



General Manager
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TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, General Manager

DATE: January 7, 2021

RE: **Exempting the Procurement of Email, Network Monitoring and Customer Support Services for the Telecommunications Division From Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – NeoNova**

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 January 21, 2021. If adopted, the motion provides for exempting the procurement of email, network monitoring and customer support services from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code and authorizing the purchase of such services from NeoNova at a cost not to exceed \$96,598.

Subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code provides for exempting the purchase of such 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 replacement. 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 needs no elaboration on the part of my office. I concur with the Telecommunications Division Manager's recommendation.

Mr. Cushing will attend the City Council meeting of January 21, 2021, 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 email, network monitoring and customer support services for the Telecommunications Division from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorizing the General Manager to purchase such services from NeoNova at a cost not to exceed \$96,598; approving funding from the Telecommunications Division's 2021 Technical Services account (Account No. 635.12); and directing the General Manager to execute the contract documents on behalf of the City Council.

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 email, network monitoring and customer support services from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the General Manager to purchase such services for the Telecommunications Division from NeoNova at a cost not to exceed \$96,598; approve funding from the Telecommunications Division's 2021 Technical Services account (Account No. 635.12); and direct the General Manager to execute the contract documents on behalf of the City Council.



Memorandum

To: Karl R. Amylon, KPU General Manager

From: Ed Cushing, KPU Telecommunications Division Manager

Date: January 6, 2021

Subject: **Request to Exempt the Procurement of Email Services, Network Monitoring, and Customer Support Services from Competitive Bidding / Written Quotation Requirements of the Ketchikan Municipal Code – NeoNova Network Services.**

The purpose of this memorandum is to request that the General Manager seek City Council approval to renew annual email, network monitoring, and customer support agreements with NeoNova Network Services (NeoNova) of Raleigh, NC. If adopted, this motion provides for exempting the procurement of NeoNova services from the competitive bidding / written quotation requirements of the Ketchikan Municipal Code to “prevent incompatibility” and authorizes the acquisition at a cost not to exceed \$96,598.

Background

KPU Telecommunications utilizes NeoNova to provide three critical services:

1. 24/7 customer support of our products, including Fiber / DSL Internet, IPTV, email, and telephone:
 - a. NeoNova provides advanced troubleshooting of customer devices, in relation to KPU services.
 - b. NeoNova is able to resolve many issues remotely, opening tickets for technician visits when remote resolution is not possible.
 - c. NeoNova provides call-out of KPU staff, based on rules, to address priority items on a real-time basis.
2. 24/7 network monitoring of our core network:
 - a. NeoNova monitors KPU's “Orion” system, calling out KPU technicians in the event that any core or access equipment goes into alarm.
 - b. This allows us to respond to, and resolve, issues much faster, reducing customer downtime.

3. The KPU email platform, as it relates to "kpunet.net" customers.

- a. This saves KPU considerable time, effort and expense (as opposed to KPU investing in the hardware, software and ongoing multiple Tier 3 support services necessary to operate its own independent email platform).

NeoNova charges an annual fee for support and services; presently this fee is estimated to total \$96,598, which includes a 5% (\$4,600) contingency.

Since this purchase exceeds \$10,000, the Ketchikan Municipal Code requires that the city council approve the purchase and that staff seek either competitive bids or written quotations unless the City Council approves an exemption. Subparagraph 6 of section 3.12.050 (a) of the KMC provides an exemption that would be 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."

Acquiring services from NeoNova is the only option available to KPU that prevents incompatibility with KPUs existing customer support services, network monitoring and email platform presently provided by NeoNova. NeoNova also has increased experience and familiarity with the KPU network which helps them to promptly identify and correct customer support issues and which also integrates tightly to their network monitoring services and email platform helping to insure exceptional customer support. Accordingly, I recommend seeking approval from the City Council to exempt this procurement from the competitive bid/written quotation requirements of the KMC to prevent incompatibility.

The annual costs are part of the 2021 operating budget in the Technical Services account (635.12)

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 email services, network monitoring, and customer support services from NeoNova from the competitive bid and written quotation requirements of the KMC and authorize the purchase for an amount not to exceed \$96,598 with funding from the Telecommunications Division's 2021 Operations budget under the Technical Services account (635.12).

Cc: Lacey Simpson, Assistant KPU General Manager
Michelle Johansen, City Finance Director