

Agenda Report

February 23, 2015

TO: Honorable Mayor and City Council

FROM: Department of Information Technology

SUBJECT: AUTHORIZATION TO INCREASE THE NOT-TO-EXCEED AMOUNT OF CONTRACT NO. 21,365 WITH HHS CONSTRUCTION, INC., BY \$20,000, AND TO EXTEND THE TIME FOR PERFORMANCE OF FIBER OPTIC SPLICING, TESTING, AND EMERGENCY TROUBLESHOOTING SERVICES BY TWO MONTHS

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. Authorize an increase to the not-to-exceed amount of Contract No. 21,365 with HHS Construction, Inc. by \$20,000, from \$74,000 to \$94,000, to provide fiber optic splicing, testing, and emergency troubleshooting services (Contract No. 21,365 was awarded as the result of a competitive bid process); and
3. Authorize the City Manager to extend the time for performance of these services under Contract No. 21,365 by two months, to July 3, 2015, under the same terms and conditions.

BACKGROUND:

The City's 25 mile fiber optic ring is a critical network backbone supporting the City's voice and data networks, utility operations, and external customers. The City has competitively bid and contracted for fiber optic splicing, testing, emergency troubleshooting services, and related materials since the backbone was installed in the late 1990s. These services support ongoing use of the backbone, expansion to new facilities, and most importantly, repair of the network should there be a fiber break. The City has contractual obligations to its fiber customers to respond within four hours to a service interruption. Contract fiber splicing, testing, and troubleshooting services are a primary resource for response to a fiber network disruption.

The Department of Information Technology conducted a competitive bid process for these services in 2013, issuing an Invitation to Bid on February 14, 2013 and executing a labor and materials contract with HHS Construction, Inc., the lowest responsive bidder, on May 6, 2103. A summary of the bids received in 2013 is presented in Attachment A. Contract No. 21,365 with HHS Construction, Inc. has a two year term, from May 4, 2013 to May 3, 2015, and a not-to-exceed amount of \$74,000. The contract not-to-exceed amount was established based on anticipated expenditures over a two year period.

Since May, 2013, the volume of fiber splicing and testing work has exceeded estimates. While emergency troubleshooting requirements remained at the expected low levels, work to connect new fiber laterals to the backbone and to modify existing fiber connections grew for both City operations and fiber customers. Staff anticipates that the \$74,000 authorized under the contract's current not-to-exceed amount will be fully expended by the end of March, 2015. Staff has initiated a new competitive bid process for these services, with issuance of a new Invitation to Bid anticipated in late February. However, the current competitive bid process and execution of a new contract will not be concluded prior to reaching the not-to-exceed amount of the current fiber splicing contract.

Staff recommends the not-to-exceed amount of Contract No. 21,365 be increased by \$20,000, from \$74,000 to \$94,000, to cover fiber splicing, testing, and troubleshooting services required until a new contract is executed. Additionally, staff recommends a two month extension to the term of the existing contract, to July 3, 2015, to ensure that fiber splicing, testing and troubleshooting services are available until a new contract is in place.

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:

The contract with HHS Construction, Inc. promotes the City Council's three-year goal to improve, maintain and enhance public facilities and infrastructure by contributing to maintenance and expansion of the City's fiber optic backbone, a critical resource supporting ongoing City and customer business operations.

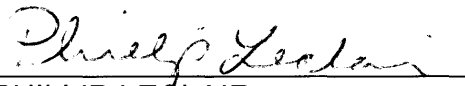
ENVIRONMENTAL ANALYSIS:

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 will increase the not-to-exceed amount and term of a contract for services related to connection, maintenance, and emergency troubleshooting of fiber optic cable that has been previously installed.

FISCAL IMPACT:

The total cost of this action increasing the not-to-exceed amount of Contract No. 21,365 with HHS Construction, Inc., will be \$20,000, bringing total authorized expenditures under the agreement to \$94,000. Funding for this action will be addressed by the utilization of existing budgeted appropriations in Operating Budget account number 8114-408-399100 (IT Fiber Related Projects) and in Capital Improvement Program Budget account number 71212 (City Fiber Network Expansion). It is anticipated that all of the cost will be spent during the current fiscal year.

Respectfully submitted,



PHILLIP LECLAIR
Chief Information Officer
Department of Information Technology

Prepared by:



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Approved by:



MICHAEL J. BECK
City Manager

Attachment A: Summary of 2013 Fiber Splicing and Testing Competitive Bid Process