

TRANSMITTAL

TO
The Council

DATE
10/19/18

COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT
ALL

**Proposed Agreement with Verizon Business Network Services, Inc.
for Citywide Telecommunications Services
from June 1, 2015 through May 31, 2020**

Approved and transmitted for further processing.


MAYOR

(Ana Guerrero) for

RRH:KDU:11190021

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 10-17-18	C.D. No. All	CAO File No.: 0150-09684-0001
Contracting Department/Bureau: Information Technology Department (ITA)		Contact: Laura Ito 213.473.3322; Bhavin Patel 213.847.2199	
Reference: ITA transmittal dated August 23, 2018			
Purpose of Contract: Citywide Telecommunications Services			
Type of Contract: () New contract (x) Amendment to Contract No. C-127521		Contract Term Dates: June 1, 2015 – May 31, 2020 (one-year extension with one additional year option to renew contingent upon State renewal of the CALNET 3 Program)	
Contract/Amendment Amount: \$0			
Proposed amount \$ 0+ Prior award(s) N/A; Contract expenditure is based on Citywide usage			
Source of funds: General Fund and other special funds as they are available.			
Name of Contractor: Verizon Business Network Services Inc.			
Address: 11080 White Rock Rd, Rancho Cordova, CA 95670			
	Yes	No	N/A
1. Council has approved the purpose	x		
2. Appropriated funds are available	x		
3. Charter Section 1022 findings completed			x
4. Proposals have been requested		x	
5. Risk Management review completed	x		
6. Standard Provisions for City Contracts included			x
7. Workforce that resides in the City: 0 % (not provided)			
* Applicable to contracts of \$1,000,000 or more			
8. Business Inclusion Program			x
9. Equal Benefits Ordinance			x
10. First Source Hiring Ordinance			x
11. Contractor Responsibility Ordinance			x
12. Slavery Disclosure Ordinance		x	
13. Bidder Certification CEC Form 50		x	
14. Prohibited Contributors (Bidders) CEC Form 55		x	
15. CA Iran Contracting Act of 2010*		x	

RECOMMENDATION

That the Council approve and authorize the General Manager of the Information Technology Agency (ITA) to execute Amendment No. 1 to Contract C-127521 (Contract) with Verizon Business Network Services Inc. for Citywide telecommunications services in order to 1) extend the term of the Contract by one year, and include an option to renew for an additional year subject to the State's renewal of the CALNET 3 Program, for a new Contract term of June 1, 2015 to May 31, 2020; and, 2) permit ITA to execute an amendment to this Contract without subsequent Mayor and Council approvals in the event of an ownership change during the lifespan of the Contract; subject to the approval of the City Attorney as to form and compliance with the City's contracting requirements.

SUMMARY

The Information Technology Agency (ITA) requests approval of Amendment No. 1 (Amendment) to Contract C-127521 (Contract) with Verizon Business Network Services Inc. (Verizon) for Citywide telecommunications services through the State of California's CALNET 3 Program (CALNET 3). The majority of City facility dedicated transport and hosted interactive voice response/automatic call distributor services are funded through this Contract. The purpose of the Amendment is to 1) extend the term of the Contract for one additional year through May 31, 2019, and allow for an option to extend

	
KDU Analyst 11190021	City Administrative Officer

an additional year to bring the term of the Contract period to June 1, 2015 to May 31, 2020; and, 2) allow ITA to execute an amendment without subsequent Mayor and Council approvals to this Contract in the event of an ownership change during the lifespan of the Contract.

