



THE PORT
OF LOS ANGELES
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JULY 24, 2018

FROM: INFORMATION TECHNOLOGY

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF EXTENSION TO AGREEMENT NO. 16-3374 WITH SBC GLOBAL SERVICES, INC. DBA AT&T GLOBAL SERVICES FOR TELECOMMUNICATIONS INFRASTRUCTURE SERVICES, CABLING AND EQUIPMENT

SUMMARY:

Staff is requesting retroactive approval to extend Agreement No. 16-3374 (Agreement) from May 1, 2018 through May 1, 2020 and authorization for the City of Los Angeles Harbor Department (Harbor Department) Commission Office to forward the Agreement to the Los Angeles City Council (City Council) for ratification and approval. The Agreement is with SBC Global Services, Inc. dba AT&T Global Services (AT&T), and is based upon a County of Los Angeles' (County) Telecommunications Services contract with AT&T, Contract No. 76501 (Contract). Pursuant to the authority granted under the County Contract, the County and AT&T extended the County Contract for two additional years from May 2, 2018 to May 1, 2020. The Harbor Department's Agreement was similarly extended in term, allowing the Harbor Department to continue using the Agreement for its telecommunications infrastructure service needs. At its meeting held on January 22, 2016, the Board of Harbor Commissioners (Board) approved the Agreement with a term from March 17, 2016 to April 30, 2018, so additional ratification and approval of the extension is required at this time. Ratification and approval of the extension will make the new term of the Agreement four years in length, which pursuant to the City of Los Angeles (City) Charter and Administrative Code requires approval of the City Council. The not-to-exceed amount of the proposed Agreement will be the amount authorized by the Board through the annual budget process.

AT&T was awarded the County's Contract after a competitive Request for Proposals (RFP) process was conducted by the County. AT&T is headquartered in Dallas, Texas, with offices in Los Angeles, California.

Telecommunications services payments are the financial responsibility of the Harbor Department.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

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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. Ratify and approve the extension of Agreement No. 16-3374 with SBC Global Services Inc. dba AT&T Global Services for the acquisition of communications products and services from May 1, 2018 to May 1, 2020;
3. Direct the Board Secretary to transmit the Agreement with AT&T to the Los Angeles City Council for ratification and approval pursuant to Section 373 of the Charter of the City of Los Angeles and Section 10.5 of the Los Angeles Administrative Code; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The Information Technology (IT) Division provides computing and telecommunications services for the Harbor Department. This includes installing copper as well as fiber optic voice and data network communication cables; cabling and network design; installing Wi-Fi access points; installing communication conduit for inside plant and outside plant environments, including trenching and directional drilling; servicing emergency call boxes; procuring, mounting and wiring IP cameras; expanding and troubleshooting cable or satellite television services; purchasing equipment related to the telephone systems; maintaining the fiber optic cable network; and assisting the other Harbor Department divisions that require telecommunications services or equipment. In addition to on-going operations work, the IT Division provides telecommunications services that support capital projects. For example, telecommunications services have been used in the past for projects such as the expansion of the Port's security systems, purchasing and installing emergency call boxes and other communications needs for the Port's waterfront projects, and re-cabling the communications wiring in the Harbor Administration Building.

For the past three years, the IT Division provided these services through Board approved Agreement No. 16-3374, which was entered into as a "Participating Entity" agreement (Transmittal 1) with AT&T pursuant to the authority granted under Los Angeles County's Telecommunications Services contract, Contract No. 76501, with AT&T (Transmittal 2).

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For Fiscal Year 2016/2017, the Harbor Department spent \$1,078,427 for telecommunication services under the Agreement. For Fiscal Year 2017/2018, the Harbor Department spent \$1,065,674.

Proposed Extension – The proposed extension allows the Harbor Department continued access to as-needed telecommunications infrastructure and network services, cabling and equipment for the Harbor Department.

The Agreement was originally approved by the Board as a two-year agreement effective March 17, 2016 until April 30, 2018. However, the Agreement contained a term which made the two-year extension from May 1, 2018 to May 1, 2020 automatic in the event that the County exercised its own extension option under the County Contract. Therefore, the Board is now being asked to ratify and approve the two-year extension retroactive to May 1, 2018 and the Harbor Department will recommend to City Council that it ratify and approve the Agreement from the original effective date until May 1, 2020, as the term exceeds the Board's authority to enter into agreements up to three years in length under the City Charter.

The Board and City Council have the power to ratify and approve the term extension and the original Agreement, respectively. "It is the general rule that whatever acts public officials may do or authorize to be done in the first instance may subsequently be adopted or ratified by them with the same effect as though properly done under previous authority." McQuillin, Municipal Corporations, §29.106 (2018 3rd Ed.). In order to ratify the past unauthorized act, the Board and City Council need to follow all formalities and make all findings each would have been required to make if the Agreement had been approved in 2016 with a term of two years and an automatic two year extension at the County's option. Here, the Board and City Council would have had the authority in 2016 to approve the Agreement with the potential term to May 1, 2020. Therefore, while the required approval was not obtained initially, the Board can ratify and approve the two-year extension so long as such approval is followed by City Council's ratification and retroactive approval of the Agreement.

In the event that either the Board or City Council decide not to approve the extension or the Agreement, respectively, the Harbor Department will not be subject to the termination penalty provision under the Agreement because the services provided are not subscription services (e.g. voice mail, DSL services, etc., which are subject to an early termination penalty), but are rather "on-call" orders only when needed for consulting and installation services and equipment purchases.

As part of the 1022 process, the Contracts and Purchasing Division (CPD) asked the other City Departments if they had City staff that could do this work. For the Departments that did respond to CPD's inquiry, they stated that they do not have

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available staff. A few City Departments did not respond, which is understood to mean that they cannot provide staff.

Selection Process – The proposed Agreement is based on the County's Contract, which was awarded to AT&T through a competitive RFP selection process. Effective May 2, 2018, the County's Contract was extended for an additional two years until May 1, 2020 under County Contract Amendment No. 8 (Transmittal 3). The County monitors and updates its contract on a regular basis to insure that pricing and services are up to date and remain competitive, which will then be applicable to the Harbor Department's Agreement.

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

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of an extension to an Agreement with AT&T for as-needed telecommunications infrastructure services, cabling, and equipment, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of California Environmental Quality Act (CEQA) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The not-to-exceed amount of the proposed Agreement is the amount authorized by the Board through the annual budget process. Budget requests are submitted in the operating budget of the IT Division (Cost Center 0640, Account 59410, Program 000), and in the Capital Improvement Projects budget of the Engineering Division (Cost Center 1900, Account 59410, Program 000).

The adopted budget amount for the telecommunications services covered under the proposed Agreement for Fiscal Year 2018/2019 is \$1,100,000 and has been programmed within Cost Center 0640, Account 59410, Program 000 and Cost Center 1900, Account 59410, Program 000. Funding requests for subsequent years will be submitted through the annual budget process.

Office space will not be required for consultants as a result of approval of the proposed Agreement.

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CITY ATTORNEY:

The Office of the City Attorney has approved Agreement No. 16-3374 as to form and legality.

TRANSMITTALS:

1. AT&T Participating Entity Agreement
2. County Telecommunications Services Contract No. 76501
3. County Telecommunications Services Contract Amendment No. 8

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



LANCE KANESHIRO
Chief Information Officer



THOMAS E. GAZSI
Chief of Public Safety and
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APPROVED:



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