



General Manager  
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TRANSMITTAL MEMORANDUM
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TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, General Manager

DATE: January 12, 2021

RE: **Exempting the Procurement of Additional Subsea Fiber Related Installation Services from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – CityWest Cable and Telephone**

Pursuant to Sections 3.12.030 and 3.12.050(a)(2) of the Ketchikan Municipal Code, at its meeting of October 15, 2020, the City Council adopted a motion exempting the procurement of space and power for KPU's subsea fiber Coherent Optical Transport System equipment from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code. The motion adopted by the City Council also authorized the procurement of such services from CityWest Cable and Telephone at a cost of \$100,218 (CAD).

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 formal consideration at its meeting of January 21, 2021. If adopted, the motion provides for exempting the procurement of additional subsea fiber related installation services from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code and authorizing the procurement of such services from CityWest Cable and Telephone at a cost of \$44,550 (CAD). Section 3.12.050(a)(2) 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 can be furnished only by a single dealer, which have a uniform price wherever purchased or which are telecommunications supplies, materials, or equipment purchased by KPU for retail sale or lease;”

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.

Since the cost exceeds \$50,000, Section 3.12.030 of the Ketchikan Municipal Code requires prior approval of the City Council.

The Telecommunications Manager 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 Sections 3.12.030 and 3.12.050(a)(2) of the Ketchikan Municipal Code, it is recommended the City Council adopt the motion exempting the procurement of additional subsea fiber related installation services from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorizing the procurement of such services from CityWest Cable and Telephone at a cost of \$44,550 (CAD); approving funding from the Telecommunications Division's Internet Expansion capital account; and directing the General Manager to execute the contract documents on behalf of the City Council.

**Recommended Motion:** Pursuant to Sections 3.12.030 and 3.12.050(a)(2) of the Ketchikan Municipal Code, I move the City Council exempt the procurement of additional subsea fiber related installation services from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the procurement of such services from CityWest Cable and Telephone at a cost of \$44,550 (CAD); approve funding from the Telecommunications Division's Internet Expansion capital account; 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 12, 2021

**Subject:** **Request to Exempt the Procurement of Additional Subsea Fiber related Installation Services from CityWest Cable and Telephone from the Competitive Bidding / 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 additional subsea fiber related installation services from CityWest Cable and Telephone. This motion provides for exempting the procurement additional subsea fiber related installation services from CityWest from the competitive bidding / written quotation requirements of the Ketchikan Municipal Code in the additional amount of \$44,550 Canadian Dollars (CAD) which includes a 5% Canadian Use Tax (approximately \$35,640 in US Dollars).

### Background

At the October 15<sup>th</sup>, 2020 City Council meeting, the City Council exempted the procurement of space and power for KPU's subsea fiber Coherent Optical Transport System equipment from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorized the procurement of such services from CityWest Cable and Telephone at a cost of \$100,218 (CAD); approved funding in the respective amounts of \$70,434 (CAD) and \$29,784 (CAD) from the Telecommunications Division's 2020 Internet Expansion Capital Account and from the Rents and Leases – Infrastructure Account No. 645.04; and directed the General Manager to execute the contract documents on behalf of the City Council

The additional costs are largely attributable to an accelerated schedule that was required in order to meet the hard deadline for the Infinera turn up. This required more overtime than what was included in the initial quote. There was also a requirement for a redundant power feed which caused additional cost that was not considered in the initial quote, but is necessary to have the required redundancy. Finally, this includes some splicing work that we are asking CityWest to perform for us later this month – end of January 2021. We need to request that these additional installation services are approved by the City Council so that we may reimburse CityWest for the total cost of installation of the KPU equipment.

