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TRANSMITTAL

TO
The Council

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APR 07 2014

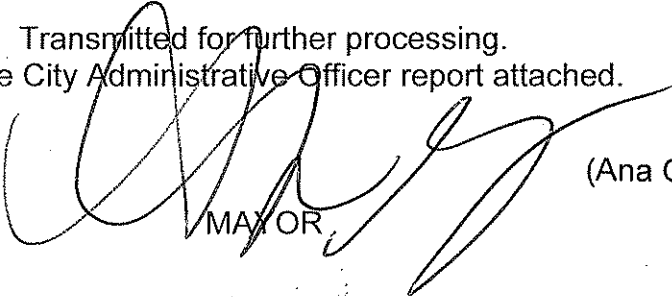
COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT

**Amendment No. 1 to Supplemental Agreement No. 1 to City Contract C-116087
with Time Warner Cable Pacific West LLC dba Time Warner Cable and
Amendment No. 3 to City Contract C-117048 with Qwest Communications
Company, LLC dba CenturyLink QCC for Internet Connectivity Services**

Transmitted for further processing.
See the City Administrative Officer report attached.



(Ana Guerrero)

MAYOR

MAS:AST:11140033c

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. The City can also purchase cable television services through the TWC Contract. These Contracts are non-exclusive agreements; when the City requires additional internet services, 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 two Contracts with TWC and CenturyLink, the City also procures some internet related services through the 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 of the Contracts with a co-termination date. The existing Contract with TWC is for a term effective October 1, 2009 through September 30, 2014. The proposed Supplemental Agreement will extend the TWC Contract on a monthly basis by one year for a new six-year term effective through September 30, 2015. The existing Contract with CenturyLink is for a term effective March 15, 2010 through September 30, 2014. The proposed Amendment will extend the CenturyLink Contract on a monthly basis by one year for a new term of five years and six and a half months through September 30, 2015. ITA is beginning a new RFP process 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, 2015.

To date, ITA has expended \$1.35 million on the TWC Contract and \$232,186 on the CenturyLink Contract. The current estimated monthly expenditure on these Contracts is \$50,000 and \$5,000, respectively, for a total estimated annual expenditure of \$660,000. While ITA anticipates expenditures for CenturyLink will not exceed the existing \$2 million maximum compensation amount authorized by the contract, monthly expenditures for TWC are expected to increase due to the replacement of AT&T T1 lines by TWC fiber at approximately 97 Fire Stations to provide increased bandwidth at nearly the same monthly cost. Consequently, ITA estimates that the TWC Contract limit will need to be increased by \$1 million from \$2 million to \$3 million to cover anticipated expenditures through September 30, 2015.

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 proposed Supplemental Agreement and Amendment is required because the term of the Contracts will exceed three years and the annual expenditure on the Contracts will exceed \$139,150. ITA has sufficient funds budgeted within its Communication Services Account in fiscal year 2013-14 to fund all cable and internet services, including expenditures through these Contracts as well as internet services provided through the telecommunications contract with AT&T. Future fiscal year Contract expenditures are subject to future appropriation.

RECOMMENDATIONS

That the Council:

1. Approve and authorize the General Manager of the Information Technology Agency, or designee, to execute Amendment No. 1 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 add "burstable service," revise and add contract pricing, increase maximum compensation by \$1 million for a new total contract compensation not to exceed \$3 million, and extend the term of the Contract by one year for a revised contract term effective six years from October 1, 2009 through September 30, 2015, subject to the review and approval of the City Attorney; and
2. Approve and authorize the General Manager of the Information Technology Agency, or designee, to execute Amendment No. 3 to City Contract C-117048 with Qwest Communications Company, LLC doing business as CenturyLink QCC for Citywide internet connectivity services, in order to add "burstable service," revise and add contract pricing, and extend the term of the Contract by one year for a revised contract term effective five years and six and a half months from March 15, 2010 through September 30, 2015, subject to the review approval of the City Attorney.

FISCAL IMPACT STATEMENT

Upon approval, execution of this contract could result in anticipated combined expenditures of nearly \$660,000 annually on City Contract C-116087 with Time Warner Cable and City Contract C-117048 with CenturyLink. The Information Technology Agency Communication Services Account is anticipated to have sufficient budgeted funds to cover these Contract expenditures. Since budgeted funds are available in 2013-14 and future payments are subject to future appropriation, the recommendations provided in this report are in compliance with the City's Financial Policies.

