



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 26, 2019

FROM: INNOVATION AND TECHNOLOGY DEPARTMENT WARDS: ALL

SUBJECT: LEVEL 3 COMMUNICATIONS, LLC, PURCHASE ORDER NO. 161794 FOR THREE-YEAR INTERNET ACCESS AGREEMENT – ADDITIONAL \$24,435, OR 10% CHANGE ORDER AUTHORITY, TO MAINTAIN INTERNET ACCESS UNTIL NEW REQUEST FOR PROPOSALS IS AWARDED AND NEW INTERNET CONNECTION IS ACTIVATED

ISSUE:

Approve an additional \$24,435, or 10% in change order authority, for Level 3 Communications, LLC, Purchase Order No. 161794 (Attachment 1), for the existing three-year Internet Access Agreement (Attachment 2), with an initial term of June 2, 2015 through June 1, 2018, to maintain month-to-month internet service to support City services until the award of pending Request for Proposals (RFP) No. 1841 and activation of new internet service.

RECOMMENDATIONS:

That the City Council:

1. Approve an additional \$24,435, or 10% in change order authority, for Level 3 Communications, LLC, Purchase Order No. 161794, for the existing three-year Internet Access Agreement, with an initial term of June 2, 2015 through June 1, 2018, to maintain month-to-month internet service to support City services until the award of pending RFP No. 1841 and activation of new internet service, revising the total contract authority from \$305,437 to \$329,872; and
2. Authorize the City Manager, or designee, to approve change orders to Level 3 Communications, LLC, Purchase Order No. 161794, and execute amendments to the Level 3 Communications, LLC, Agreement, if needed, including making minor non-substantive changes.

BACKGROUND:

On May 5, 2015, the City Council approved the award of Request for Proposal (RFP) No. 1484 to TW Telecom Holdings, LLC, predecessor of Level 3 Communications, LLC, for a three-year Internet Access Agreement with a term of June 2, 2015 through June 1, 2018, in the amount of \$6,787.50 per month, for a three-year total of \$244,350. Additionally, the City Council authorized change order authority of up to 10% of the contract amount. This allowed for an additional

\$24,435, over the three-year term, for a total authority of \$268,785. Purchase Order No. 161794 was initially issued to TW Telecom; then TW Telecom was acquired by Level 3 Communications.

The initial three-year agreement expired on June 1, 2018, but allows for month-to-month extensions of the agreement, after the expiration of the initial three-year term. A change order was issued to utilize the approved 10% change order authority, which covered internet service through the end of August 2018.

On July 3, 2018, the City released RFP No. 1841 for a new internet service provider and has been undergoing contract negotiations with the proposed vendor.

On August 14, 2018, City Council approved an additional \$36,652, or 15% in change order authority, for a total agreement amount of \$305,437 to continue service with the current provider, until negotiations and transition to the new internet service provider was complete. This additional authority covers internet service through February 2019.

DISCUSSION:

The Innovation and Technology (IT) Department is requesting that City Council approve an additional \$24,435, or 10% in change order authority, to the existing three-year Internet Access Agreement, with Level 3 Communications, LLC, Purchase Order No. 161794, for a total contract authority of \$329,872 to maintain month-to-month internet service.

The additional change order authority is intended to be a contingency, and will only be exercised if needed to maintain internet access, until RFP No. 1841 is presented to City Council. The outcome of RFP No. 1841, for a new internet service provider, is planned to be presented to City Council in March 2019 as contract negotiations between the proposed vendor and City are now complete.

The Purchasing Manager agrees that the proposed recommendations are in accordance with the City's Purchasing Resolution No. 23256 Section 702(r) which provides that competitive procurement is not required when the Procurement is for the renewal of maintenance, licenses, support, or a similar need for existing technology systems, including hardware, and the items are procured from a vendor/reseller that was originally selected based on the City's procurement standards, provided that 1) the vendor has been used consecutively since then and 2) if there are any non-substantive changes to the procurement, the Manager is satisfied that the best price, terms and conditions have been negotiated.

FISCAL IMPACT:

The total fiscal impact of this action is \$24,435. The funds are available in account 2405000-421215 (IT-Network – Internet Service Provider).

Prepared by: George Khalil, Chief Innovation Officer
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Lea Deesing, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Purchase Order
2. Agreement