



General Manager
334 Front Street
Ketchikan, AK 99901

Phone (907) 228-5603
Fax (907) 225-5075

TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, General Manager

DATE: March 9, 2021

RE: **Exempting the Procurement of Annual Fiber Optic Network Access Software & Hardware Maintenance and Technical Support Services for the Telecommunications Division from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – Adtran, Inc.**

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 March 18, 2021. If adopted, the motion provides for exempting the procurement of fiber optic network access annual software & hardware maintenance and technical support services for the Telecommunications Division from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code and authorizing the acquisition of such maintenance and support services at a cost of \$15,192 from Adtran, Inc.

Subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code provides for exempting the purchase of such services from competitive bidding/quotations 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 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 March 18, 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 fiber optic network access annual software & hardware maintenance and technical support services for the Telecommunications Division from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorizing the General Manager to enter into an agreement for such maintenance and technical support services with Adtran, Inc. in an amount not to exceed \$15,192; and approving funding from the Telecommunications Division's 2021 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 fiber optic network access annual software & hardware maintenance and technical support services for the Telecommunications Division from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the General Manager to enter into an agreement for such maintenance and technical support services with Adtran, Inc. in an amount not to exceed \$15,192; and approve funding from the Telecommunications Division's 2021 Software & Equipment Maintenance Services Account (Account No. 635.04).



KPU Telecommunications

2970 Tongass Avenue
Ketchikan, AK 99901

Phone (907) 225-1000

Fax (907) 225-1788

Memorandum

To: Karl R. Amylon, KPU General Manager

From: Ed Cushing, KPU Telecommunications Division Manager

Date: March 9, 2021

Subject: **Request to Exempt the Procurement of Adtran Annual Maintenance and Support in the amount of \$15,192.00 from the Competitive Bid Requirements of the Ketchikan Municipal Code.**

The purpose of this memorandum is to request that the General Manager seek City Council approval to exempt the procurement of Adtran annual maintenance and support from competitive bid and approve funding from the 2021 KPU Telecommunications Annual Budget for Software & Equipment Maintenance Services (account 635.04). This purchase is in keeping with the 2021 expense budget plan, and procures the support necessary to maintain critical equipment within the KPU Telecommunications Access Network - ensuring the ongoing ability to provide Voice, Video, and Internet services to residential and business customers.

Background

The KPU Telecommunications network utilizes Adtran equipment as key fiber optic network access infrastructure - to facilitate the delivery of residential and business telecommunication services.

Adtran, charges an annual fee for software and hardware maintenance and technical support. The purchase of Adtran annual support agreement ensures we have access to technical support (Adtran's advanced engineering and support team) and ensures "the access network" remains current relative to software updates/improvements (via ongoing software patches).

In prior years KPU was able to obtain quotes from multiple resale vendors. However, Adtran now only sells support directly through the Adtran organization.

Since this expenditure is above \$10,000, this purchase requires competitive bids or written quotations unless the City Council approves an exemption. Section 3.12.050(a)(6) of the Ketchikan Municipal Code provides an appropriate exemption 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 purpose 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 the annual maintenance and support agreement from Adran is the only option available that would prevent incompatibility with the Adtran access platform, I recommend seeking approval from the City Council to exempt this procurement from the competitive bidding requirements of the KMC. The quote from Adtran for the required maintenance and support is \$15,192.00.

Recommendation:

Pursuant to section 3.12.050(a)(6) of the Ketchikan Municipal Code, it is recommended that the City Council adopt the motion exempting the procurement of Adtran annual maintenance and support in the amount of \$15,192.00 from competitive bid; and approve funding from the 2021 KPU Telecommunications Annual Budget for Software & Equipment Maintenance Services (account 635.04).

Recommended Motion:

Pursuant to section 3.12.050(a)(6) of the Ketchikan Municipal Code, I move the City Council exempt the procurement of Adtran annual maintenance and support in the amount of \$15,192.00 from competitive bid; and approve funding from the 2021 KPU Telecommunications Annual Budget for Software & Equipment Maintenance Services (account 635.04).

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