



THE PORT
OF LOS ANGELES
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: MAY 19, 2020

FROM: INFORMATION TECHNOLOGY

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF STATE OF CALIFORNIA, CALIFORNIA NETWORK 3, AUTHORIZATION TO ORDER SERVICES 18-MONTH EXTENSION FROM AT&T CORPORATION (AGREEMENT NO. 15-3333A)

SUMMARY:

Staff is requesting approval of an 18-month extension to two State of California, California Network 3 (CALNET 3) Authorizations to Order (ATOs) with AT&T Corporation (AT&T). The two ATOs were approved originally by the Board of Harbor Commissioners on June 8, 2015 for a three-year term with two optional one-year extensions (Agreement No. 15-3333). The current ATOs expire on June 30, 2020. The State of California recently extended the ATOs by 18 months, which allows the City of Los Angeles Harbor Department (Harbor Department) to similarly extend its ATOs for the same period.

AT&T was awarded participation in the CALNET 3 contract after a competitive procurement process conducted by the State of California's Department of Technology. AT&T is headquartered in Dallas, Texas, with offices in Los Angeles, California.

These ATOs enable the Harbor Department to order telecommunications products and services at the reduced rates negotiated by the State with AT&T. Authorization of the proposed ATO extensions do not represent a funding commitment as funding for the telecommunication products and services purchased under the ATOs is authorized as part of the annual budget adoption process. Payment of expenses incurred are the financial responsibility of the Harbor Department.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Find that in accordance with Administrative Code Section 10.15(8), the competitive contracting requirement is met using the responses from the State of California's

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Request for Qualification Proposal (RFQP) solicitation (RFQP 12-001), which resulted in the State of California's Office of Technology Services CALNET 3 Statewide Contract A (SWC-A), C3-A-12-10-TS-01 and Statewide Contract B (SWC-B), C3-B-12-10-TS-01;

3. Approve the 18-month extension of the two Authorizations to Order with AT&T for the acquisition of telecommunications utility services for the length of the CALNET 3 contract, which upon approval by the Los Angeles City Council, the effective date of the extension of the two ATOs shall be retroactive from July 1, 2020 to Dec 31, 2021;
4. Authorize the Chief Information Officer for the Harbor Department or his designee to be the Harbor Department's authorized signatory for ordering services through CALNET 3;
5. Direct the Board Secretary to transmit the underlying Authorizations to Order with AT&T to the Los Angeles City Council for approval of the extensions pursuant to Section 373 of the Charter of the City of Los Angeles and Section 10.5 of the Los Angeles Administrative Code; and
6. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The Information Technology Division (ITD) provides the computing and telecommunications services for the Harbor Department. This includes managing the telecommunications services that are required for the Harbor Department's voice and data networks.

The Harbor Department has been using the CALNET series of contracts since 1999. The CALNET series was created by the State of California to combine the buying power of the state and local public agencies to incentivize telecommunications providers to offer their most competitive rates. By participating in CALNET, the Harbor Department can acquire necessary telecommunications services quickly and cost effectively. Without CALNET, the Harbor Department would be charged higher tariff rates for the same services. Other City of Los Angeles Departments also use CALNET, including the Information Technology Agency, Los Angeles World Airports and the Department of Water and Power.

Currently, the Harbor Department is using CALNET 3 to provide local and long distance telephone services, high-bandwidth data circuits, radio circuits, metro-ethernet services, and voice over internet protocol (VoIP) supporting circuits. In addition to paying for telephone bills, these services are used to connect the Harbor Department's network to

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the City of Los Angeles' networks, extend Port Police and Port Pilot radio network coverage, connect remote offices to the data network, monitor Alternative Maritime Power (AMP) terminals, link systems throughout the Port of Los Angeles complex (e.g. security systems, building operations, elevators, fire and life safety systems), and for radars and cameras to monitor ship traffic throughout the port complex.

