

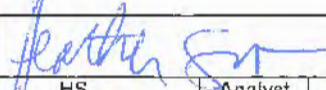
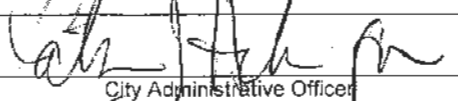
Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor The City Council	Date: 06-01-15	C.D. No. All	CAO File No.: 0150-08919-0003				
Contracting Department/Bureau: Information Technology Agency (ITA)		Contact: Laura Ito, (213) 978-3322					
Reference: ITA transmittal dated March 11, 2015; referred by Mayor for report							
Purpose of Contract: Internet connectivity services for City facilities							
Type of Contract: () New contract (X) Amendment		Contract Term Dates: Time Warner Pacific Cable West LLC doing business as Time Warner Cable: October 1, 2009 through September 30, 2017 (two-year extension) Qwest Communications Company, LLC doing business as CenturyLink QCC: March 15, 2010 through September 30, 2017 (two-year extension)					
Amendment Amount for City Contract C-116087 with Time Warner Cable: \$3,000,000 Proposed amount \$3,000,000 + Prior award(s) \$3,000,000 = Total \$6,000,000							
Amendment Amount for City Contract C-117048 with CenturyLink QCC: \$0 Proposed amount \$0 + Prior award(s) \$2,000,000 = Total \$2,000,000							
Source of funds: General funds budgeted within ITA's Communication Services Account							
Names, Addresses, and Workforce Information for Contractors: Time Warner Cable, 60 Columbus Circle, New York, NY 10023 (3.13% of workforce resides in the City) CenturyLink QCC, 100 CenturyLink Dr., Monroe, LA 71203 (<1% of workforce resides in the City)							
	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose	X			a. Equal Employrmt. Oppty./Affirm. Action	X		
2. Appropriated funds are available	X			b. Good Faith Effort Outreach**			X
3. Charter Section 1022 findings completed			X	c. Equal Benefits Ordinance	X		
4. Proposals have been requested	X			d. Contractor Responsibility Ordinance	X		
5. Risk Management review completed	X			e. Slavery Disclosure Ordinance	X		
6. Standard Provisions for City Contracts included	X			f. Bidder Certification CEC Form 50	X		
7. Workforce that resides in the City: See above				*N/A = not applicable ** Contracts over \$100,000			

COMMENTS

The Information Technology Agency (ITA) requests authority to execute Amendment No. 2 to Supplemental Agreement No. 1 to City Contract C-116087 with Time Warner Cable Pacific West LLC doing business as Time Warner Cable (TWC) and Amendment No. 4 to City Contract C-117048 with Qwest Communications Company, LLC doing business as CenturyLink QCC (CenturyLink) (jointly, "Contracts"). The proposed Amendments will extend the term of the Contracts by two years through September 30, 2017 to allow sufficient time to complete a new procurement process and the transfer of services, if necessary. ITA is developing a new RFP for internet services and anticipates that the contracts with the vendors selected as a result of the new RFP process will begin on or before the Contracts expire on October 1, 2017. In addition, the funding for the proposed Amendment with TWC would increase by an additional \$3 million, resulting in total maximum compensation of \$6 million. The proposed funding for the Amendment with CenturyLink would not change.

TWC and CenturyLink were selected as a result of a Request for Proposals (RFP) for internet and related services conducted by ITA in 2009. Each Contract includes a menu of internet-related services the City can procure, with the most fundamental being the connection of City facilities to the internet. In addition, the City may purchase cable television services through the TWC Contract. These Contracts are non-exclusive agreements; when the City requires additional internet services,

 HS	Analyst	11150044c	Assistant CAO	 City Administrative Officer
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ITA requests pricing from both contractors. ITA then utilizes the contractor that provides the lowest priced services. In some cases, both contractors are asked to be available to provide similar services to certain facilities to ensure redundancy and increase reliability. In addition to these Contracts, the City also procures some internet-related services through an existing telecommunications services contract with AT&T California (AT&T, C-112988).

The original Contracts were each executed for a three-year term and subsequently amended to extend the term with a co-termination date. The existing Contract with TWC is for a term effective October 1, 2009 through September 30, 2015. The proposed Amendment will extend the TWC Contract by two years for a new eight-year term effective through September 30, 2017. The existing Contract with CenturyLink is for a term effective March 15, 2010 through September 30, 2015. The proposed Amendment will extend the CenturyLink Contract by two years for a new term of seven years and six-and-a-half months through September 30, 2017. ITA initially submitted a request for amendments with one-year extensions, but increased the duration to provide sufficient time to prepare and release an RFP and execute new contracts for these services. The 24-month extension allows ITA sufficient time to continue internet services without interruption as disruption in service would adversely affect City business.

Through April 2015, \$2.14 million has been expended on the TWC Contract and \$631,422 on the CenturyLink Contract. The current estimated monthly expenditures Citywide on these Contracts is \$56,500 and \$11,600, respectively. ITA anticipates expenditures for CenturyLink will not exceed the existing \$2 million maximum compensation amount authorized under the contract. ITA is estimating that monthly expenditures for TWC are expected to increase up to at least \$90,000 as a result of an expansion of services provided to several Fire Stations and increased service requests from other City Departments. ITA also indicates that other departments have been requesting authority to use the TWC contract which could increase the monthly expenditures Citywide even more. At the current rate of expenditures, the contract limit of \$3.0 million will be reached prior to the proposed expiration date of September 30, 2017. Consequently, it is recommended that the TWC Contract limit must be increased by \$3 million for a new contract total of \$6 million to cover anticipated expenditures plus any new additional service requests through the term of this Contract.

TWC and CenturyLink have complied with all applicable City contracting requirements. Charter Section 1022 does not apply to the Contracts as there is no defined labor component associated with the provision of internet services. The Mayor waived the Good Faith Effort outreach for the original Contracts. In accordance with the Los Angeles Administrative Code Section 10.5(a), Council approval of the Amendments is required because the terms of the Contracts exceed three years and the annual expenditures on the Contracts exceed \$141,949.

RECOMMENDATIONS

That the Council:

1. Approve and authorize the Interim General Manager of the Information Technology Agency, or designee, to execute Amendment No. 2 to Supplemental Agreement No. 1 to City Contract C-116087 with Time Warner Pacific Cable West LLC, doing business as Time Warner Cable, for Citywide internet connectivity services, in order to increase maximum compensation by \$3 million for a new total contract compensation not to exceed \$6 million, and extend the term of

the Contract by two years for a revised contract term effective eight years from October 1, 2009 through September 30, 2017, subject to the approval of the City Attorney; and

2. Approve and authorize the Interim General Manager of the Information Technology Agency, or designee, to execute Amendment No. 4 to City Contract C-117048 with Qwest Communications Company, LLC doing business as CenturyLink QCC for Citywide internet connectivity services, in order to extend the term of the Contract by two years for a revised contract term effective seven years and six and a half months from March 15, 2010 through September 30, 2017, subject to the approval of the City Attorney.

FISCAL IMPACT STATEMENT

Funding for the proposed amendments is provided in the ITA's Communication Services account. There is no additional impact to the General Fund. Future funding for these agreements is contingent upon approval through the annual budget process. The recommendations in this report comply with the City's Financial Policies in that budgeted funds are available in the current fiscal year and future expenditures are limited to the appropriation of funds in the budget.

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Attachments