Current Contract

In 2015, the California Department of Technology, Office of Technology Services, transitioned CALNET 2 services for which the City contracted with Verizon to CALNET 3. CALNET 3 provides local jurisdictions within the State of California the ability to use Master Services Agreements (MSA) to obtain discounted volume pricing that has remained unchanged since CALNET 3's establishment for telecommunications services. The original term of CALNET 3 was five years, effective June 1, 2015, including two one-year renewal options. In January 2018, the State exercised its first renewal option for a CALNET 3 term effective through June 29, 2019 and an overall term of four years. At that time, ITA reviewed pricing catalogs posted by the six CALNET 3 contractors and recommended that contracting with Verizon would be in the best interest of the City because nearly all of the City's facility dedicated transport (point-to-point connections between the City's network and provider network) and hosted interactive voice response/automatic call distributor services costs are funded through this Contract for which Verizon offers competitive pricing. Under the terms of this Contract, Verizon can also offer the following services:

- Multiprotocol label switching (MPLS) to create virtual private networks (VPN), a flexible method to transport and route several types of network traffic using an MPLS backbone;
- Standalone Voice Over Internet Protocol (VoIP);
- Synchronous optical networking (SONET) ring connectivity (two or more transmission paths between network nodes) to transmit a large volume of data using a fiber optic medium; and,
- SONET Point-to-Point Network, an economical, high-availability, and high-bandwidth transmission network.

It should be noted that Verizon is not the sole provider of these services under CALNET 3. Other CALNET 3 providers of the services above include AT&T, Electric Lightwave, Jive, NWN, CenturyLink, Comcast, Cox, and Level 3. ITA indicates that Verizon's pricing is competitive. This CALNET 3 contract is not exclusive; the City could and does opt to obtain services from another provider as pricing and services required by City departments dictate.

Annual expenditures over the last two years have varied from approximately \$530,000 to \$828,000. Funding for this Contract is included annually within ITA's Communication Services Account; a total of \$9.7 million is budgeted for all of ITA's telephone, internet, and other communications services within the 2018-19 Adopted Budget. Expenditures through the Contract are determined based on actual service usage.

Proposed Amendment No. 1 to Contract C-127521

ITA requests that its General Manager be given the authority to execute future amendments with the Contractor without subsequent Mayor and/or Council approvals only a) in the event of a company name change, and b) if the new company agrees to the preceding contract's terms and conditions. Any such amendments would continue to be subject to the approval of the City Attorney as to form and compliance with the City's contracting requirements.

While ITA indicates in its transmittal that it is requesting to extend the term of the contract through June 30, 2019, the Amendment includes an additional option to extend the Contract for an additional year beyond 2019 contingent on the State extending the term of the CALNET 3 contract for a corresponding period. Our Office supports the option to approve this additional extension at this time and recommends a new contract termination date of May 31, 2020.

Charter Section 1022 does not apply as the Contract is with a regulated public utility and there is no defined labor component. Verizon has complied with all applicable City contracting requirements. The Contract is not subject to the Affirmative Action Program, Business Inclusion Program, Equal Benefits Ordinance, Contractor Responsibility Ordinance, or First Source Hiring Ordinance, because it was entered into pursuant to the State's MSAs, which were competitively bid and provide the City discounted volume pricing. The City Attorney has determined that the standard provisions for City personal services contracts are not required for this Contract due to the nature of the public utility service being procured. In accordance with Los Angeles Administrative Code Section 10.5(a), Council approval of the proposed Amendment No. 1 is required because the Contract exceeds three years in term and the annual expenditure on the Contract exceeds \$154,925.

FISCAL IMPACT STATEMENT

The proposed Amendment No. 1 to Contract C-127521 (Contract) with Verizon Business Network Services Inc. will authorize the City to use State-negotiated pricing for various telecommunications services. ITA estimates that the cost of the services will be approximately \$800,000 this fiscal year, and indicates that this cost can be paid from the Department's existing \$9.7 million 2018-19 Adopted Budget appropriation within its Communication Services Account for telephone, internet, and other communications services. Additional Contract expenditures will be subject to future annual appropriations within the Adopted Budget. Since budgeted funds are available in 2018-19 and future payments are subject to subsequent appropriation, the recommendation of this report complies with the City's Financial Policies.

