



City of Anaheim
POLICE DEPARTMENT

To: Marcie Edwards
City Manager

From: Raul Quezada
Interim Chief of Police

Date: November 12, 2013

RE: Covert Purchase Request

The Police Department wishes to use Urban Areas Security Initiative (UASI) grant funds to upgrade our current covert surveillance equipment. The high tech equipment upgrade will be an Orange County asset that allows Law Enforcement to conduct covert surveillance with court approval. If information on how this device operates were to become public it would give individuals the necessary knowledge on how to defeat the device, thus compromising numerous investigations.

The total cost of the equipment is \$9,728.75 which will ultimately be paid to KEYW Corporation. KEYW Corporation manufactures [REDACTED] manufactured by Harris Corporation we purchased in February, 2013 with UASI funds.

Approval of this request is being sought pursuant to municipal code section 1.04.311 and, if approved, will be managed in adherence with all applicable provisions in that code section. Also, as further required by code, the amount of this purchase is stated as falling under an amount which was appropriated and available for such purpose pursuant to City Council Resolution 2012-093, authorizing the acceptance of the 2012 UASI grant.

APPROVED BY:

Raul Quezada, Interim Chief of Police

Marcie Edwards, City Manager

Anaheim Police Dept.
425 S. Harbor Blvd.
Anaheim, CA 92805
TEL: 714.765.1986
FAX: 714.765.1690

A0086



KEYW

August 1, 2013

KEYW PRODUCTS – Sole Source Justification Statement
KEYW Proprietary

To whom it may concern:

The following products are developed and owned exclusively by the KEYW Corporation with all rights reserved. KEYW maintains sole proprietary ownership of the below listed product lines. These products are available to qualified government customers, including those at the state and local level.

[REDACTED]
builds on the previous generation [REDACTED] with over three thousand devices in service worldwide. It is capable of [REDACTED]

[REDACTED]
unit includes several new capabilities relative to the first generation [REDACTED] for better performance and enhanced usability and a newly redesigned, rugged composite housing for improved survivability.

[REDACTED]
capability from the original [REDACTED] is an upgraded [REDACTED]
[REDACTED] In addition to the capabilities available in [REDACTED]

Technical questions regarding the products may be addressed to Bill Wygal at (443) 270-5286 or via email at bwygala@keywcorp.com. For contractual questions, please contact Gwen Pal at (443) 733-1803 or via email at egcontracts@keywcorp.com. Any other questions or additional information requests, please contact Jennifer Edwards at (443) 270-5298 or via email at jedwards@keywcorp.com.

The KEYW Corporation, 7740 Milestone Parkway, Suite 400, Hanover, Maryland 21076



The KEYW Corporation
Engineering Integration Group

10 October 2013

To: Anaheim Police Department
Attention: Chad Meyer
Subject: FIRM FIXED PRICE Quote
Quote #: 101013-002

All products are delivered with user manuals. Ground shipping is included in the price.

Delivery Schedule - [REDACTED] is back ordered and will ship on 20 December 2013.

LINE ITEM	PART NUMBER	ITEM	QTY	UNIT PRICE	TOTAL FIRM FIXED PRICE
1	[REDACTED]	[REDACTED]	1	\$9,050.00	\$9,050.00

Product will be delivered to: California

California sales tax: \$678.75

TOTAL \$9,728.75

The KEYW Corporation is required to collect sales tax in the amount quoted above. Any order resulting from this quote shall include the sales tax amount unless the Buyer provides an exemption certificate.

This proposal is valid for a period of 30 days from the date of this quote and shall remain valid through 11/9/2013.

The quote number appearing on this document should be referenced on all orders and other related correspondence.

Warranty Statement:

A one (1) year warranty is included in the quoted price of the product unless otherwise specified above. The warranty period shall start upon acceptance of the products.

The KEYW Corporation warrants each new product manufactured to be free from defects in material and workmanship under normal use and service for the warranty period. This warranty is provided to the original end user and is not assignable or transferable. The KEYW Corporation will repair, without charge, any KEYW product which fails due to a defect in material or workmanship within the warranty period. This warranty excludes damage caused by improper operation, testing, repair, modification, alteration, adjustment, installation, or maintenance of the KEYW product. Damage resulting from either accident or neglect is also excluded. The preceding warranty is The KEYW Corporation's only warranty concerning the products, services and any deliverables resulting under this order, and is made expressly in lieu of all other warranties and representations, express or implied, including any implied warranties of fitness for a particular purpose, merchantability, non-infringement or otherwise.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS WARRANTY AND EXCEPT AS OTHERWISE PROVIDED UNDER APPLICABLE LAW, IN NO EVENT SHALL KEYW BE LIABLE FOR INDIRECT, SPECIAL, CONSEQUENTIAL, MULTIPLE OR PUNITIVE DAMAGES, OR ANY DAMAGE DEEMED TO BE OF AN INDIRECT OR CONSEQUENTIAL NATURE ARISING OUT OF OR RELATED TO ITS PERFORMANCE UNDER THE WARRANTY, WHETHER BASED UPON BREACH OF CONTRACT, WARRANTY, NEGLIGENCE AND WHETHER GROUNDED IN TORT, CONTRACT, CIVIL LAW OR OTHER THEORIES OF LIABILITY, INCLUDING STRICT LIABILITY. THE KEYW CORPORATION SHALL NOT BE LIABLE FOR THE LOSS OF ANTICIPATORY PROFITS.

