

Agenda Report

TO: CITY COUNCIL

DATE: MARCH 22, 1999

FROM: CITY MANAGER

SUBJECT: Equipment Purchase and Installation Services for Telecommunications Infrastructure Migration

RECOMMENDATION:

It is recommended that the City Council: 1) authorize the City Manager to enter into a contract with Williams Communications, not to exceed \$210,000, for Phase 1 of the Telecommunications Infrastructure Migration Project; 2) authorize the City Manager to extend the contract to include Phases 2 and 3 of the migration project, without further City Council approval, provided sufficient funding is adopted in future Capital Improvement Budgets and the total not to exceed amount of the contract for all three phases does not exceed \$530,000. The proposed contract is exempt from competitive bidding pursuant to City Charter Section 1002[C] contracts for labor, material, supplies or services available from only one vendor.

It is further recommended that the City Council grant the proposed contract a partial exemption from the competitive selection process of the Affirmative Action in Contracting Ordinance, pursuant to section 4.09.060[C][1] contracts for which the City's best interests are served.

BACKGROUND:

The City of Pasadena owns and operates its own telephone system. The system uses Nortel Meridian equipment that is manufactured by Nortel Networks. The system provides service to City Hall, the Police Building, the Hale Building and the main Library through underground cable, as well as the City Yards and Water and Power Department's administrative offices via microwave links.

Additionally, the Villa-Parke Community Center, Power Production Plant, Pasadena Health Services Center and the Fire Administration offices are tied to the main telephone system via service provided by Pacific Bell. In total, there are over 2,800 connections served by the system, providing voice and data services for City operations.

As part of the development of 1999-2004 Capital Improvement Budget, it was recognized that the system needed to migrate from electronic technology to digital technology, in order to maintain reliability and provide for the ever-increasing need for enhanced telecommunications services.

The migration project consists of three phases, which are expected to take approximately three years to complete. Phase 1 will upgrade the core equipment, provide additional networking capabilities, data storage and expand services at the City Yards. Phases 2 and 3 will remove older electronic hardware and transfer users to the digital format.

Recently, the City has experienced several sporadic outages of the telecommunications system. These outages stem from the fact that the City's system has reached its full capacity for data storage and illustrate the need to move forward with the migration project at this time. Additionally, the migration is necessary in order to address year 2000 compatibility issues with various pieces of equipment that distribute incoming calls to the Water and Power Customer Service Section as well as the Planning & Permitting Department's Building Division, Human Resources and the Central Library.

The equipment and associated installation services required to complete the migration can only be acquired through a firm authorized by Nortel Networks to resell and provide service to its products.

Since 1995, over two successive competitive selection processes, the firm of Williams Communications Solutions has provided maintenance services for the City's telecommunications system. Williams Communications is an authorized distributor of Nortel Meridian telephone equipment.

Pursuant to the current maintenance contract between the City and Williams Communications, third party contractors are not to perform work on the City's system without Williams' authorization. The reason for this is that whatever equipment is added to the system Williams becomes responsible for its maintenance. Moreover, as the telecommunications system is critical to the functioning of the City and it is in the City's interest to maintain a high level of security to maintain system integrity by limiting access to one vendor. For these reasons, Williams Communications is in effect, a sole source provider for the equipment and services necessary to perform the system migration.

Staff recommends contracting with Williams for all phases of the Telecommunications Migration Project. However, funding is currently provided for only the first phase of the three-phase project. The cost of Phase 1 is estimated at \$210,000 and is budgeted in the Capital Improvement Budget, Charter Reserve Fund. Staff intends to seek funding for the remaining phases of the project in

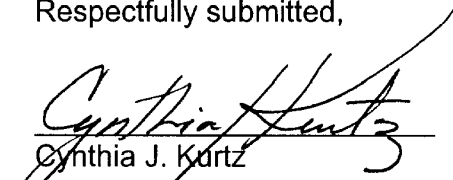
future budgets. In order to complete the migration project in as short of time as possible and with the least disruptions, staff respectfully requests City Council authorization to extend the contract to cover phases 2 and 3 provided sufficient funding is adopted in subsequent Capital Improvement Budgets and the total not to exceed amount of the contract for all three phases does not exceed \$530,000.

FISCAL IMPACT:


Sufficient funds are available for Phase 1 in the Charter Capital Reserve Fund 301-145200-85-71106, Fiscal Year 1999, for this purpose.

Funds for Phases 2 and 3 will be contingent on the City Council authorizing future amounts through the Capital Improvement Program.

Respectfully submitted,


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City Manager

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