The Ketchikan Municipal Code provides an exemption from the competitive bids or written quotations under section 3.12.050 (a)(2) of the KMC which states the following:

“Supplies, materials, equipment or contractual services which can be furnished only by a single dealer, which have a uniform price wherever purchased or which are telecommunications supplies, materials, or equipment purchased by KPU for retail sale or lease;”

Since the installation necessary for the overall subsea fiber system is in the CityWest central office, acquiring these services from CityWest can only be furnished by a single dealer – CityWest. However, section 3.12.030 of the KMC requires City Council approval for purchases that exceed \$50,000.

“3.12.030 When prior approval by the council is required.

Every contract for, or purchase of, supplies, materials, equipment, contractual services, or public improvements for more than \$50,000 shall require the prior approval by motion or resolution of the council; and under no circumstances may such contract or purchase be made without first obtaining the approval of the council.”

Although these additional costs (of \$44,550 CAD in this memo) are less than \$50,000, the total costs of the installation services (including the COTS equipment install previously approved) from CityWest do exceed \$50,000 such that this additional approval is required. The funding for this additional cost is included in the Internet Expansion Capital Project.

**Recommended Motion:**

Pursuant to Section 3.12.030 of the Ketchikan Municipal Code, I move the City Council approve the procurement of additional subsea fiber related installation services from CityWest Cable and Telephone in the amount of \$44,550 (CAD) and authorize funding from the Telecommunications Division’s budget for the Internet Expansion Capital Project.

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

October 15, 2020

**2020 COPS Office School Violence Prevention Program (SVPP)  
Grant**

Moved by Flora, seconded by Kiffer the City Council accept the \$248,702 COPS Office School Violence Prevention Program (SVPP) grant for the School Violence Prevention Program (SVPP) grant for installation of security cameras and other measures at the Ketchikan High School and authorizing the finance director to execute the contract documents on behalf of the City Council.

Motion passed Gass, Kiffer, Gage, Zenge, Bradberry, Flora and Bergeron voting yea.

**Marijuana License Renewal Application – Northern Lights  
Cultivation 2**

Moved by Flora, seconded by Kiffer the City Council approve renewal the application for Standard Marijuana Cultivation Facility License No. 12173 – Northern Lights Cultivation 2, 4705 North Tongass Highway, Apt. 1, Ketchikan, AK 99901.

Motion passed with Gass, Kiffer, Gage, Zenge, Bradberry, Flora and Bergeron voting yea.

**Award of Contract No. 20-18, 2021-2023 Diesel Generator Fuel  
Supply – Petro Marine Services**

Moved by Flora, seconded by Kiffer the City Council accept the bid of Petro Marine Services for Contract No. 20-18, 2021-2023 Diesel Generator Fuel Supply, and authorize the general manager to execute the contract documents on behalf of the City Council.

Motion passed with Gass, Kiffer, Gage, Zenge, Bradberry, Flora and Bergeron voting yea.

**Exempting the Procurement of Space and Power for Subsea  
Fiber Coherent Optical Transport System Equipment from  
Competitive Bidding/Written Quotation Requirements of the  
Ketchikan Municipal Code – CityWest Cable and Telephone**

Moved by Flora, seconded by Kiffer pursuant to Sections 3.12.030 and 3.12.050(a)(2) of the Ketchikan Municipal Code, the City Council exempt the procurement of space and power for KPU's subsea fiber Coherent Optical Transport System equipment from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the procurement of such services from CityWest Cable and Telephone at a cost of \$100,218 (CAD); approve funding in the respective amounts of \$70,434 (CAD) and \$29,784 (CAD) from the Telecommunications Division's 2020 Internet Expansion Capital Account and from the Rents and Leases – Infrastructure Account No. 645.04; and direct the General Manager to execute the contract documents on behalf of the City Council.

Motion passed with Gass, Kiffer, Gage, Zenge, Bradberry, Flora and Bergeron voting yea.

**Appointments to Boards and Commissions – Mayor Sivertsen**

Mayor Sivertsen recommended Steve Wilsie to the Port & Harbors Advisory Board. No objections were heard.