TED M. ROSS
GENERAL MANAGER
CHIEF INFORMATION OFFICER

JOYCE J. EDSON
ASSISTANT GENERAL MANAGER

JEANNE M. HOLM
ASSISTANT GENERAL MANAGER

ANTHONY MOORE
ASSISTANT GENERAL MANAGER

LAURA ITO
ASSISTANT GENERAL MANAGER

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR



INFORMATION TECHNOLOGY AGENCY

CITY HALL EAST
200 N MAIN ST, ROOM 1400
LOS ANGELES, CA 90012
213.978.3311

ita.lacity.org

August 23, 2018

REF: FAS-206-18

Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

Subject: **AMENDMENT NO. 1 FOR VERIZON BUSINESS NETWORK SERVICES
INC. CONTRACT C-127521 – CITYWIDE TELECOMMUNICATION
SERVICES**

Attached for your review and approval is Amendment No. 1 to the personal services contract between the City of Los Angeles and Verizon Business Network Services Inc. ("Verizon") for Citywide telecommunications services. Amendment No. 1 to Contract C-127521 extends the term of the contract for one (1) additional year, and will be coterminous with the CALNET 3 contract date and any renewals/extensions which may apply until a replacement contract is in effect.

Background

The State of California's Department of Technology, Telecommunications Procurement Division released a Request for Qualifications Proposal solicitation on November 28, 2012 (Bid #IFB OTP 12-001-A), for the purpose of establishing a list of prequalified vendors with whom to contract for telecommunication services. Six prequalified companies were eligible to participate in the solicitation process. The resulting contracts with these six providers became available July, 2014 to non-State entities to use to transition or migrate services from CALNET 2 to CALNET 3.

The ITA reviewed each of the service offerings and pricing catalogs posted by the six CALNET 3 contractors. Verizon's dedicated transport was deemed to be the best offering for the City. In addition, the Hosted IVR/ACD (Interactive Voice Response/Automatic Call Distributor) Services offered by Verizon best met the requirements of the City's Contact Centers. Therefore, the ITA made the recommendation that contracting with Verizon was in the best interest of the City.

In 2015, the ITA, Verizon, and the State of California ("State") executed an Authorization to Order ("ATO") under the CALNET 3 contract whereby the ITA ordered services for Dedicated Transport, VoIP, SONET and Hosted IVR/ACD, pursuant to the terms and conditions of CALNET 3, C3-A-13-02-TS-08 Contract A and C3-B-13-02-TS-08 Contract B.

The State has since extended the term of the CALNET 3 contract through June 30, 2019. In order to allow the City to continue using Verizon services under the terms of the State contract, the ITA and Verizon wish to amend the term of the City's contract to be coterminous with the CALNET 3 contract date and any renewals/extensions which may apply until the CALNET 3 terminates. No new services will be added to this amendment. Since there is no labor component within this utility contract, the Personnel Department stated that the Charter Section 1022 determination process was not required.

The draft contract has been reviewed by the City Attorney as to form.

The contractor has complied with uploading of the Equal Benefits Ordinance, First Source Hiring Ordinance and Slavery Disclosure Ordinance affidavits, which have been verified by Office of Contract Compliance at Public Works/Bureau of Contract Administration. However, the contractor will be asked to complete and submit the new Disclosure Ordinance Affidavit (SDO/DBWCO) web form to its profile on LABAVN prior to contract execution.

The Contractor is working with its insurance agent to upload the ACORD certificate into the Risk Manager's website.

The vendor possesses a valid Business Tax Registration Certificate.

The ITA encountered a delay in obtaining approval of this amendment from the contractor, therefore, the ITA is respectfully requesting that the review and approval process for this request be expedited since the contractor is still providing service and the contract expired May 31, 2018.

Fiscal Impact

Funding is included in the ITA's Communications Services Account (9350) for citywide telecommunications services. No additional funding is required.

