




City Manager/General Manager | 334 Front Street, Ketchikan AK 99901 | (907)228-5603

TRANSMITTAL MEMORANDUM

5c

TO: The Honorable Mayor & City Council Initials: 
FROM: Shawn Hart, Acting Assistant General Manager File #: MGR25-206
DATE: April 11, 2025 Mtg. #: 04/17/25 CAc
RE: **Award of Contract No. 25-23, KPU Virtualization Platform Refresh – GCSIT**

The motion detailed below was prepared at the request of KPU Telecommunications Division Manager Dan Lindgren, who asked that it be placed before the City Council for consideration at its meeting of April 17, 2025. If adopted, the motion provides for awarding Contract No. 25-23, KPU Virtualization Platform Refresh, to GCSIT in the amount of \$304,020 and approving a 5 percent contingency of \$15,200 for a total project cost of \$319,220.

In adopting the 2025 KPU annual budget, the City Council appropriated \$600,000 to the Telecommunications Division for the Server Environment Capital Project. As indicated in the attached memorandum from Mr. Lindgren, staff advertised for and received bids for Contract No. 25-23, with bids opened on March 25, 2025, at 10:00 a.m. in the City Clerk's office. Two (2) bids were received, and Mr. Lindgren's memorandum contains a summary of the bid amounts received. GCSIT submitted the apparent low bid of \$304,020. Staff is recommending that GCSIT be awarded Contract No. 25-23 with a 5 percent contingency of \$15,200 for a total project cost of \$319,220. I concur with Mr. Lindgren's recommendation.

A motion has been prepared for City Council consideration.

Recommended Motion:

I move the City Council award Contract No. 25-23, KPU Virtualization Platform Refresh, to GCSIT in the amount of \$304,020; authorize the use of a contingency of \$15,200 for a total project cost of \$319,220; authorize funding from the 2025 KPU Annual Capital Budget for the Server Environment capital account; and authorize the Acting General Manager to execute the contract documents on behalf of the City Council.



KPU Telecommunications

2970 Tongass Avenue
Ketchikan, AK 99901

Phone (907) 225-1000

FAX (907) 225-1788

Memorandum

To: Lacey Simpson, Acting KPU General Manager

From: Dan Lindgren, KPU Telecommunications Division Manager

Date: April 8, 2025

Subject: **Authorizing Award of Contract No. 25-23, KPU Virtualization Platform Refresh to GCSIT**

The purpose of this memorandum is to authorize the award of Contract No. 25-23, KPU Virtualization Platform Refresh, to GCSIT in the amount of \$304,020, plus a 5% contingency in the amount of \$15,200 for a total award amount of \$319,220.

Background:

KPU-Tel maintains a data center that supports the delivery of services to our customers. Critical systems are dependent on a variety of servers and applications. KPU-Tel manages a virtualization platform that is comprised of physical server hardware and virtualization software. This allows KPU-Tel to operate many virtual servers on a small number of physical hosts with redundancy and high availability failover. Periodically the physical hardware must be refreshed. The servers that host the KPU-Tel VMWare virtualization environment have reached end of life and must be replaced.

In adopting the 2025 KPU annual budget, the City Council appropriated \$600,000 to the Telecommunications Division for the Server Environment Capital Project – for the purpose of expansion and upgrade of the division's data storage and virtualized server environment.

A Request for Proposals (RFP) was issued on March 17, 2025. Proposals were received from Coquina Labs, Inc. and GCSIT. GCSIT was the lowest bidder. Accordingly, a Notice of Intent to Award was issued on March 25, 2025, for GCSIT.

KPU Telecommunications recommends that Contract 25-23 be awarded to GCSIT in the amount of \$304,020. Furthermore, a 5% contingency in the amount of \$15,200 is recommended for a total project cost of \$319,220.

Recommended Motion:

I move the City Council award Contract No. 25-23, KPU Virtualization Platform Refresh, to GCSIT in the amount of \$304,020; establishing a 5% contingency of \$15,200 for a total project cost of \$319,220; authorize funding from the 2025 KPU Annual Capital Budget for the Server Environment capital account; and directing the General Manager to execute the contract on its behalf.

cc: Shawn Hart, Acting KPU Assistant General Manager
Michelle Johansen, KPU Finance Director

Division: Telecommunications		Priority Number: 11								
Project Title: Server Environment		Start Date: 01/25 End Date: 12/29								
Description:										
This capital account provides funding for the growth, expansion and upgrade of the division's data storage and virtualized server environment. This allows the division to standardize its server infrastructure, while collapsing the physical footprint and reducing overall power consumption. Additionally, this project allows for the deployment of VM technology to supplement the division's hosted datacenter service offerings and offer cloud based services. In August of 2025 our primary data center cluster's 4 hosts go end of life and need to be replaced. In order to add more redundancy to the project a 5th host will be added. The project will provide processing power to our new Netsapiens Class V softswitch which is utilizing more horsepower than anticipated due to the increased workload of encrypting voice traffic.										
Project Cost Category	Prior Years	Adopted 2025		Projected Requirements				Total Project		
		Reappro- priated	New Funding	Total	2026	2027	2028		2029	
Public Art			15,000	15,000	2,500	2,500	2,500	5,000	27,500	
Design										
Land/Property Acquisition (ROW)										
Land/Property Improvements			15,000	15,000	2,500	2,500	2,500	5,000	27,500	
Construction Management										
Construction			570,000	570,000	95,000	95,000	95,000	190,000	1,045,000	
Vehicles/Moving Equipment										
Operating Equipment										
Environmental/Other Studies										
Other										
Total			600,000	600,000	100,000	100,000	100,000	200,000	1,100,000	
Source of Funds	Fund No.	Prior Years	Adopted 2025		Projected Requirements				Total Project	
			Reappro- priated	New Funding	Total	2026	2027	2028		2029
Revenue Generating Fund				600,000	600,000	100,000	100,000	100,000	200,000	1,100,000
Total				600,000	600,000	100,000	100,000	100,000	200,000	1,100,000

REQUEST FOR QUOTE 25-23

KPU Virtualization Platform Refresh

March 25, 2025

10:00 A.M.

	Company	Date Received	Time Received
1.	GCSIT	3/24/2025	6:11 p.m.
2.	Coquina Labs. Inc.	3/24/2025	1:53 p.m.
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			

Received by: Kim Stanker
City Clerk's Office

Division: Telecommunications		Priority Number: 11							
Project Title: Server Environment		Start Date: 01/25 End Date: 12/29							
Description:									
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Total				600,000	600,000	100,000	100,000	100,000	200,000	1,100,000