


- d.** Procurement of Annual Software Subscription & Support Services – Ericsson, Inc.

TRANSMITTAL MEMORANDUM

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TO: The Honorable Mayor & City Council Initials: 

FROM: Shawn Hart, Acting Assistant General Manager File #: MGR25-189

DATE: March 28, 2025 Mtg. #: 04/03/25 CAd

RE: **Authorizing the Procurement of Annual Software Subscription & Support Services – Ericsson, Inc.**

The motion detailed below was prepared at the request of KPU Telecommunications Division Manager Dan Lindgren, who asked that it be placed before the City Council for consideration at the meeting of April 3, 2025. If adopted, the motion provides for the procurement of an annual software subscription and support services at a cost of \$74,935 for the Division's 4G/LTE network data partnership.

The purchase is exempt from competitive bidding or quotations pursuant to Section 3.12.050(a)(6)(A) of the Ketchikan Municipal Code (KMC) but does require Council approval as it is over \$10,000. That section states that the following may be purchased or contracted for without competitive bidding or soliciting quotes 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 purposes of this subparagraph, the term "incompatibility" is defined as:

(A) The inability to interconnect, combine, interchange, or join;

Mr. Lindgren outlines the rationale for this request in his attached memorandum. As this purchase is exempted from competitive bidding by the KMC with Council approval, it is a continuation of a support contract, and the Ericsson product is the only option available for purchase that ensures compatibility and continuity with the Verizon network. I concur with Mr. Lindgren's recommendation.

A motion has been prepared for City Council consideration.

**Recommended Motion:**

Pursuant to section 3.12.050(a)(6)(A) of the Ketchikan Municipal Code, I move the City Council approve the procurement of Ericsson annual software subscription and support services in the amount of \$74,935; approve funding from the KPU Telecommunications Division 2025 Software and Equipment Maintenance Services Account (635.04); and direct the Acting General Manager to execute the purchase contract documents on behalf of the City Council.



## Memorandum

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

**From:** Dan Lindgren, KPU Telecommunications Division Manager

**Date:** March 24, 2025

**Subject:** **Authorizing the Procurement of Annual Software Subscription & Support Services from Ericsson, Inc. in the amount of \$74,935**

The purpose of this memorandum is to request that the General Manager seek City Council approval to purchase an annual support agreement as well as a software subscription service from Ericsson Inc. for KPU Telecommunication's (KPU-Tel) Ericsson 4G/LTE network. This action supports the City Council's core purpose "to provide the affordable services and reliable infrastructure necessary for citizens to flourish" by providing the software and services necessary to maintain the 4G/LTE Network at a software version required by our agreement with Verizon. If adopted, the approval-motion authorizes the procurement of Ericsson Support and Software Subscription Services at a cost not to exceed \$74,935.

### Background

KPU Telecommunications owns and operates an Ericsson 4G LTE network, utilized to provide Verizon Wireless service in Ketchikan and Skagway. The Ericsson network enables KPU to contract with Verizon Wireless as a voice and data-roaming partner for 'tourists' as well as support Verizon services to local customers. Pursuant to our Master Agreement with Verizon we were required to upgrade our system to the most current Ericsson eNodeB software load. This allows the most recent functions and features to be fully supported by the 4G/LTE network.

As required in KPUTel's 4G/LTE contract-partnership with Verizon Wireless, KPUTel utilizes Ericsson radio hardware and software within KPUTel's 4G/LTE network. Accordingly, Ericsson is the only source of annual hardware and software support - for which Ericsson charges an annual fee.

The total combined costs of the annual support and subscription services are \$74,935.

Subparagraph 6 of section 3.12.050 (a) of the Ketchikan Municipal Code provides for exempting the purchase of such support and maintenance 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 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 support from Ericsson Inc. is the only option available to KPU-Tel that would prevent incompatibility, I recommend seeking approval from City Council to authorize this procurement and exempt it from the competitive bid/written quotation requirements of the KMC.

The annual maintenance and software subscription costs are part of the 2025 operating budget in the Software and Equipment Maintenance Services Account (635.04)

**Recommended Motion:**

Pursuant to Subparagraph 6 of Section 3.12.050 (a) of the Ketchikan Municipal Code, I move the City Council approve the procurement of Support and Annual Software Subscription with Ericsson, Inc.; authorize the City Manager to enter into an agreement for support and software subscription with Ericsson for an amount not to exceed \$74,935; and approve funding from the KPU Telecommunications Division 2025 Software and Equipment Maintenance Services Account (635.04).

Cc: Shawn Hart, Acting KPU Assistant General Manager  
Michelle Johansen, City Finance Director