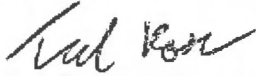
Recommendation

That the Council, subject to the approval of the Mayor, authorize the General Manager of the Information Technology Agency, or his designee, to execute Amendment No. 1 with Verizon Business Network Services Inc. to extend the term of the contract through June 30, 2019, and to execute any renewals/extensions which may apply until the CALNET 4 is in effect.

Honorable Eric Garcetti
August 23, 2018
Page 3

Please contact Laura Ito, Assistant General Manager at (213) 978-3322 with any questions.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Ted Ross".

Ted Ross
General Manager

Attachment

cc: Trina Unzicker, CAO
Bhavin Patel, ITA
Irene Mayeda, ITA
Sandra Lopez, ITA

AMENDMENT NO. 1 TO
CONTRACT NO. C-127521
BETWEEN
CITY OF LOS ANGELES
and
VERIZON BUSINESS NETWORK SERVICES INC.

This Amendment No. 1 ("Amendment") to that certain City of Los Angeles Contract No. C-127521 is made and entered into by and between the City of Los Angeles, a municipal corporation (herein referred to as "City"), acting by and through its Information Technology Agency ("ITA"), and Verizon Business Network Services Inc. on behalf of all service providing Verizon Business Network Services Inc. affiliates (hereinafter referred to as "Contractor") providing the products and services, with reference to the following:

WITNESSETH:

WHEREAS, the City of Los Angeles through its Information Technology Agency is responsible for providing select telecommunication services to all City departments; and

WHEREAS, the State of California's Office of Technology Services awarded agreement C3-A-13-02-TS-08 Contract A and C3-B-13-02-TS-08 Contract B (Exhibit 3) to Contractor for Dedicated Transport, VoIP, SONET and Hosted IVR/ACD Services through a competitive bid process; and

WHEREAS, the State of California's Office of Technology Services allows local governmental agencies to take advantage of beneficial volume pricing through the collective buying power of the whole public sector in the State; and

WHEREAS, the City, Contractor, and the State of California ("State") executed an Authorization to Order ("ATO") under the CALNET 3 contract whereby the City ordered, and the Contractor agreed to provide to City, select utility services pursuant to the terms and conditions of the CALNET 3 contract; and

WHEREAS, in connection with the ATO, the City and the Contractor entered into that certain City of Los Angeles Contract No. C-127521 having a term commencing June 1, 2015 and ending three (3) years thereafter (the "Agreement"); and

WHEREAS, the City and the Contractor each desire to amend the Agreement to make changes to the Agreement as set forth in this Amendment and extend the term of the Agreement to be coterminous with the CALNET 3 contract date including any renewals/extensions which may apply until such time as CALNET 4 is in effect.

NOW, THEREFORE, in consideration of the above recitals and of the covenants and agreements hereafter set forth, the City and Contractor hereby covenant and agree that the Agreement is amended as follows:

I. TERM OF CONTRACT: Section I. is hereby amended in its entirety and restated as follows:

The term of this Contract shall commence on June 1, 2015, and shall terminate on the date which the CALNET 3 contract expires (currently June 30, 2019), or at such time as all funding provided herein has been expended, whichever occurs first. Consistent with the extended term of the CALNET 3 contract, the term of the Agreement will be coterminous with the CALNET 3 contract date and any renewals/extensions which may apply until such time as CALNET 4 is in effect.

II. CONTRACT REPRESENTATIVES: Section IV.A and Section IV.B are hereby amended in its entirety and restated as follows:

A. Contractor Representative

Contractor hereby appoints the following person to represent Contractor with respect to all matters pertaining to this Contract. Said representative shall be responsible for submitting all of the respective notices, reports, invoices, and other documents or information as required by this Contract.

Name: Gerald Iacono
Title: Senior Client Executive
Address: 800 West 6th Street, Suite 1100
Los Angeles, CA 90017
Telephone: 424-212-3808
Email: gerald.iacono@verizon.com

B. City's Representative

The City hereby appoints the following person, or her designated representative, to represent the City in all matters pertaining to this Contract.

