



# City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 17, 2019

FROM: INNOVATION AND TECHNOLOGY DEPARTMENT WARDS: ALL

SUBJECT: ADDITIONAL 10% CHANGE ORDER IN THE AMOUNT OF \$32,987 TO INCREASE PURCHASE ORDER NO. 161794 WITH LEVEL 3 COMMUNICATIONS, LLC, FOR INTERNET ACCESS AGREEMENT, FOR A TOTAL CONTRACT AMOUNT OF \$362,859

## ISSUE:

Approve an additional 10% change order in the amount of \$32,987, increasing the total contract amount from \$329,872 to \$362,859, for Level 3 Communications, LLC, Purchase Order No. 161794 (Attachment 1), to maintain month-to-month internet service for the existing Internet Access Agreement (Attachment 2), with a three-year term that ended June 1, 2018, to support City services until the activation of new internet service procured via Request for Proposal (RFP) No. 1841.

## RECOMMENDATIONS:

That the City Council:

1. Approve an additional 10% change order in the amount of \$32,987, increasing the total contract amount from \$329,872 to \$362,859, for Level 3 Communications, LLC, Purchase Order No. 161794 (Attachment 1), to maintain month-to-month internet service for the existing Internet Access Agreement (Attachment 2), with a three-year term that ended June 1, 2018, to support City services until the activation of new internet service procured via Request for Proposal (RFP) No. 1841; 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 (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 orders for 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 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. On August 14, 2018, City Council approved an additional 15% change order authority to continue service with the current provider, until transition to the new internet service provider was complete. This additional authority covered internet service through February 2019.

On February 26, 2019, City Council authorized a 10% change order amounting to an additional \$24,435 for a total contract authority of \$329,872. This additional change order authority covered service through June 2019.

**DISCUSSION:**

RFP No. 1841 was awarded to Level 3 Communications, LLC (Level 3) on March 26, 2019. The agreement included faster network speed for a more economical price. Staff has been working with Level 3 on the additional technical requirements needed to activate the new service.

Therefore, the Innovation and Technology Department is requesting that City Council approve a 10% in change order authority in the amount of \$32,987 to the existing three-year Internet Access Agreement, Purchase Order No. 161794, for a total contract authority of \$362,859. The additional change order authority is intended to pay for service utilized from July 1, 2019 through November 2019, and will only be exercised to maintain internet access, until the new internet connection is activated, and the current service is disconnected.

The Purchasing Manager agrees that the proposed recommendations are in accordance with the City's Purchasing Resolution No. 23256.

**FISCAL IMPACT:**

The total fiscal impact of the action is \$32,987. Sufficient 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