

Agenda Report

April 28, 2014

TO: Honorable Mayor and City Council

FROM: Department of Information Technology

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH VPLS SOLUTIONS, LLC FOR WAVELENGTH DIVISION MULTIPLEXING EQUIPMENT FOR THE CITY'S FIBER OPTIC NETWORK

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the following proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b)(3); general rule; and
2. Accept the bid dated April 9, 2014 submitted by VPLS Solutions, LLC in response to the specifications to furnish materials and supplies for WDM (wavelength division multiplexing) network expansion, reject all other bids received, and authorize the issuance of a purchase order contract in an amount not to exceed \$250,298.

BACKGROUND:

The City's fiber optic ring is a critical network backbone supporting both the City's voice and data networks and those of our external customers such as JPL and Caltech. In 2003, the City identified a need for use of wavelength division multiplexing (WDM) technology to increase the capacity of the existing fiber optic ring to meet its computing needs and connect additional City sites in preparation for the retrofit-related move of City Hall offices to other facilities. Wavelength division multiplexing creates separate channels or circuits within each strand of fiber, and has allowed the City to get more use out of its limited fiber optic resources.

The City initially installed WDM equipment in 2003, and subsequently implemented a lifecycle replacement of the equipment in early 2013 because it had reached both its computing capacity and had exceeded its life expectancy. The lifecycle replacement effort updated equipment at all existing WDM sites and added the Cogent

Communications facility in east Pasadena to the fiber ring, facilitating the relocation of the Chamber Building data center to the Cogent site as well as allowing the City to link its fiber optic ring to Cogent's extensive regional data network.

Since the WDM lifecycle replacement in early 2013, the Department of Information Technology (DoIT) has been working with Pasadena Water & Power on needs related to Internet redundancy, as well as with the Rose Bowl Operating Company and Pasadena Public Library on plans to meet pressing network connection requirements for their facilities. DoIT identified the WDM equipment requirements outlined in the bid specification to support these projects. Future fiber network investments, including in WDM equipment, will be guided by the fiber network strategic plan and implementation roadmap scheduled to be completed in mid-2014.

Internet redundancy has been identified by the Water & Power Department as a key requirement for its Outage Management System, which will increase the ability to assess outages and plan restorations optimally in a shorter time. It will also aid in their ongoing operations of buying and selling energy/natural gas and related products to meet customer energy needs. Installation of the WDM equipment supports implementation of carrier redundancy – service from more than one Internet Service Provider. Carrier redundancy will increase the reliability of the City's Internet service, however it will not guarantee service availability at all times.

DoIT also plans to implement a fiber connection to the Rose Bowl in the coming months, and will use the WDM equipment to provide a variety of services supporting the Rose Bowl Operating Company and PD Command Post and traffic management operations at the stadium. In addition, DoIT will use WDM equipment to connect the Hastings and Hill Avenue Branch Libraries to the City's fiber network, shifting the branches off their low bandwidth leased lines. Using the WDM equipment to connect to the City's fiber network will provide the bandwidth required for patron needs and branch library operations.

The Department of Information Technology prepared specifications for the WDM equipment required for these projects, as well as requirements for anticipated additional facility connections over the next 12 to 24 months. In accordance with Section 4.08.070 of the Pasadena Municipal Code, bids have been requested and received. The project was advertised in the *Pasadena Journal* on March 27, 2014. In addition, the Notice Inviting Bids was published on the City's website. The bid specifications were downloaded by 46 vendors, four of whom submitted bids for the project.

Following advertising, three responsive bids were received on April 9, 2014, and are as follows:

1. VPLS Solutions, LLC	Orange, California	\$250,297.92
2. NE Systems Inc.	Santa Clarita, California	\$281,692.63
3. Tricade	San Diego, California	\$294,772.30

VPLS Solutions, LLC was the lowest responsive bidder that met all requirements of the specifications and is recommended to receive the purchase order contract award. Staff recommends that City Council authorize a purchase order contract to VPLS Solutions, LLC in an amount not to exceed \$250,298 for the required WDM equipment.

The proposed contract complies with the Competitive Bidding and Purchasing Ordinance P.M.C.4.08 and the rules and regulations promulgated thereunder.

COUNCIL POLICY CONSIDERATION:

This purchase order contract with VPLS Solutions, LLC promotes the City Council's three-year goal to improve, maintain and enhance public facilities and infrastructure by adding equipment that improves the flow of communication and data and makes efficient use of limited fiber network resources.

ENVIRONMENTAL ANALYSIS:

The proposed purchase order contract is exempt from the California Environmental Quality Act (CEQA) per section 15061 (b)(3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed action is for the purchase of network equipment for existing facilities and will not result in any new development or physical changes.

FISCAL IMPACT:

The total cost of this action, which includes the WDM equipment and related one year maintenance support, will be \$250,298. Funding for this action will be addressed by the utilization of existing budgeted appropriations in three capital improvement projects: account number 71212, City Fiber Network Expansion; and account numbers 3119 and 1025, Management Information Systems-Water and Power Department. It is anticipated that \$131,600 of the cost will be spent during the current fiscal year, including \$76,354 from the City Fiber Network Expansion capital improvement project and \$55,246 from the two Water & Power Department capital improvement projects. The remainder of the costs will be spent over the next two fiscal years.

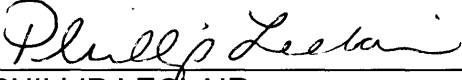
The following table presents a summary of the sources of funds that will be used:

City Fiber Network Expansion – CIP 71212	\$195,052
Light & Power Fund (411) – CIP 3119	\$41,435
Water Capital Fund (412) – CIP 1025	\$13,811
Total Sources	\$250,298

Installation costs estimated at \$33,000 will be procured separately and will be addressed by utilization of existing budgeted appropriations in capital improvement project account number 71212, City Fiber Network Expansion.

This action includes purchase of the first year of equipment maintenance and support. In future years, maintenance and support costs estimated at \$8,200 per year will be addressed annually by utilization of budgeted appropriations in the Infrastructure-Network portion of DoIT's operating budget.

Respectfully submitted,



PHILLIP LECLAIR
Chief Information Officer
Department of Information Technology

Prepared by:



Lori B. Sandoval
Telecom & Regulatory Administrator

Approved by:



MICHAEL J. BECK
City Manager

Attachment A: Taxpayer Protection Amendment Form

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name:	VPLS Solutions, LLC
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2. Type of Entity:	<input checked="" type="checkbox"/> non-government <input type="checkbox"/> nonprofit 501(c)(3), (4), or (6)
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3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:	Ted Mektrakarn, Partner
	John Minnix, Partner

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:	Ted Mektrakarn
	John Minnix

Prepared by: Winnie Sung

Title: Accounting

Phone: 2134069006

Date: 4/11/14