

DATE: JANUARY 8, 2025

FROM: INFORMATION TECHNOLOGY

SUBJECT: RESOLUTION NO. _____ - APPROVAL TO SIGN AUTHORIZATIONS TO ORDER TELECOMMUNICATIONS UTILITY SERVICES UNDER STATE OF CALIFORNIA CALNET NEXT GENERATION CONTRACTS WITH AT&T

SUMMARY:

Staff requests approval to sign three State of California (State), California Network (CALNET) Next Generation (Next Gen) Authorizations to Order (ATOs) with AT&T Enterprises, LLC (AT&T). Approval of the proposed ATOs will allow the City of Los Angeles Harbor Department (Harbor Department) to order telecommunications products and services at the reduced rates negotiated by the State with AT&T.

The not-to-exceed payment amount for the proposed ATOs shall be the amount approved by the Board of Harbor Commissioners (Board) for the Telephone Services budget account during each annual budget process. The duration of the proposed ATOs will be three years, from January 1, 2025 through December 31, 2027. AT&T was awarded participation in the CALNET Next Gen contract after a competitive procurement process conducted by the State's Department of Technology.

The proposed approval to sign ATOs also requests authorization of the Harbor Department Chief Information Officer or his/her designee to be the Harbor Department's authorized signatory for ordering services through CALNET Next Gen.

The Harbor Department will be financially responsible for payment of expenses incurred under the proposed ATOs.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

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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Invitation for Bid Solicitation, which resulted in the State of California's Office of Technology Services Contracts C4-DNCS-19-001-40, C4-LEG-12-10-TS-01 and C4-CVD-19-001-04;

3. Approve the three CALNET Next Gen Authorizations to Order with AT&T for the acquisition of telecommunications products and services for three years from January 1, 2025 through December 31, 2027;
4. Authorize the Harbor Department Chief Information Officer or his/her designee to be the Harbor Department's authorized signatory for ordering services through CALNET Next Gen; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The Information Technology Division provides 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 Next Gen 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 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.

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The CALNET contract ended on December 31, 2024. The terms of CALNET allow the State of California three 1-year, optional extensions that can be executed at the sole discretion of the State of California. If all extensions are executed by the State, the CALNET contract will end December 31, 2027. Signing the ATOs will allow the Harbor Department to participate in the CALNET contract throughout the life of the contract.

For Fiscal Year 2023/2024, the Harbor Department spent \$1,004,449 for telecommunication services under CALNET Next Gen and for AT&T cellular services. The estimated amount for Fiscal Year 2024/2025 for CALNET services is \$1,660,000.

Proposed CALNET Next Gen ATOs – The three proposed CALNET Next Gen ATOs (Transmittals 1, 2 and 3) allow the Harbor Department to order the following telecommunications products and services at the reduced rates negotiated by the State with AT&T.

- Category 15, Dedicated Transport
- Category 15.2.2, Carrier Digital Service Offerings (DSO) Service
- Category 16, Long Distance Calling
- Category 17, Toll Free Voice Calling
- Category 18, Legacy Telecommunications
- Category 18.3.1.1, Analog Service
- Category/Subcategory: 19.1, CALNET Cellular Business Services
- Category: 20, Multiprotocol Label Switching (MPLS) Data Network Services
- Category: 21, Standalone VoIP Services
- Category: 22, Cloud Hosted VoIP Services
- Category: 23, Metropolitan Area Network (MAN) Ethernet Services and Features
- Category: 24, Flat Rate Internet Services
- Category: 25, Sustained Bandwidth Internet Services and Features
- Category: 29, Converged VoIP Services
- Category: 30, Broadband with Internet Services

The not-to-exceed payment for the proposed ATOs shall be the amount approved by the Board for the Telephone Services budget account during each annual budget process. The duration of the proposed ATOs will be three years, from January 1, 2025 through December 31, 2027.

The ATOs are non-binding. CALNET Next Gen 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 Next Gen are not meeting expectations, or if an alternative solution is required,

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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.

Selection Process – AT&T was awarded participation in the CALNET Next Gen contract after a competitive procurement process conducted by the State of California. The State's Department of Technology, Statewide Technology Procurement Division released Invitation for Bid solicitations for multiple categories which was used to establish a list of Prequalified Multiple Award Contract (PMAC) contractors. Contract C4-LEG-12-10-TS-01 was awarded for Categories 15-18 on January 3, 2019. Contract C4-CVD-19-001-04 for Category 19 was awarded on May 23, 2019. Contract C4-DNCS-19-001-40 for Categories 20-30 was awarded on multiple dates through multiple amendments in 2020.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of three CALNET Next Gen ATOs with AT&T to allow the Harbor Department to continue receiving discounted rates for existing telecommunications products and services, which is an administrative activity. 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

This request to authorize the Harbor Department to sign the three ATOs with AT&T is not a request for funding. Signing these ATOs will allow the Harbor Department to continue receiving discounted rates for existing telecommunications products and services and allow the Harbor Department to acquire necessary telecommunications products and services in a cost effective and timely manner.

Fiscal Year 2024/2025 funds in the amount of \$1,669,500 were budgeted in Account 581000 (Telecom, Phone, and Data Services), Division 50010 (Information Technology). Of this amount, \$725,000 is estimated for local telephone services to pay for telephone bills, which is the primary expenditure under CALNET. Remaining funds in the account may be used to pay for related items provided under CALNET, including cabling and wiring, data circuits, internet services, mobile communication services, telephone system maintenance and other telephone services. However, the total amount of the proposed ATOs will not exceed the approved amount for Account 581000 (Telecom, Phone, and Data Services), Division 50010 (Information Technology). 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 and approved the Authorizations to Order as to form and legality.

TRANSMITTALS:

1. CALNET Authorization to Order Categories 15-18
2. CALNET Authorization to Order Category 19.1
3. CALNET Authorization to Order Categories 20-30

FIS Approval: JS
CA Approval: SO

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APPROVED:

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SV:AW