Technical questions regarding the products may be addressed to Bill Wygal at (443) 270-5286 or via email at bwygala@keywcorp.com. For contractual questions, please contact Gwen Pal at (443) 733-1803 or via email at eigcontracts@keywcorp.com. Any other questions or additional information requests, please contact Jennifer Edwards at (443) 270-5298 or via email at jedwards@keywcorp.com.

cc: Bill Wygal, KEYW Products Technical Lead
Jennifer Edwards, KEYW Program Manager
Mike Oldenburg, KEYW Division Director

1334 Ashton Road, Suite A | Hanover | MD | 21076

A0088

Invoice Number: INV-201421506
 Invoice Date: 01/02/14

Bill To:
 Anaheim Police Department
 425 South Harbor Blvd

Anaheim, CA 92805

Remit To:
 KEYW CORPORATION
 7740 HELENSIDE PARKWAY
 SUITE 400

HANOVER, MD 21076

Terms: NET 30
 Due Date: 02/01/14

Customer PO: Quota# 101013-002
 Bill Number: 0001

Prime Contract:
 Invoice Total: 9,728.75

Project Number: 071301.0104.0001
 Description: Anaheim PD 11/26/13

Statement of Work:

Description:	SCHEDULED VALUE	PERCENT COMPLETE	PREVIOUS AMT BILLED	AMOUNT BILLABLE	CURRENT AMT DUE
LINE ITEM 1- [REDACTED]	9,050.00	100.00 %	0.00	9,050.00	9,050.00
California Sales Tax	678.75	100.00 %	0.00	678.75	678.75
Subtotal:	9,728.75		0.00	9,728.75	9,728.75

AMOUNT BILLABLE	9,728.75
Less PREVIOUS AMT BILLED	0.00
CURRENT AMT DUE	9,728.75
Invoice Total	9,728.75

Jennifer
 Edwards

Digitally signed by Jennifer
 Edwards
 DN: cn=Jennifer Edwards,
 o=KEYW Corporation, ou=ENG,
 email=jedwards@keywcorp.com,
 c=US
 Date: 2014.01.03 13:15:11 -05'00'

Kerrstyn Vega

From: Ryan Tisdale
Sent: Tuesday, January 14, 2014 2:27 PM
To: Kerrstyn Vega
Subject: Re: Harris Handheld

Hi Kerrstyn,

Yes we received [REDACTED] on January 2, 2014 but the package did not come with a packing slip and we were unable to obtain one. Everything we ordered we received though.

Thanks again,
Ryan

Sent from my iPhone

On Jan 14, 2014, at 2:20 PM, "Kerrstyn Vega" <KVega@anaheim.net> wrote:

Hi Ryan,

Can you please confirm the date you received [REDACTED] and that you are not able to obtain a copy of the packing slip from the vendor?

Thanks,

Kerrstyn

Kerrstyn Vega
Anaheim Police Department
Special Ops- Emergency Management Bureau
ph- 714-765-1919
fax- 714-765-1616
kvega@anaheim.net

**FY12 Anaheim/ Santa Ana UASI Grant Program
Project Cost/ Benefit Analysis**

Project Name:	Harris Project
Prepared By:	Ryan Tisdale
Date:	11/12/13

PROJECT OVERVIEW AND BACKGROUND

Provide a brief overview, background and definition for the project.

The Anaheim Police Department desires to use UASI grant dollars to upgrade previously purchased covert surveillance equipment. The high tech equipment upgrade will be an Orange County asset that allows Law Enforcement to conduct covert surveillance with court approval. This purchase is an upgrade to the Harris device purchased in FY2013 which will give us the ability to place a device inside of a room within a building.

DISCUSSION OF ALTERNATIVES

For each of the topics listed below, discuss the project ground rules and assumptions.

ALTERNATIVE #1 – DO NOTHING – Make No Purchase or Implement no Project

Current Situation / Status

Without an upgrade to our system [REDACTED] and without this upgrade we will be severely limited in our abilities.

