Well, as you recall when
22 we had the discussion in the previous hearing,
23 the City and Motorola at the time we were
24 experiencing the problems, Motorola brought in
25 additional resources that were beyond what we

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2 considered was covered in the warranty at
3 their cost. They also provided additional
4 management of the system at their cost which
5 was not part of the warranty, but they were
6 doing that as part of their commitment to
7 resolve the issues and the problems that we
8 were experiencing. Again, I think they had a
9 strong commitment to make sure that the system
10 re-establish the credibility, that they were
11 there, they were going to be here, if they
12 need to bring additional people, staffing
13 people at the police 911 headquarters,
14 whatever they needed to do they did so at
15 their cost not at our cost. We have not made
16 a payment on the warranty since we started to
17 experience the problems. We have held off
18 making any more warranty payments and having
19 Motorola fit the expense of this entirely on
20 their on.

21 COUNCILMAN RIZZO: But that doesn't
22 mean they're forgiven.

23 COUNCILMAN O'NEILL: Commissioner,
24 can I give a perspective to this?

25 MR. JAMES: Sure.

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2 COUNCILMAN O'NEILL: It would seem
3 to me that whatever the warranty is -- you
4 know, everybody would like to have a little
5 longer warranty rather than the shorter
6 warranty. Given that the warranty is a year,
7 whether I like it or somebody else doesn't
8 like it, it seems that the warranty would
9 begin -- and this is for the lawyers probably
10 rather than the Commissioner of Public
11 Property. The warranty would kick in once
12 everyone agrees that the system is running and
13 is what you got what you paid for. If
14 something isn't working from the day you got
15 it the way both parties anticipated it
16 working, it would seem the warranty would
17 start whenever that point in time was where
18 everybody said, "Yeah, we got it," whatever
19 those shake-outs were, whatever those parts
20 were that had to be replaced, we got it now
21 and now your warranty starts. Then after that
22 year if the company wants to stay on because
23 of its own good name and its relationship with
24 the City and other cities all that, that's
25 something totally different than what they're

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2 required to do. It seems like we're under
3 warranty when we still don't have, I'll call
4 it the finished product that we expected when
5 we paid whatever number we paid, somewhere
6 between 52 and 62 million.

7 MR. JAMES: I think the way the
8 original contract was structured was as
9 certain phases were up and accepted by the
10 City, then you have a period of time on the
11 warranty and then you start paying
12 maintenance. So you have a year warranty and
13 then after that you start paying maintenance
14 on maintaining the system.

15 The system was fully accepted by the
16 City in about February of '03. The system was
17 fully accepted. Everyone was fine. The
18 problems really didn't start appearing until
19 March was the first time there was an issue.

20 COUNCILMAN O'NEILL: March of '03?

21 MR. JAMES: March of '03.

22 COUNCILMAN O'NEILL: Right after we
23 accepted the system.

24 MR. JAMES: Yes.

25 COUNCILMAN O'NEILL: Naturally.

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2 MR. JAMES: March of '04. I'm
3 sorry. March of '04.

4 COUNCILMAN O'NEILL: Oh, a year
5 later.

6 MR. JAMES: Yes, it was a year
7 later.

8 COUNCILMAN O'NEILL: So everything
9 was hunky-dory for a year.

10 MR. JAMES: Everything was fine.
11 Everything was working as spec. A year later
12 after the system was fully accepted that we
13 started to experience these problems.

14 COUNCILMAN O'NEILL: Wouldn't
15 shake-out occur in the first year rather than
16 subsequent?

17 When I hear it, it sounds very
18 normal. You know, you start a new system, you
19 have overlays and all that. Why does it work
20 for a year and then all of a sudden --

21 MR. JAMES: That was part of our
22 dilemma in trying to deal with some of the
23 issues because the way this project was
24 scheduled and phased is that we made sure that
25 police were brought on last because we wanted

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2 to make sure that there was a shake-out period
3 and if problems would occur, they would occur
4 when the municipal departments were up and
5 using the system as opposed to fire and police
6 on the system. So we brought the system up.
7 The system performed as spec. The problems
8 that did not occur in 2004 --

9 COUNCILMAN O'NEILL: The police had
10 no problems for a year?

11 MR. JAMES: None of these problems
12 occurred until March of '04.

13 COUNCILMAN O'NEILL: Okay. I just
14 wanted to make that clear.

15 COUNCILMAN RIZZO: Councilman, can I
16 add to the numbers so we can come up to
17 \$62 million.

18 MR. JAMES: I'm going to have to get
19 my calculator.

20 COUNCILMAN RIZZO: Payments to RCC,
21 the consultant, in the amount of 1,876.507.
22 Tell us what that was about.

23 MR. JAMES: We've had RCC on the
24 project going back to the designing of the
25 RFP. They've been our technical engineering

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2 firm who's been supporting us on a number
3 components on the project. And their cost is
4 the engineering services that they delivered
5 to the project.

