



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting General Manager

DATE: December 7, 2021

RE: **Exempting the Procurement of Annual Internet Bandwidth and Distributed Denial of Service (DDOS) Protection Services from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – NTT Communications**

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 December 16, 2021. If adopted, the motion provides for exempting the procurement of annual Internet bandwidth and distributed denial of service (DDOS) protection services from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code and authorizing the acquisition of such support services from NTT Communications at a cost of \$17,640.

Subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code provides for exempting the purchase of such annual 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 the General Manager’s office. I concur with the Telecommunications Division Manager’s recommendation.

Mr. Cushing will be attending the City Council meeting of December 16, 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 annual Internet bandwidth and distributed denial of service (DDOS) protection services from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorizing the General Manager to enter into an agreement for such annual services with NTT Communications at a cost not to exceed \$17,640; and approving funding from the Telecommunications Division's 2022 Rents and Leases - Infrastructure account (Account No. 645.04).

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 Internet bandwidth and distributed denial of service (DDOS) protection services from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the General Manager to enter into an agreement for such annual services with NTT Communications at a cost not to exceed \$17,640; and approve funding from the Telecommunications Division's 2022 Rents and Leases - Infrastructure account (Account No. 645.04).



KPU Telecommunications

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Memorandum

To: Lacey Simpson, Acting KPU General Manager

From: Ed Cushing, KPU Telecommunications Division Manager

Date: December 3, 2021

Subject: **Authorizing and Exempting the Procurement of Internet Bandwidth and DDOS Protection Services from Competitive Bidding / Written Quotation Requirements of the Ketchikan Municipal Code – NTT Communications.**

The purpose of this memorandum is to request that the General Manager seek City Council approval to renew Internet bandwidth and DDOS (distributed denial of service) protection services from NTT Communications. If adopted, this motion provides for exempting the procurement of Internet bandwidth and DDOS protection services from the competitive bidding / written quotation requirements of the Ketchikan Municipal Code and authorizing the acquisition from NTT Communications at a cost not to exceed \$17,640.

Background

Prior to 2018 KPU Telecommunications procured Internet bandwidth (at KPU's transport termination point, located in the Westin Building in Seattle, WA) from Hurricane Electric under a 5 year term agreement.

In 2018, KPU solicited quotations from multiple vendors in order to add DDDOS protection aspect to our Internet bandwidth. Based on competitive quotations we subsequently moved our Internet bandwidth connection from Hurricane Electric to NTT Communications in mid-2018 – because NTT's pricing was very competitive and because DDOS protection had become a significant network and quality of service priority.

NTT has proven to be a reliable vendor. NTT Communications pricing remains competitive (quotes from multiple vendors were received in 2019). As a practical matter it would be a very complex and expensive process to change vendors due to the additional costs related to installation fees and new cross-connect requirements; it is advantageous to continue with NTT Communications for another year.

Based on our current configuration, the annual fee for Internet bandwidth and DDOS protection is presently \$17,640.

At this price the Ketchikan Municipal Code requires that the city council approve the purchase and 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.”

Since acquiring Internet bandwidth and DDOS is the only option available to KPU that would prevent incompatibility with our present provider NTT Communications, I recommend seeking approval from City Council to exempt this procurement from the competitive bid/written quotation requirements of the KMC

The Internet bandwidth and DDOS costs are part of the 2021 operating budget in the Rents and Leases - Infrastructure account (645.04).

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 Internet bandwidth and DDOS (distributed denial of service) protection services from NTT Communications from the competitive bid and written quotation requirements of the KMC and authorize funding from the 2021 KPU Telecommunications Division annual budget in the amount of \$17,640 from the Rents and Leases - Infrastructure account (645.04).

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cc: Michelle Johansen, City Finance Director