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Title: CONSIDERATION OF APPROVAL OF AMENDMENT TO MASTER PRODUCTS AND SERVICES AGREEMENT WITH RACE COMMUNICATIONS, INC., FOR INTERNET SERVICES (CITY COUNCIL)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Race Comm. Amendment No. 1.pdf, 2. Race Comm. Quote.pdf

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, August 02, 2022

Consent

SUBJECT:

CONSIDERATION OF APPROVAL OF AMENDMENT TO MASTER PRODUCTS AND SERVICES AGREEMENT WITH RACE COMMUNICATIONS, INC., FOR INTERNET SERVICES (CITY COUNCIL)

I. SUMMARY

The South Bay Cities Council of Governments (“SBCCOG”) in partnership with Race Communications, Inc. developed a regional broadband, fiber-optic network that connects to at least one city facility in each of the South Bay cities serving a pivotal role in the region’s future. A high-speed capacity broadband network allows the South Bay cities to embrace the digital economy, smart city initiatives, integrated utilities and next-generation economic development. City is a member of SBCCOG and has a need to connect to the SBCCOG fiber-optic network.

Utilizing Race Communications for the SBCCOG connection for the last (two) 2 years, the City now desires to extend the term of the Agreement for three (3) additional years so that the Agreement will expire October 14, 2025 for an additional contract sum of \$36,900, bringing the total not to exceed contract sum to \$61,500, with City option to extend the term for two (2) additional one-year terms in the City’s sole discretion. The contract sum under the Agreement is \$24,600 and the Agreement is set to expire October 14, 2022. The

Agreement amount reaching \$25,000 requires City Council approval of this Amendment No. 1 under the City's Municipal Code ("CMC").

Additionally, because Race Communications is the only provider of internet services that connects to SBCCOG's fiber-optic network, the City Council is being asked to waive the bidding requirement under the sole source exception of CMC Section 2611(e) in connection with approval of Amendment No. 1.

II. RECOMMENDATION

TAKE the following actions:

1. WAIVE the bidding requirements for the Cason Municipal Code ("CMC") pursuant to CMC Section 2611(e) ("Sole Source Purchasing"); and
2. APPROVE an amendment to contract with Race Communications, Inc., for a three-year extension for an additional amount of \$36,900. bringing the total not to exceed contract sum to \$61,500; and
3. AUTHORIZE the Mayor to execute the amendment upon approval as to form by the City Attorney.

III. ALTERNATIVES

1. TAKE another action the City Council deems appropriate and consistent with the requirements of the City's Purchasing Ordinance.

IV. BACKGROUND

The South Bay Cities Council of Governments ("SBCCOG") in partnership with Race Communications developed a regional broadband, fiber-optic network that connects to at least one city facility in each of the South Bay cities serving a pivotal role in the region's future. A high-speed capacity broadband network allows the South Bay cities to embrace the digital economy, smart city initiatives, integrated utilities and next-generation economic development. City is a member of SBCCOG and has a need to connect to the SBCCOG fiber-optic network.

City and Consultant entered into that certain Master Products and Services Agreement dated September 1, 2020 ("Agreement"), whereby Consultant agreed to provide City dedicated internet services for a two-year period, commencing on the date services commenced and expiring 24 months thereafter, in exchange for compensation in an amount not-to-exceed \$24,600. The Agreement term was determined by the period of time set forth in an Order Form for services to be provided, and the Order Form associated with the Agreement provided for 24 months of service at a monthly cost of \$1,025 inclusive of taxes. Services commenced October 15, 2020 and the Agreement is set to expire October 14, 2022.

Utilizing Race Communications for the SBCCOG connection for the last (two) 2 years, the City now desires to extend the term of the Agreement for three (3) additional years so that

the Agreement will expire October 14, 2025 for an additional contract sum of \$36,900, bringing the total not to exceed contract sum to \$61,500, with City option to extend the term for two (2) additional one-year terms in the City's sole discretion. The Agreement amount reaching \$25,000 requires City Council approval of Amendment No. 1 under the City's Municipal Code ("CMC").

Additionally, Section 2611(e) of the CMC allows City to dispense with competitive bidding under a sole source exception, which states:

The City Manager may dispense with this Chapter's bidding requirements if he or she finds that the materials, supplies, equipment, or services are unique because of their quality, durability, availability, or fitness for a particular use and are available only from one (1) source, or, if available from more than one (1) source, can be purchased from the manufacturer or service provider for a lower price. If the cost of such sole source purchasing is \$25,000 or greater, then the City Council's approval shall be required.

Race Communications is the only provider of internet services that connects to SBCCOG's fiber-optic network, thereby satisfying the requirement under Section 2611(e) of the CMC that internet services connecting to SBCCOG's fiber-optic network can only be obtained from one source. Therefore, the City Council is being asked to waive the bidding requirement under the sole source exception in connection with approval of Amendment No. 1.

V. FISCAL IMPACT

Current year-to-date expenditure is \$21,576 from \$24,600. Funds have been budgeted for these items in FY 2022/23 in account number 101-54-520-101-6004. Funds to reflect the future annual contract costs will be included in succeeding proposed budgets for the City Council's review and approval.

VI. EXHIBITS

1. Race Communications Amendment No.1 (pgs. 4 - 9)
2. Race Communications Quote (pg. 10)

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