6 COUNCILMAN RIZZO: Payments all to
7 management, the project manager in the amount
8 of 1,648,758.

9 MR. JAMES: Right. Very similar to
10 what we did when we constructed CJC, we hired
11 a contract manager, you know, someone outside
12 the City with the expertise to do the
13 day-to-day contract management, and that's who
14 we hired.

15 COUNCILMAN RIZZO: This one I should
16 overlook, but it adds up to 62 million. V-Com
17 for \$24,500.

18 MR. JAMES: V-Com was a recent
19 expenditure on the part of the Department, and
20 this goes back into the later part of the fall
21 of last year where because we were having
22 those problems, there was a decision that
23 maybe we ought to bring in an independent
24 engineering firm just to take a look at
25 everything we've done so far and go all the

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2 way back to the original statement of work,
3 look at the original documents, look at what
4 was the design documents, look at all of the
5 technical details. And we had a list of what
6 we considered to be the known issues that we
7 were experiencing problems and have an
8 independent set of eyes kind of come in and
9 take a look at it. It was a smaller purchase
10 to kind of bring them in and for them to
11 develop a report and kind of give us a road
12 map for the future to say what we ought to do
13 differently when we're looking at maintenance
14 issues or we're looking at warranty issues or
15 we're looking at enhancement as we plan to
16 continue to enhance the system, what do we
17 ought to be doing differently. And that's
18 what the V-Com expenditure was for.

19 But, again, the original -- my
20 statement about the 52 million had to deal
21 with what we paid Motorola for the system as
22 part of the project. A lot of these, I did
23 not count in.

24 COUNCILMAN RIZZO: In all due
25 respect, though, the original price was 52,

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2 almost 53. It was amended in August of 2004
3 to 55.

4 COUNCILMAN O'NEILL: Does that mean
5 we had the system with a year warranty,
6 nothing happened during that warranty so we
7 had to wind up paying more for additional
8 warranty? Because the Councilman mentioned a
9 \$3 million item in August for three years of
10 warranty. I don't understand that.

11 COUNCILMAN RIZZO: Payments for then
12 3,597,017 in annual warranty and maintenance
13 costs for three years.

14 MR. JAMES: I'll have to get back to
15 the Chair on that. I believe when we
16 originally came to the project in May of 1999
17 before City Council, we were looking at a
18 five-year program for maintenance as part of
19 the approval process for the project. And I
20 think maybe that's part of that maintenance
21 payments over those five year periods. Let me
22 respond back to the Chair with a direct answer
23 to that.

24 COUNCILMAN O'NEILL: I know this
25 whole project precedes the current

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2 Administration. That's been mentioned several
3 times. Was it during the Rendell
4 Administration where it began?

5 MR. JAMES: Yes.

6 COUNCILMAN O'NEILL: I know that
7 from prior testimony that the operating
8 departments pretty much, including Public
9 Property, designed and worked as a team on the
10 project that MOIS people weren't involved. I
11 also know our IS Department was not of the
12 same caliber 10 years ago or so go than it is
13 now. So I'm not going to get into that. But
14 has any point even since the first incident in
15 March of '04, almost a year ago, have we
16 brought in anybody from MOIS to help us or
17 talk to us or participate, bounce things off,
18 whatever you want to call it? I mean, these
19 are our technical, you know, IT. This is all
20 technology and it's pretty sophisticated
21 stuff. They also have lightning quick
22 communication with their peers and others in
23 other cities who do the same thing. And I
24 don't think I've said it at a hearing but I
25 mentioned it at the FOP a month or so ago, a

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2 lot of cities have combined the
3 telecommunications and IT departments to
4 recognize the changes that have occurred in
5 the world recently. Whether it's by Charter
6 restriction or because we just have decided
7 not to do it yet, we haven't done that. But
8 have they become at all part of the team, even
9 added on in the last year? Or has there been
10 any attempt to use that resource that we have
11 to help us with this?

12 MR. JAMES: Well, for some of the
13 particular problems that we've had on the
14 radio system, we have not gone to MOIS for
15 support on that issue. And I can't question
16 their capabilities on the radio side. On the
17 networking side, they have been involved in
18 some of the issues that we've looked at in
19 particular as they affect Verizon and the
20 network. And the calls that -- if there are
21 network issues, they do go through Verizon
22 through the MOIS help desk. So from a network
23 side, they are engaged in that particular
24 aspect of the project. On the radio and the
25 RF side, we have not engaged them on the

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2 issues.

