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## Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Ed Shikada

**SUBJECT:** CIVIC CENTER CONVERGED  
NETWORK RFP

**DATE:** April 12, 2004

Approved

Date

4-13-04

### INFORMATION

On March 29, 2004, Small Business Development Commissioners Matt Kamkar and James Charles sent an email to the Mayor and several Councilmembers raising issues regarding the Civic Center Converged Network RFP with regard to local and small business participation. The purpose of this memorandum is to briefly address the issues raised and update the Council on past and current staff actions.

### BACKGROUND

On March 15, 2004, the City issued an RFP for the installation, configuration and maintenance of a networking system that will provide the cabling, equipment hardware, and operational software for all computer and telecommunications, including phone systems, within the new Civic Center. Following the mandatory pre-proposal conference, Commission Chair Kamkar sent an email raising the following issues:

1. The RFP was not packaged into smaller contracts.
2. The lack of a credit (2.5%) for Small or Local Business Enterprises.
3. The RFP does not have a Small or Local Business participation goal.
4. There is no policy to use local businesses, where legally permissible, as sub consultants.
5. Criticism that the RFP does not contain improvements to communication and the procurement process.

### ANALYSIS

In response to the issue that the RFP was not packaged into smaller contracts, staff has determined that due to the inter-relationship and interdependency of the different system components, a total turnkey business solution reduces the City's liabilities and best facilitates the successful installation and operation of this state-of-the-art technology. It should be noted,

however, that subcontracting arrangements remain a viable option under this procurement, as described in more detail later in this memo.

This complex and cutting-edge project is central to the City's ability to continuously operate the computer and telecommunications functions within the new Civic Center and in turn provide communications both internally and externally. It is critical that a single entity be responsible to install a total and functional network and ensure that the entire interdependent system, end-to-end, is installed and operationalized correctly, including after installation is complete. In the event the system does not perform according to specifications, the prime contractor must be capable of supplying highly specialized resources on short notice to correct all issues associated with the total system. The use of a prime entity positions the City to effectively address system failures regardless of the system component creating the problem.

If multiple contractors were used to provide and install system components, each would only be responsible for the component that they installed. This would create a high potential for delays in identifying responsibility and accountability for system repairs. The critical nature of the network system and the interdependency of the components within that system (cabling, system hardware, operational software and system maintenance) does not lend itself to segregation without incurring major liabilities and risks both in installation and in operations. Using multiple contractors would also increase the resources needed for City oversight and administration of the work.

As previously reported to Council, a total of 17 procurement elements are underway to meet the Technology, Furniture and Equipment needs of the new Civic Center. In addition to promoting a competitive procurement environment, staff will employ established policies to optimize opportunities for local and small business entities whenever possible. However, for the reasons previously noted, the most prudent approach to the converged network system is a total turnkey network business solution through the use of prime entity that can be assigned single point accountability.

Relative to Small/Local business participation, staff has structured the RFP in alignment with current policy. Staff has not presupposed changes to the local preference policy in the Converged Network RFP. Future solicitations for equipment or services will be structured to comply with any new or revised policies relative to local or small business preferences effective at the time of procurement.

The RFP allows interested parties to pool resources (Issue #4) through sub consultant or subcontractor arrangements in submitting proposals to meet the City's needs. In order to facilitate communication among potential prime and subcontracting firms, lists of RFP holders and attendees at the pre-proposal conference have been disseminated to all parties.

Relative to the criticism that the RFP does not contain improvements to communication and the procurement process, staff has directly engaged a multitude of interested vendors. To date, a total of 37 potential proposers have downloaded the RFP from the City's web site. In addition, a pre-proposal conference was held on March 26, 2004 with the specific purpose of providing

clarification on the expectations and needs of the City and direction on the process and methodologies. Staff continues to work with all business entities that express an interest in this RFP.



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