



# CITY OF SAN MATEO

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## Agenda Report

Agenda Number: 13

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**TO:** City Council  
**FROM:** Alex Khojikian, City Manager  
**PREPARED BY:** Police Department  
**MEETING DATE:** December 09, 2024

**SUBJECT:**  
Axon Master Services and Purchasing Agreement — Approval

### RECOMMENDATION:

Approve a Master Services and Purchasing agreement with Axon Enterprise, Inc., for hardware, software and services for the Police Department for a five year term with an automatic renewal clause for an additional five year term in the cumulative amount of \$7,350,052.13; authorize the Chief of Police to execute the agreement in substantially the form presented; approve a contingency reserve of \$100,000 and authorize the Chief of Police to issue change orders within that reserve of up to \$50,000 cumulatively; authorize the City Manager to issue change orders within that reserve in excess of \$50,000 but not to exceed \$100,000 cumulatively; and adopt a resolution to authorize the use of an alternative purchasing procedure in accordance with Municipal Code Section 3.60.070(h)(3).

### BACKGROUND:

The San Mateo Police Department first entered into a Master Services and Purchasing Agreement (MSPA) with Axon for the provision of Body Worn Cameras and Tasers in 2017. Since that time, Axon has emerged as the industry leader in providing public safety technology, and the MSPA has been amended several times to incorporate additional components of law enforcement equipment and software. The cumulative cost for all current Axon products and services is just under \$450,000 annually.

The term of the original MSPA will end in 2025, and staff has initiated conversations with Axon regarding a new agreement to combine all services into a single contract as well as add components essential to current efforts to establish a Real Time Information Center in the Police Department. The proposed agreement consolidates all Axon products currently used by the Police Department into a single contract, with the addition of an exciting software program called Fusus, as well as Drone as First Responder technology.

Axon Fusus is a critical component of the Real Time Information Center, as it unifies all existing technology inputs such as body worn cameras, car cameras, automated license plate readers, unmanned aerial systems, security camera footage, etc., allowing for a full-scale collaboration network that works in real time in the field. With the Fusus program, every tool that compiles information for the police during a crime or emergency gets consolidated into a single system. Integrating data from multiple sources into a single platform will enhance real time situational awareness and operational efficiency.

Another essential component of the Real Time Information Center is enhancement of the unmanned aerial systems (UAS) program with the addition of Drone as First Responder (DFR) technology. DFR programs are used by law enforcement agencies nationwide to augment police field response to calls for service with real-time actionable video intelligence. A DFR program is comprised of prepositioned UAS devices (drones), which are ready to launch from docking stations placed in strategic locations throughout the City. This allows a drone to arrive quickly to locations of calls for service to survey the scene, preserve evidence, and potentially avoid unnecessary response. DFR programs provide safer, more efficient, and

often faster responses to calls for service. UAS devices can launch and be onsite overhead at a call for service typically before ground resources can arrive via vehicle. The addition of the DFR technology along with the Fusus platform are foundational elements to the Real Time Information Center and will modernize our ability to respond to crimes and emergencies.

There are over 250 cities currently using the Axon Fusus program and DFR technology; however, there are none in San Mateo County. Because Axon is motivated to expand this technology approach in our region, the vendor has extended significant discounts in the quoted price, totaling over \$4.8M in savings over the term. Axon has indicated they will be unable to extend these discounts on contracts approved in 2025. The contract has been structured with a five-year term, with an automatic renewal clause for an additional five years –allowing for the option to opt-out after the first five years. The proposed contract reflects bundled pricing for all Axon products and services currently used by the Police Department including body worn cameras, conducted energy devices (Tasers), in-car cameras for the patrol vehicle fleet, interview room recording equipment, virtual reality training equipment, unmanned aerial systems, and related software systems and services. The table below shows the total cost of the proposed agreement:

Date	Cost
December 2024	\$349,502.45
FY25/26	\$648,765.94
FY26/27	\$705,753.73
FY27/28	\$705,753.73
FY28/29	\$705,753.73
FY29/30	\$705,753.73
FY30/31	\$705,753.73
FY31/32	\$705,753.73
FY32/33	\$705,753.73
FY33/34	\$705,753.73
FY34/35	\$705,753.90
<b>TOTAL</b>	<b>\$7,350,052.13</b>

The reduced cost in the first and second years reflects that annual costs for some Axon services have already been paid for during the 24/25 Fiscal Year, which are intended to cover service for the next 12 months. The remaining \$349,502.45 in costs for the first year can be accommodated in the Police Department’s existing budget appropriation through a combination of unspent operational funds budgeted for Axon, funds allocated for the Real-Time Crime Center, and funding from the Byrne JAG grant. As a result of this new contract, there are several items of existing technology (software and hardware) that will be redundant and can be eliminated, resulting in an annual savings of approximately \$50,000. In addition, staff has proactively planned for the potential integration of additional technology and has confirmed with Axon that the cost of AI report writing would be just over \$105,000 annually, should the City choose to implement it before 2026.

Staff recommends approval of the purchase pursuant to SMMC 3.60.070(h)(3), which allows the Council to use any purchasing process that is in the best interest of the City. Staff conducted an extensive testing and review process before contracting with Axon in 2017, and overwhelmingly identified that Axon provided the products that best met our needs. Axon is a leader in the industry; their systems are the most highly-developed and established, and continuing to use their products meets the Police Department’s interest in that it will not require changes in how we train, operate, or manage data. Staff has been pleased with Axon’s responsiveness and customer service. For these reasons, staff believes it is in the best interest of the City to proceed with this Master Services and Purchasing Agreement with Axon Enterprise, Inc.

#### **BUDGET IMPACT:**

The proposed agreement with Axon will generate annual savings of approximately \$50,000 by eliminating redundant components in the current contract. It also includes an additional cost of \$200,000 annually for essential software (Fusus) and drone equipment, which are critical to establish the Real Time Information Center.

The cost for the current Fiscal Year can be accommodated in the Police Department's operating budget. As such, no budget amendment is required.

For future years, the department requests Council approval to allocate \$200,000 annually from the Measure CC Fund. If approved, the Measure CC Fund, supported by increased local property transfer tax for properties valued over \$10 million, will cover a total commitment of \$2 million over ten years to support the Real Time Information Center for the Police Department.

**ENVIRONMENTAL DETERMINATION:**

This action is not a project subject to CEQA, because it can be seen with certainty that it will not cause a physical change in the environment (Public Resources Code Section 21065.)

**NOTICE PROVIDED**

All meeting noticing requirements were met.

**ATTACHMENTS**

Att 1 – Proposed Resolution

Att 2 – Master Services and Purchasing Agreement

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