3 COUNCILMAN O'NEILL: You say radio
4 like it's real simple. This is a highly
5 sophisticated system or we wouldn't be having
6 the problems. The old analog we had no
7 problem with.

8 I would suggest, just friendly
9 advice, it doesn't cost you anything. They
10 work with us, for us, for the Mayor that, that
11 they at least be brought in to just bounce
12 something off of them. It's not -- it's
13 really looking forward not Monday morning
14 quarterbacking going backwards. We didn't
15 capacity there that we have today.

16 MR. JAMES: I will certainly take
17 that advice. Thank you.

18 COUNCILWOMAN MILLER: Councilwoman
19 Reynolds Brown.

20 COUNCILWOMAN BROWN: Are there any
21 plans underway, any discussions pending that
22 are designed to bring those two worlds
23 together so that we can work more efficiently?

24 MR. JAMES: I'm not aware of any
25 plans to merge the telecommunications and

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2 communications division with MOIS at this
3 present time. I don't know. There may be
4 talks and discussions about it, I'm just not
5 privy to or aware.

6 COUNCILWOMAN BROWN: For my own
7 understanding, internally when contracts of
8 this scale come to the desk of the
9 Commissioner, procedurally what happens
10 internally within Public Property with regard
11 to the final checkoff of a contract of this
12 scale? Is there a step above the Commissioner
13 level for review, for analysis, for
14 authorization? Help me understand.

15 MR. JAMES: As far as the radio
16 project, the radio project from its infancy
17 was actually ran through the Procurement
18 Department. And at the time Mayor Rendell had
19 put together a team mainly run out of the
20 Managing Director's Office of all the various
21 operating departments to participate component
22 in designing and drafting of the system. The
23 system when it was finally -- the RFP, it went
24 out and was again reviewed by this team.
25 There were several teams whose job was focus

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2 to on the technologies, a legal team look at
3 the contractual issues. There was a number of
4 different teams that were all part of this
5 project. And at the final point, there was a
6 recommendation that was sent to the Mayor at
7 the time to say, you know, from all the teams
8 "This is our recommendation on who we think
9 the award should go to and these are what we
10 thing are the issues." And once the Mayor
11 agreed that was acceptable to him, at that
12 time, it was brought to City Council for
13 review. It was done by a City Council
14 ordinance, and the contract and the proposals
15 and the RFP were all amendments to the
16 ordinance. It was, again, reviewed and we had
17 hearings here in City Council and then it was
18 finally approved by City Council. It wasn't
19 done just by the Commissioner; it was a very
20 exhaustive and very long process.

21 COUNCILWOMAN BROWN: That's very,
22 very helpful. So this particular contract has
23 been in place since pre-1999.

24 MR. JAMES: In May 1999 I believe is
25 when we had the Council hearing and it was

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2 around the time that it was approved and it
3 was shortly after that we got the contract
4 finalized and went into construction.

5 COUNCILWOMAN BROWN: Thank you for
6 that explanation

7 COUNCILMAN O'NEILL: Was this system
8 paid for with tax dollars? Was it the fee
9 that people pay on their phone bill for 911
10 service?

11 MR. JAMES: Yes, it was funded
12 largely through the 911 surcharge and a
13 component was paid through Water Fund and a
14 component was paid by Aviation.

15 COUNCILMAN O'NEILL: So General Fund
16 really wasn't on the hook for this.

17 MR. JAMES: I don't know if you
18 recall, but back then we were in a process
19 where we had licenses in spectrum that was
20 awarded by the FCC to new carriers, and they
21 were required to reimburse the City for moving
22 out of that spectrum. So we had a component
23 of about \$5 million that we used to cover the
24 non-public safety agencies component of it.
25 So it was kind of that component, the 911

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2 Fund, and Water and Aviation Funds.

3 COUNCILMAN O'NEILL: Was there any
4 General obligation?

5 MR. JAMES: I believe that \$5
6 million that we used from that covered the
7 general obligation. We had actually
8 accumulated about \$15 million by that in our
9 911 fund specifically for that project. So we
10 had kind of --

11 COUNCILMAN O'NEILL: Is there any
12 money in the 911 Fund today?

13 MR. JAMES: We continue to get money
14 in the fund.

15 COUNCILMAN O'NEILL: How much is
16 there, do you know?

17 MR. JAMES: We get about \$7 million
18 that goes into Capital from the 911 surcharge.
19 And then the remain which is like a 60/40
20 split between the money that comes in. The
21 balance of it goes to paying the operating
22 expense for police and fire for running the
23 911 dispatch centers.

24 COUNCILMAN O'NEILL: For operations?

25 MR. JAMES: Yes, for operations.

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2 COUNCILMAN O'NEILL: Not for the
3 cost of this system.

