



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

FROM: Lacey G. Simpson, Acting General Manager

DATE: January 25, 2022

RE: **Exempting the Procurement of BroadWorks Annual Maintenance and Support Services for the Telecommunications Division from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – ECG Inc.**

In adopting the 2022 Ketchikan Public Utilities Operating and Capital Budget, the City Council appropriated \$585,000 to the Telecommunications Division's Software and Equipment Maintenance Services account (Account No. 635.04) to provide funding to upgrade, maintain and expand business offerings on the division's hosted platforms. 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 February 3, 2022. If adopted, the motion provides for exempting the procurement of BroadWorks annual maintenance support services from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code and authorizing the acquisition of annual maintenance and support services at a cost of \$29,793 from ECG Inc.

Subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code provides for exempting the purchase of migration and virtualization 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 requires no elaboration on the part of the Acting General Manager’s office. I concur with the Telecommunications Division Manager’s recommendation.

Mr. Cushing will be attending the City Council meeting of February 3, 2022, 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 BroadWorks Annual Maintenance and Support from the competitive bidding and written quotation requirements of the Ketchikan Municipal Code; authorizing the Acting General Manager to enter into an agreement for the purchase of such maintenance and support services with ECG Inc. in an amount not to exceed \$29,793; and approving funding from the Telecommunications Division’s 2022 Software and 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 BroadWorks Annual Maintenance and Support from the competitive bidding and written quotation requirements of the Ketchikan Municipal Code; authorize the Acting General Manager to enter into an agreement for the purchase of such maintenance and support services with ECG Inc. in an amount not to exceed \$29,793; and approve funding from the Telecommunications Division’s 2022 Software and Equipment Maintenance Services account (Account No. 635.04).



**KPU Telecommunications**

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**Memorandum**

**To:** Lacey Simpson, Acting KPU General Manager

**From:** Ed Cushing, KPU Telecommunications Division Manager

**Date:** January 25, 2022

**Subject:** **Request to Exempt the Procurement of Broadworks Annual Maintenance and Support in the amount of \$29,793 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 ECG, Inc Broadworks annual maintenance and support from competitive bid and approve funding from the 2022 KPU Telecommunications Annual Budget for Software & Equipment Maintenance Services (account 635.04) in the amount of \$29,793. This purchase is in keeping with the 2022 expense budget plan, and procures the support necessary to maintain critical voice equipment - ensuring the ongoing ability to provide IP Phone services to KPU business customers.

**Background**

Broadworks is the IP Phone platform that is used to deliver advanced voice services to the Ketchikan business community. The maintenance and support services are provided by ECG, Inc, an engineering firm who specializes in Broadworks hardware and software support. ECG was selected as KPU's new Broadworks support vendor in 2017 after the previous vendor, Averistar, was found to be slow and sporadic in response to KPU's requests for support. Averistar was often unavailable to KPU in times of crisis. Averistar's slowness to KPU requests severely delayed the final conversion of KPU's phone system from Broadsoft to Broadworks. After ECG was selected, they were key to KPU quickly completing the final total conversion of the IP Phone System from Broadsoft to Broadworks.

ECG, Inc., charges an annual fee for software and hardware maintenance and technical support. The purchase of ECG's annual Broadworks Support ensures that KPU has access to multiple engineers and technical support staff 24/7. ECG ensures that KPU remains current in software updates/improvements (via ongoing software patches), and also advises, assists and troubleshoots when new products are added to the Broadworks platform.

Based on the previous negative experience with Averistar, KPU is not interested in pursuing a quote from Averistar. The only other support vendor, Momentum, would require that KPU relinquish 100% control of its IP Phone customers to Momentum, and KPU would no longer be able to do custom design and provisioning for its business customers. Current customers would

be forced to change their current setup. Since these two vendors are not viable options for KPU or its customers, this leaves KPU's current Broadworks support vendor ECG, Inc as the only logical choice. There are no other support options for Broadworks.

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 ECG, Inc. is the only option for the maintenance of the Broadworks 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 \$29,793.

**Recommended Motion:**

Pursuant to section 3.12.050(a)(6) of the Ketchikan Municipal Code, I move the City Council exempt the procurement of ECG, Inc. Broadworks annual maintenance and support in the amount of \$29,793 from competitive bid; and approve funding from the 2022 KPU Telecommunications Annual Budget for Software & Equipment Maintenance Services (account 635.04).

CC: Michelle Johansen, City Finance Director