

# Agenda Report

March 3, 2014

**TO:** Honorable Mayor and City Council  
**FROM:** Department of Information Technology  
**SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH ARNOLD AND WALTERS TELECOMMUNICATIONS CONSULTANTS FOR FIBER NETWORK ENGINEERING AND CONSTRUCTION MANAGEMENT SERVICES**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed contract amendment is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b)(3); and
2. Authorize the City Manager to enter into a contract with Arnold and Walters Telecommunications Consultants for fiber network engineering and construction management services for a three year period in the amount of \$375,000, with an option for two one-year extensions in the amount of \$125,000 each, subject to the approval of the City Manager. Competitive bidding is not required pursuant to City Charter Section 1002 (F) Contracts for Professional or Unique Services.

## **BACKGROUND:**

The Department of Information Technology (DoIT) manages the City's fiber optic backbone and has an ongoing need for fiber network engineering and construction management services to support City use and expansion of the fiber backbone, and to meet the requirements of fiber lessees for new or re-configured facility connections. In addition, DoIT, working with Pasadena Water & Power, the Department of Transportation, and the City Manager's Economic Development division, is creating a fiber network and services strategic plan and implementation roadmap that will guide expansion of the City's fiber network. DoIT anticipates increased fiber network engineering and construction management activity in the future as it implements initiatives identified in the Fiber Strategic Plan.

Staff issued a Request for Proposals (RFP) for fiber network engineering and construction management services on January 8, 2014. DoIT received six proposals.

Based on an evaluation of the proposed service approach, firm and project team qualifications, price, local business location and small or micro-business status, Arnold and Walters Telecommunications Consultants (Arnold and Walters) is the recommended vendor. The scoring results are as follows:

Company/Location	Total Score
Arnold and Walters, Simi Valley, CA	87.5
Cable Engineering Services, Mission Hills, CA	73.9
BKF Engineers, Irvine, CA	54.3
TRC Engineers Inc., San Antonio, TX	50.3
Transcore ITS, LLC, Los Angeles, CA	47.0
Vantage Utility Services, Upland, CA	28.0

Arnold and Walters received the highest scores in the services approach, qualifications, and price categories (there were no small/micro or local businesses among the proposers). Arnold and Walters is a telecommunications engineering and consulting firm specializing in engineering fiber network infrastructure expansion and providing project and construction management services. The two principals, Jon Arnold and Danny Walters, together have over 65 years of telecommunications industry experience.

With regard to price, the RFP required vendors to submit hourly rates for the various types of engineering and construction management roles, irrespective of the volume of work that might be required by the City. Staff scored the price proposals by comparing blended hourly rates. Arnold and Walters' proposed pricing was approximately 30 percent lower than that of the next lowest priced proposer. In addition, the pricing proposed by Arnold and Walters reflects a five percent reduction to the rates it has charged for previous work performed for the City.

**COUNCIL POLICY CONSIDERATION:**

The recommended contract is consistent with the Public Facilities Element of the General Plan, and supports the City's goal of improving, maintaining, and enhancing public facilities and infrastructure.

**ENVIRONMENTAL ANALYSIS:**

This action has been determined to be exempt from the California Environmental Quality Act (CEQA) per Section 15061(b)(3). The activity is covered under the general rule that CEQA only applies to projects that have a potential for causing a significant effect on the environment. The proposed action amends an existing contract for required ongoing professional services and will have no impact on the environment.

**FISCAL IMPACT:**

The maximum cost of this contract will be \$375,000 for the initial three-year term and up to an additional \$250,000 if the two one-year extensions are exercised. Funding for this action will be addressed by the utilization of existing budgeted appropriations in the DoIT Fiber Network Management budget account number 408-399100 and the City Fiber Network Expansion CIP budget account number 301-393300-85-71212. It is anticipated that \$30,000 of the cost will be spent during the current fiscal year. The remainder of the costs will be spent over the next three fiscal years.

The table below presents a summary of the sources of funds that will be used for the additional request and related contract administration during the term of the contract.

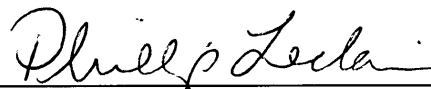
<b>Contract:</b>	
Telecommunications Fund	\$ 150,000
Fiber Expansion CIP	\$ <u>225,000</u>
<b>Total Request</b>	<b>375,000</b>
<b>Contract Administration:</b>	
Computing & Comm. Fund	\$ <u>20,000</u>
<b>Total Sources</b>	<b>\$ 395,000</b>

The following table presents an overall contract summary:

Contract Amount	\$ 375,000
Contract Administration	\$ <u>20,000</u>
<b>Total Fiscal Impact</b>	<b>\$ 395,000</b>

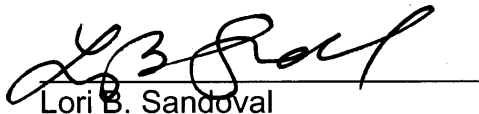
The anticipated impact to other operational programs or capital projects as a result of this action will be minimal. Costs for work performed to support companies leasing fiber from the City will be appropriately allocated and charged.

Respectfully submitted,



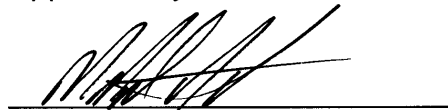
PHILLIP LECLAIR  
Chief Information Officer  
Department of Information Technology

Prepared by:



Lori B. Sandoval  
Telecom & Regulatory Administrator

Approved by:



MICHAEL J. BECK  
City Manager

Exhibit A: Taxpayer Protection Amendment

**EXHIBIT "A"**  
**Disclosure pursuant to the**  
**City of Pasadena Taxpayer Protection Amendment of 2000**  
**Pasadena City Charter, Article XVII**

**Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than a 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:**

ARNOLD & WALTERS TELECOM CONSULTANTS

**2. Name(s) of trustees, directors, partners, officers of Contractor/Organization:**

JON ARNOLD
DANIEL L. WALTERS

**3. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:**

JON ARNOLD	50%
DANIEL L. WALTERS	50%

**Prepared by:** DANIEL L. WALTERS  
**Title:** PARTNER  
**Date:** 1/31/14

**For office use only:**  
**Contract/Transaction No.** \_\_\_\_\_  
**If not a contract, type of transaction:** \_\_\_\_\_