

KPU

Your Community, Your Utility

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TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, General Manager

DATE: August 26, 2019

RE: **Exempting the Procurement of Additional Interim Systems Administration and Engineering Services for the Telecommunications Division from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – JPM Consulting**

At its meeting of January 3, 2019, the City Council adopted a motion exempting the procurement of interim systems administration and engineering services from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code and authorizing my office to enter into an agreement for such services with JPM Consulting in an amount not to exceed \$75,000. At its meeting of April 22, 2019, the City Council adopted a motion authorizing an additional expenditure of \$40,000.

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 September 5, 2019. If adopted, the motion provides for authorizing additional services by JPM Consulting in an amount not to exceed \$40,000.

Subparagraph (A) of Section 3.12.051(c)(2) of of the Ketchikan Municipal Code provides for exempting the purchase of such professional engineering maintenance and support services from competitive bidding/written quotations when:

“The manager demonstrates to the council that there is a single source of the expertise or knowledge required, or that one person or firm can clearly perform the required tasks more satisfactorily because of the person’s or firm’s prior work.”

Subparagraph (2) of Section 3.12.051(b) of the Ketchikan Municipal Code further provides:

“Any proposed professional service contracts with an estimated cost in excess of \$50,000 shall be awarded 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.

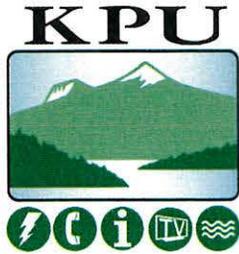
Mr. Cushing will be attending the City Council meeting of September 5, 2019, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

Pursuant to subparagraph (A) of Section 3.12.051(c)(2) and subparagraph (2) of Section 3.12.051(b) of the Ketchikan Municipal Code, it is recommended that the City Council adopt the motion exempting the procurement of additional interim systems administration and engineering services from the competitive bidding and written quotation requirements of the Ketchikan Municipal Code; authorizing the General Manager to enter into an agreement for such additional services with JPM Consulting in an amount not to exceed \$40,000; and approving funding from the Telecommunications Division's 2019 Engineering & Architectural Services account (Account No. 640.02).

Recommended Motion: Pursuant to subparagraph (A) of Section 3.12.051(c)(2) and subparagraph (2) of Section 3.12.051(b) of the Ketchikan Municipal Code, I move the City Council adopt the motion to exempt the procurement of additional interim systems administration and engineering services from the competitive bidding and written quotation requirements of the Ketchikan Municipal Code; authorize the General Manager to enter into an agreement for such additional services with JPM Consulting in an amount not to exceed \$40,000; and approve funding from the Telecommunications Division's 2019 Engineering & Architectural Services account (Account No. 640.02).



KPU Telecommunications

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Memorandum

To: Karl Amylon, KPU General Manager

From: Ed Cushing, KPU Telecommunications Division Manager

Date: August 26, 2019

Subject: **Request Authorization under 3.12.051(c)(2)(A) and 3.12.051(b)(2) of the Ketchikan Municipal Code to exceed \$50,000 for Professional Services Provided by JPM Consulting.**

The purpose of this memorandum is to request that the KPU General Manager - under sections 3.12.051(c)(2)(A) and 3.12.051(b)(2) of the KMC - seek City Council approval to enter into a sole-source professional services agreement with JPM Consulting for an additional amount not to exceed \$40,000.

Background:

At the City Council meeting of January 3, 2019 the City Council authorized the KPU General Manager to enter into a professional services agreement with JPM Consulting in the amount of \$75,000. At the City Council meeting of April 22, 2019 the City Council authorized the KPU General Manager to enter into a professional services agreement with JPM Consulting in the additional amount of \$60,000. Having hired a new full-time Network Operations and Engineering Manager, we are now in the process of the developing a full-time internal position to bring the systems administrator capabilities back in house. Ultimately the new internal position will require City Council approval. Given the remaining time required to define the new position and seek formal Council approval of the new position, we must extend the contract with JPM Consulting by \$40,000.

Systems administration and engineering is a critical component of designing and maintaining a modern telecommunications infrastructure. KPU-T has over 70 computer servers (each with associated hardware and software) that require regular maintenance and monitoring to keep them up to date and well integrated. As well, with the addition of our data center, we are now in the business of offering hosted server space and related services to our customers. This is a specialized field for telecommunication service providers and it has been challenging for KPU-T to keep and maintain proficient internal employee resources. The employees who previously performed the systems engineering and administrator functions are no longer employed by KPU-T.

JPM Consulting:

We have utilized the services of JPM Consulting over the last 14 months to perform the Systems Administration and Engineering role at KPU-T. JPM Consulting's employee resources include a previous KPU-T division employee that has an extensive knowledge of the KPU-T systems.

The provisions of section 3.12.051(c)(2)(A) allow the council to award a professional services contract in excess of \$50,000 without the solicitation of proposals when "The manager demonstrates to the council that there is a single source of expertise of knowledge required, or that one person or firm can clearly perform the required tasks more satisfactorily because of the person's or firm's prior work."