Impact of Not Making the Purchase or Implementing the Project

Currently, every city in Orange County has benefited from the Harris device. Without an upgrade to our [REDACTED] Orange County as a whole would lose valuable knowledge necessary to investigate terrorism cases and solve crimes.

ALTERNATIVE #2 – Follow Competitive Bid Process

Goals

This procurement process does not require a competitive bid. The City of Anaheim also does not require a competitive bid due to the fact that this purchase is considered a "covert purchase" which only requires the signatures of the City Manager and the Chief of Police.

Functional Concept (What will the equipment or service do?)

This upgrade will allow the Anaheim Police Department to conduct covert surveillance [REDACTED] and without this upgrade we will be severely limited in our abilities.

Technical Concept (How will the equipment or service work?)

How the Harris system upgrade works is proprietary to Harris and KEYW Corporation and they are not willing to release the specifics. Knowledge of how this system works could potentially jeopardize the success of the device.

Project/Program Management Concept (How will the project/program be managed?)

This will only be an upgrade to our current Harris device and will be managed in the same manner. Investigator Ryan

Tisdale will work as project manager for this project.

Acquisition Strategy:

100% of this purchase will be directly through KEYW Corporation who manufactures the [REDACTED] for Harris Corporation.

High Level Schedule (add rows as needed):

Date	Milestone
11/14/13	City Manager & Police Chief sign the Covert Purchase request
12/15/13	KEYW Corporation delivers equipment
1/2/14	Training on equipment
1/15/14	Equipment deployed

ALTERNATIVE #3 – Single Source Procurement Request

Goals (What is unique about what this alternative approach will attempt to accomplish?)

- 1. A competitive bidding process would allow this technology to become public record.
- 2. By limiting the amount of public exposure related to this technology, law enforcement agencies throughout the County will preserve their investigative advantage over criminals and terrorists who are looking to thwart efforts to stop them.

Functional Concept (What will the equipment or service do?)

This upgrade will allow the Anaheim Police Department to conduct [REDACTED] and without this upgrade we will be severely limited in our abilities

Technical Concept (How will the equipment or service work?)

How the Harris system works is proprietary to Harris and KEYW Corporation and they are not willing to release the specifics. Knowledge of how this system works could potentially jeopardize the success of the device.

Project/Program Management Concept (How will the project/program be managed?)

This will only be an upgrade to our recent Harris upgrade and will be managed in the same manner. Investigator Ryan Tisdale will work as project manager for this project.

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100% of this purchase will be directly through KEYW Corporation who manufactures the [REDACTED] for Harris Corporation.

High Level Schedule (add rows as needed):

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12/15/13	Harris delivers equipment
1/2/14	Training on equipment
1/15/14	Equipment deployed

LIFE-CYCLE COSTS AND BENEFITS

For each alternative, discuss the costs and benefit of the product or service according to its life cycle.

Life Cycle Cost Summary: Over the expected lifetime of the product or service in question, add the maintenance, enhancement, training/staffing, tangible benefits, cost savings, etc.

ALTERNATIVE #1 - DO NOTHING

Depending on how fast technology increases, [REDACTED]

[REDACTED] This will severely limit our ability to investigate terrorist and criminal cases and to place a device inside a room in a building.

ALTERNATIVE #2 - Follow Competitive Bid Process

We cannot do a competitive bid process because the release of this information could jeopardize current cases and upcoming cases and investigations.

ALTERNATIVE #3 - Sole Source Procurement Request

100% of this purchase will be directly through KEYW Corporation who manufactures the hand-held device for Harris Corporation.

RISK ANALYSIS

ALTERNATIVE #1 - DO NOTHING

Risk Description

Depending on how fast technology increases, [REDACTED]

[REDACTED] This will severely limit our ability to investigate terrorist and criminal cases and to place a device inside a room in a building.

ALTERNATIVE #2 - Follow Competitive Bid Process

Risk Description

We cannot do a competitive bid process because the release of this information could jeopardize current cases and upcoming cases and investigations.

ALTERNATIVE #3 - Sole Source Procurement Request

Risk Description

100% of this purchase will be directly through KEYW Corporation who manufactures the hand-held device for Harris Corporation.

COST/BENEFIT ANALYSIS

Given anticipated costs, benefits and the known risks, which of the alternatives presented above provides the best choice?

Alternative	Rank	Reason
Alt. 1	3	Depending on how fast technology increases, [REDACTED] [REDACTED] This will severely limit our ability to investigate terrorist and criminal cases and to place a device inside a room in a building.
Alt. 2	2	We cannot do a competitive bid process because the release of this information could jeopardize current cases and upcoming cases and investigations.
Alt. 3	1	100% of this purchase will be directly through KEYW Corporation who manufactures the [REDACTED] for Harris Corporation.