For Fiscal Year 2018/2019, the Harbor Department spent \$610,954 for telecommunication services under CALNET 3. For the current Fiscal Year-to-Date period ending May 6, 2020, the Harbor Department spent \$572,737. The requested budgeted amount for Fiscal Year 2020/2021 for CALNET 3 services is \$656,000.

Proposed Extensions – The State of California recently extended the two CALNET 3 agreements with AT&T (Transmittals 1 and 2) for 18 months. With this renewal, the Harbor Department may also extend its ATOs with AT&T (Agreement No. 15-3333A, Transmittal 3).

The ATOs are non-binding. CALNET 3 does not have an exclusivity clause or stipulation requiring any long-term commitments from the Harbor Department. The Harbor Department will be able to consider alternate providers if any provider offers a more advantageous solution. If the Harbor Department decides that the services under CALNET 3 are not meeting expectations, or if an alternative solution is required, AT&T cannot demand that the Harbor Department pay early termination fees or penalties. The only requirement to cancel services is a 30-day written notice from the Harbor Department to AT&T.

To order services, the Harbor Department will submit the State of California's Telecommunications Service Request to AT&T, also known as a Form 20 (Transmittal 4). The Form 20 requires a signature from an authorized signatory of the Harbor Departments. The Harbor Department requests that the Board continue to authorize the Chief Information Officer, or his designee, as the authorized signatory for ordering CALNET 3 telecommunication services for the Harbor Department.

Selection Process – AT&T was awarded participation in the CALNET 3 contract after a competitive procurement process conducted by the State of California. The State's Department of Technology, Statewide Technology Procurement Division released RFQP solicitation 12-001, which was used to establish a list of Prequalified Multiple Award Contract (PMAC) contractors. CALNET 3 Category One, Statewide Contract C3-A-12-10-TS-01 was awarded on November 15, 2013. CALNET 3 Category Two, Statewide Contract C3-B-12-10-TS-01 was awarded on March 26, 2014.

AT&T is headquartered in Dallas, Texas, with offices in Los Angeles, California.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is for the approval of an 18-month extension to two CALNET 3 Authorizations with AT&T, which is an activity involving continuing administrative activities. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT

Approval of the proposed 18-month extension will enable the Harbor Department to continue ordering telecommunications products and services at the reduced rates negotiated by the State and AT&T. The proposed extension does not represent a request for funding. Pending approval of the proposed extension, the Chief Information Officer will submit requests for funding telecommunications products and services purchases to the Board as part of the annual budgeting process.

Fiscal Year 2020/21 funds in the amount of \$1,479,500 were requested to be budgeted within Account 59410 (Telephone Services), Center 0640, Program 000. Of this amount, \$580,000 was requested for local telephone services to pay for telephone bills, which is the primary expenditure under CALNET 3. In the event that other telecommunication items such as: cabling, wiring, data circuits, internet services, mobile communication services, telephone system maintenance and other telephone services are required and available for purchase, then those services may be purchased under CALNET 3, so long as the annual FY 2020/21 budget of \$1,479,500 is not exceeded.

Future fiscal year funds will be requested as part of the annual budgeting process, subject to Board approval.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed this Board Report and the proposed action raises no legal issues at this time.

TRANSMITTALS:

1. State of California Extension Amendment 12 for C3-B-12-10-TS-01
2. State of California Extension Amendment 13 for C3-A-12-10-TS-01
3. Harbor Department Authorizations to Order Under State Contracts C3-A-12-10-TS-01 and C3-B-12-10-TS-01 (Agreement No. 15-3333)
4. State of California's Telecommunications Service Request (Form 20)

FIS Approval: MB (initials)
CA Approval: SP (initials)



LANCE KANESHIRO
Chief Information Officer



THOMAS E. GAZSI
Chief of Public Safety and
Emergency Management

APPROVED:

 FOR

EUGENE D. SEROKA
Executive Director

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