With the combination of JPM Consulting's unique advanced knowledge of the KPU-T systems and infrastructure, and existing relationships with support vendors; their professional technical services have consistently proven to be necessary, timely, and accurate in achieving maximum responsiveness, reliability, and quality from the KPU-T systems and support vendors.

KPU has established a rate of \$125.00 per hour for the professional technical services provided by JPM Consulting. A rate that is competitive, considering their unique knowledge of the KPU-T systems and infrastructure. We anticipate the \$40,000 amount is adequate to fund the systems administrator services externally while we develop the internal resources to bring these capabilities back in-house.

We have adequate budget for this cost in the 2019 operating budget in the Engineering and Architectural Professional Services account (640.02) due to the savings from bringing DW Engineering Associates on as an employee.

Recommended Motion:

I move that the City Council authorize the General Manager, under sections 3.12.051(c)(2)(A) and 3.12.051(b)(2) of the KMC, to enter into a professional services agreement with JPM Consulting for an additional amount of \$40,000 and authorize funding from the Telecommunications Division's 2019 Operations budget under the Engineering and Architectural Professional Services account (640.02)

CC: Lacey Simpson, Assistant KPU General Manager
Bob Newell, City Finance Director

April 22, 2019

installation of Hosted IP Cisco UC-1 SaaS software from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the acquisition and installation of such software from ECG, Inc. in an amount not to exceed \$45,000; and approve funding from the Telecommunications Division's 2019 Hosted Platforms Capital Account.

Motion passed with Flora, Gage, Zenge, Coose, Bergeron and Isom voting yea; Kiffer absent.

Exempting the Procurement of Additional Interim Systems Administration and Engineering Services for the Telecommunications Division from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code - JPM Consulting

Moved by Bergeron, seconded by Zenge pursuant to subparagraph (A) of Section 3.12.051(c)(2) and subparagraph (2) of Section 3.12.051(b) of the Ketchikan Municipal Code, the City Council adopt the motion to exempt the procurement of additional interim systems administration and engineering services from the competitive bidding and written quotation requirements of the Ketchikan Municipal Code; authorize the general manager to enter into an agreement for such additional services with JPM Consulting in an amount not to exceed \$60,000; and approve funding from the Telecommunications Division's 2019 Engineering & Architectural Services Account No. 640.02.

Motion passed with Flora, Gage, Zenge, Coose, Bergeron and Isom voting yea; Kiffer absent.

Budget Transfer - Exempting the Procurement of Voice Switch Cards and Equipment from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code - Ribbon Communications

Moved by Bergeron, seconded by Zenge pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of voice switch cards and equipment for the Telecommunications Division's Telephone switch platform from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the general manager to enter into an agreement for such voice switch cards and equipment with Ribbon Communications at a cost not to exceed \$39,778.20; and approve a budget transfer in the amount of \$25,000 from the Telecommunications Division's 2019 Microwave Capital Account to the Normal Growth and Repair - Central Office Switching Capital Account.

Motion passed with Flora, Gage, Zenge, Coose, Bergeron and Isom voting yea; Kiffer absent.

UNFINISHED BUSINESS – None

NEW BUSINESS

2018-2022 Ketchikan Public Library Strategic Plan Update

Library Director Pat Tully updated the Council with the Ketchikan Public Library Strategic Plan, and summarized the four strategic goals accomplished in the first quarter of 2019. She described

January 3, 2019

Ketchikan Municipal Code; authorize the general manager to enter into an agreement for such professional engineering maintenance and support services with ECG, Inc. in an amount not to exceed \$75,000; and approve funding from the Telecommunications Division's 2019 Engineering & Architectural Services Account No. 640.02.

Motion passed with Coose, Zenge, Isom, Gage and Kiffer voting yea; Flora and Bergeron absent.

Exempting the Procurement of Video Transport Services for the Telecommunications Division from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code - GCI

Moved by Kiffer, seconded by Coose pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of video transport services for the Telecommunications Division from the competitive bidding and written quotation requirements of the Ketchikan Municipal Code; authorize the general manager to enter into an agreement for such transport services with GCI in an amount not to exceed \$35,040; and approve funding from the Telecommunications Division's 2019 Rents and Leases-Infrastructure Account No. 645.04.

Motion passed with Coose, Zenge, Isom, Gage and Kiffer voting yea; Flora and Bergeron absent.

Exempting Procurement of Interim Systems Administration and Engineering Services for the Telecommunications Division from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code - JPM Consulting

Moved by Kiffer, seconded by Coose pursuant to subparagraph (A) of Section 3.12.051(c)(2) and subparagraph (2) of Section 3.12.051(b) of the Ketchikan Municipal Code, the City Council exempt the procurement of interim systems administration and engineering services from the competitive bidding and written quotation requirements of the Ketchikan Municipal Code; authorize the general manager to enter into an agreement for such services with JPM Consulting in an amount not to exceed \$75,000; and approve funding from the Telecommunications Division's 2019 Engineering & Architectural Services Account No. 640.02.

Mayor Sivertsen questioned the Telecommunications Division request for exemptions for procurement of services.

Manager Amylon answered questions from the Council.

Motion passed with Coose, Zenge, Isom, Gage and Kiffer voting yea; Flora and Bergeron absent.

UNFINISHED BUSINESS - None

NEW BUSINESS