4 MR. JAMES: No, we have a capital
5 component and then we have an operating fund,
6 so we get about \$7 million.

7 COUNCILMAN O'NEILL: I think it's a
8 million and a half maintenance on this system.
9 Does that come out of the 911 Fund.

10 MR. JAMES: That's coming right not
11 out of Operating. Public Property Operating,
12 and there's a component that's reimbursed by
13 Water and Aviation for their portion of it.

14 COUNCILMAN O'NEILL: Thank you. I
15 have no further questions.

16 I think we're ready for the Law
17 Department either publicly or privately.

18 COUNCILWOMAN MILLER: We actually
19 want the Law Department to let us know if
20 you're ready to answer -- maybe you're not
21 ready to answer today -- whether there is any
22 recovery, financial recovery?

23 COUNCILMAN O'NEILL: We can meet in
24 private. This is something not usually
25 discussed at public hearings.

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2 MR. MARINO: But I do want to assure
3 Council since your last hearings, we are in
4 the loop. We have been meeting with
5 representatives of the Managing Director's
6 office, with Public Property, Mr. James.
7 We've had meetings. Mike Eichert has been
8 reviewing the paperwork, the contracts. So
9 we're right there. And if and when the time
10 comes, we'll be prepared to act accordingly in
11 respect to this.

12 As I said to Councilman Rizzo
13 earlier, his office made a request of us with
14 regard to information. We are preparing an
15 answer for that and hopefully will have that
16 to him within the next week.

17 COUNCILWOMAN MILLER: Very good.

18 We're just concerned that we get
19 what we paid for. We all are consumers and
20 whatever we purchase we want to make sure we
21 get what we paid for.

22 I have an air conditioning in on my
23 office. And, you know, they're putting in
24 brand-new -- you may not know, but I know that
25 Joe James in Public Property knows. They're

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2 putting in new air conditioners all through
3 City Hall. And within a year, mine broke.
4 And people keep coming to repair it. Don't we
5 have a warranty that replaces it? I mean,
6 that's the way I buy things at home.

7 So we just want to make sure,
8 particularly in this time of fiscal
9 tight-beltening that we get what we pay for.

10 Anybody else?

11 COUNCILMAN O'NEILL: I think the
12 analogy is a good one because it's simple and
13 it's something we personally did deal with.
14 But I think the impact here as I see our
15 uniformed officers in attendance, either in
16 uniform or out of uniform, it's not just
17 public safety that's affected but it's the
18 safety of our own people. And I think that's
19 the added dimension beyond the more simple get
20 what you pay for warranty thing that we're
21 hoping you're really involved in with them.

22 MR. MARINO: We are looking at that.

23 COUNCILWOMAN MILLER: Councilman
24 Rizzo.

25 COUNCILMAN RIZZO: Just to finish up

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2 and thank everyone. I think this process has
3 really helped this radio problem immensely.
4 But again, there's been Counselors there's
5 than a significant amount of money spent by
6 the City, Police Department, down in the radio
7 room while there was testing going on. Lots
8 and lots and lots of man hours put in to give
9 support to try to come up with the solution to
10 this problem. So there's a significant amount
11 of time and effort. Sometimes people don't
12 look at City employees' time is money. I do.
13 I'm just hoping that the Law Department can
14 goof, Motorola, Verizon, all these companies
15 that have affected us. We really need to see
16 what it has cost us and what the disposition
17 is of the maintenance agreement. I don't
18 truly understand where we have -- Commissioner
19 James suggested that we stopped paying the
20 maintenance agreement. But I'm sure that
21 that's just not going to go away and you need
22 to focus on what our obligation is to pay for
23 a maintenance agreement or prorate a
24 maintenance agreement during the course of
25 these problems.

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2 MR. MARINO: Councilman, your
3 concerns are our concerns. And I assure you
4 we are looking at all that and will act
5 appropriately if and when the time comes.

6 COUNCILMAN RIZZO: Thank you.

7 COUNCILWOMAN MILLER: We want to
8 thank everyone for coming out. This is, I
9 believe, the fourth hearing. And we look
10 forward to just paying attention to what's
11 going on. And hopefully, if the system needs
12 improvements or continued monitoring, because
13 we care about the safety of not just our
14 uniformed officers but everyone. Thank you.
15 Thank you for coming.

16 This Committee is actually
17 adjourned.

18 (Council adjourned at 3:11 p.m.)

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C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Thursday, February 10, 2005,
were reported fully and accurately by me, and
that this is a correct transcript of the same.

RE: COMMITTEE ON PUBLIC SAFETY and
TECHNOLOGY AND INFORMATION SERVICES

Lisa C. Bradley, RPR