



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, General Manager

DATE: August 10, 2020

RE: **Exempting the Procurement of Annual Maintenance and Support Services for the Telecommunications Division's NEC Microwave Network Equipment from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – Aviat Networks**

The motion detailed below was prepared at the request of Telecommunications Division Manager Ed Cushing, who asked that it be placed before the City Council for consideration at its meeting of August 20, 2020. If adopted, the motion provides for exempting the procurement of annual maintenance and support services for the Telecommunications Division's NEC microwave network equipment from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code and authorizing the acquisition of such maintenance and support services from Aviat Networks at a cost of \$24,072.

Subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code provides for exempting the purchase of annual maintenance and support services from competitive bidding/quotation when:

“Supplies, materials, equipment or contractual services which should be purchased from a specific source in order to prevent incompatibility with previously purchased supplies, materials, equipment or contractual services. For the purpose of this paragraph, the term ‘incompatibility’ is defined as:

- (A) The inability to interconnect, combine, interchange, or join; or
- (B) That which causes substantial duplication in maintenance, expertise or training or in the stocking of parts, materials, supplies or replacements. Any purchase which is to be excluded from competitive bidding by authority of this subparagraph which exceeds \$10,000, must first be approved by the council.”

The rationale for the exemption is detailed in Mr. Cushing's transmittal memorandum and requires no elaboration on the part of my office. I concur with the Telecommunications Division Manager's recommendation.

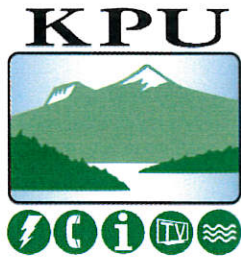
Mr. Cushing will be attending the City Council meeting of August 20, 2020, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

Pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, it is recommended the City Council adopt the motion exempting the procurement of annual maintenance and support services for the Telecommunications Division's NEC microwave network equipment from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorizing the General Manager to enter into an agreement for such annual support services with Aviat Networks at a cost not to exceed \$24,072; and approving funding from the Telecommunications Division's 2020 Software & Equipment Maintenance Services account (Account No. 635-04).

Recommended Motion: Pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, I move the City Council exempt the procurement of annual maintenance and support services for the Telecommunications Division's NEC microwave network equipment from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the General Manager to enter into an agreement for such annual support services with Aviat Networks at a cost not to exceed \$24,072; and approve funding from the Telecommunications Division's 2020 Software & Equipment Maintenance Services account (Account No. 635-04).



Memorandum

To: Karl R. Amylon, KPU General Manager

From: Ed Cushing, KPU Telecommunications Division Manager

Date: August 10, 2020

Subject: **Authorizing and Exempting the Procurement of Annual Maintenance and Support Services from Aviat Networks in the amount of \$24,072 from the Competitive Bid / Written Quotation Requirements of the Ketchikan Municipal Code**

The purpose of this memorandum is to request that the General Manager seek City Council approval to purchase two years of annual maintenance and support services from Aviat Networks for our NEC microwave equipment. If adopted, the approval-motion provides for exempting the procurement of two years of Aviat Networks maintenance and support from the competitive bidding / written quotation requirements of the Ketchikan Municipal Code and authorizing the acquisition of two years maintenance and support services for our NEC microwave equipment from Aviat Networks at a cost not to exceed \$24,072.

Background

KPU Telecommunications (KPUTel) utilizes NEC microwave equipment for our microwave network between Ketchikan and Prince Rupert, BC. Although KPUTel's new subsea fiber will be in service later this year - KPUTel will continue to utilize the NEC microwave system between Ketchikan and Prince Rupert as a critical component of our redundant network.

NEC has transitioned support for the microwave equipment that KPUTel utilizes to Aviat Networks. Aviat Networks has the requisite expertise and resources to respond to NEC microwave equipment outages and ensure optimum performance. The cost for two years of annual maintenance and support services is \$24,072. Aviat Networks offered a 15% (\$4,248) discount if two years of support are purchased. It is financially prudent to accept this discount.

At this amount the Ketchikan Municipal Code requires that staff seek competitive bids with written quotations - unless the City Council approves an exemption. Subparagraph 6 of section 3.12.050 (a) of the KMC provides an exemption that is appropriate for this transaction. Subparagraph (6) states the following:

"Supplies, materials, equipment or contractual services which should be purchased from a specific source in order to prevent incompatibility with previously purchased supplies, materials, equipment or contractual services. For purposes of this subparagraph, the term "incompatibility" is defined as:

- (a) The inability to interconnect, combine, interchange, or join; or
- (b) That which causes substantial duplication in maintenance, expertise or training or in the stocking of parts, materials, supplies or replacements

Any purchase which is to be excluded from competitive bidding by the authority of this subparagraph which exceeds ten thousand dollars must first be approved by the council."

Since acquiring maintenance and support services for the NEC microwave equipment from Aviat Networks is the only option available to KPU that would prevent incompatibility, I recommend seeking approval from City Council to exempt this procurement from the competitive bid/written quotation requirements of the KMC.

The maintenance and support services are part of the 2020 operating budget in the Software and Equipment Maintenance Services Account (635.04)

Recommended Motion:

Pursuant to Subparagraph 6 of Section 3.12.050 (a) of the Ketchikan Municipal Code, I move the City Council exempt the procurement of NEC microwave equipment maintenance and support services from Aviat Networks, in the amount of \$24,072 from the competitive bid and written quotation requirements of the KMC; and approve funding from the KPU Telecommunications Division 2020 Software and Equipment Maintenance Services Account (635.04).

Cc: Lacey Simpson, Assistant KPU Manager
Bob Newell, City Finance Director