CITY OF LOS ANGELES

CALIFORNIA

INFORMATION TECHNOLOGY
AGENCY

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DEC 9 AM 9:29

December 6, 2013

REF: ASB-313-13

Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

Subject: **REQUEST FOR AMENDMENTS TO PERSONAL SERVICES
CONTRACTS - INTERNET SERVICES PROVIDERS**

Dear Mayor Garcetti:

In accordance with Executive Directive No. 3, attached for your review and approval are amendments to personal services Contract No. C-116087 with Time Warner Cable Pacific West LLC dba Time Warner Cable (Time Warner) and Contract No. C-117048 with Qwest Communications Company LLC dba CenturyLink QCC (CenturyLink). These amendments will provide the City with "Burstable Service" which will mitigate the impacts on City's internet services due to unexpected surges and extend the term of the contracts up to one year to complete the new procurement process and transfer services if necessary.

Background

The City entered into a three-year contract with Time Warner effective October 1, 2009, and with CenturyLink on March 15, 2010 that provided the City with two independent Internet connections with fault protection and sufficient capacity to meet the City's Internet needs at City Hall East and the Marvin Braude Center in Van Nuys. The internet services covered under these contracts are critical to the City's daily business. The contracts also provide cable TV, cable modem, point to point data connections and telephone services for exclusive franchise of the Playa Del Rey not covered in the AT&T nor Verizon service area. These services are utilized by all Council Controlled Departments and are funded either through ITA's budget allocation or from inter-departmental transfers.

The two contracts were subsequently amended to extend the term of the contracts with a co-termination date of September 2014. ITA is requesting to amend both contracts to incorporate new lower rates, add "Burstable Service" to allow increase of internet bandwidth during unexpected surges and extend the current contracts up to one year

on a month to month basis to allow sufficient time to complete a new Request for Proposals (RFP) and transfer of services if necessary.

The contract limit for each contract is \$2,000,000. As of April 2013, ITA has expended approximately over \$1,138,000 on Time Warner and less than \$151,000 on CenturyLink contract. A minor amount had been allocated to other departments for their use.

Currently, ITA's monthly invoices for Time Warner and CenturyLink are approximately \$50,000 and \$5,000 respectively. ITA does not anticipate any significant increase in CenturyLink's monthly invoice so the current contract limit for CenturyLink is sufficient. However, the monthly expenditures with Time Warner are expected to increase as AT&T T1 lines are being replaced with Time Warner fiber at approximately 97 Fire Stations to provide increased bandwidth at nearly the same monthly cost. Therefore, ITA estimates that the Time Warner contract limit will need to be increased to \$3,000,000 to cover anticipated expenditures through September 2015. The execution of these contract amendments does not obligate the City to utilize all the contractors' services or all of the allocated funds. The contracts are also subject to termination by the City if funds are not appropriated for the services in any ensuing fiscal year commencing July 1.

Both Time Warner and CenturyLink have uploaded the following required documents in BAVN; CenturyLink's documents have been verified, and approval of Time Warner's documents by Office of Contract Compliance at Public Works/Bureau of Contract Administration are pending.

	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose	x			a. Equal Employmt. Oppty./Affirm. Action	x		
2. Appropriated funds are available	x			b. Good Faith Effort Outreach			x
3. Charter Section 1022 completed			x	c. Equal Benefits Ordinance	x		
4. Proposals have been requested	x			c. Contractor Responsibility Ordinance	x		
5. Risk Management review completed	x			e. Slavery Disclosure Ordinance	x		
6. Standard Provisions for City Contract	x			f. Bidder Certification CEC Form 50	x		
7. Workforce that resides in the City: %				*N/A = not applicable			

The headquarters address and workforce information for each contractor is as follows:

CenturyLink
 1801 California St., 25th Floor
 Denver, CO 80202
 % of Workforce Residing in the City: <1%

Time Warner Cable LLC
 550 N. Continental Blvd. Suite 250
 El Segundo, CA 90245
 % of Workforce Residing in the City: 36%

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December 6, 2013
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Both contractors have provided current proof of insurance in the amounts identified by the City's Risk Manager.

The contract amendments have been reviewed and approved by the City Attorney as to form. ITA is requesting an expedited review and approval of the contract amendments in an effort to provide City departments with continuous Internet service.

Fiscal Impact Statement

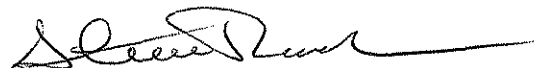
Required funding for these contracts is available in the Information Technology Agency's fiscal year 2013-2014 Communication Services Account. No additional funding is required.

Recommendation

That the City Council, subject to the approval of the Mayor, authorize the General Manager of the Information Technology Agency, or his designee, to execute a personal services contract amendments with Time Warner and CenturyLink to add "burstable" service and extend the terms of each contract on a month by month basis through September 30, 2015.

Please contact Ms. Laura Ito at 978-3322 with any additional questions.

Respectfully submitted,



Steve Reneker
General Manager

Enclosures

ec: Claudia Aguilar, Office of the City Administrative Officer
Anne Wu, ITA
Irene Mayeda, ITA
Nicanier Rosas, ITA