Name: Laura Ito
Title: Assistant General Manager
Address: 200 North Main Street, Room 1400
Los Angeles, CA 90012
Telephone: (213) 978-3322
Fax: (213) 978-3310
E-mail: laura.ito@lacity.org

III. The Agreement is amended to include the following paragraph as Section X, which shall be entitled **NAME CHANGE**:
In the event there is a change in control of ownership of Contractor and the new controlling entity/individual is able to assume and comply with all terms,

conditions and obligations of Contractor under this Contract (as may be determined in the sole discretion of the City), and the new controlling entity/individual changes the name of the Contractor, the General Manager of the ITA may, at his discretion, may execute an amendment to this Contract evidencing such change and assumption

- IV.** Except as amended herein, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS THEREOF, the City and Contractor have caused this Amendment to be signed by their respective duly authorized officers:

APPROVED AS TO FORM:
Michael N. Feuer, City Attorney

CITY OF LOS ANGELES

By: _____
Steven H. Hong
Deputy City Attorney III

Laura Ito
Assistant General Manager
Information Technology Agency

Date: _____

Date: _____

ATTEST: Holly Wolcott
City Clerk

VERIZON BUSINESS NETWORK
SERVICES INC.
on behalf of and as agent for MCI
Communications Services, Inc., MCI
metro Access Transmission Services,
LLC, and Verizon Select Services, Inc.

By: _____

Signature

Date: _____

Printed Name

Title

Date

STATE OF CALIFORNIA
STANDARD AGREEMENT AMENDMENT
STD 213 A (Rev 2/12)

☐ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED

1

Pages

AGREEMENT NUMBER	AMENDMENT NUMBER
IFB STPD 12-001-A, C3-A-13-02-TS-08	6
REGISTRATION NUMBER	

1. This Agreement is entered into between the State Agency and Contractor named below:

STATE AGENCY'S NAME

California Department of Technology

CONTRACTOR'S NAME

Verizon Business Network Services Inc., on behalf of and as agent for MCI Communications Services Inc., MCImetro Access Transmission Services LLC., Verizon California Inc., and Verizon Select Services Inc. (together "Verizon")

2. The term of this

Agreement is 11/15/2013 through 06/30/2019

3. The maximum amount of this agreement after this amendment is: \$0.00

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein.

A. In accordance with the provisions of CALNET 3 IFB STPD 12-001-A, 1.1 Purpose of this Invitation for Bid and General Provisions – Telecommunications, Section 85, OFFER; TERM, the State exercises its option for a one-year extension. Amendment 6 extends IFB STPD 12-001-A, and all awarded Subcategories for one year, expiring June 30, 2019, with one (1) remaining one-year option to extend.

1. Original Term: 11/15/2013 – 06/30/2018

New Term: 11/15/2013 – 06/30/2019




(*) Contractor's final response to IFB STPD 12-001-A, Addendum 10, in its entirety

(*) IFB STPD 12-001-A, Addendum 10 in its entirety

This agreement or amendment is effective upon the start date, or upon California Department of Technology approval, whichever is later. Items shown with an Asterisk (*) are hereby incorporated by reference and made part of this agreement as if attached hereto.

All other Terms and Conditions shall remain the same.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		CALIFORNIA DEPARTMENT OF TECHNOLOGY Use Only
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.) Verizon Business Network Services Inc., on behalf of and as agent for MCI Communications Services Inc., MCImetro Access Transmission Services LLC., Verizon California Inc., and Verizon Select Services Inc. (together "Verizon")		
BY (Authorized Signature) 	DATE SIGNED (Do not type) 11/10/17	
PRINTED NAME AND TITLE OF PERSON SIGNING Marsha K. Harrell, Sr. Consultant – Pricing/Contract Management		
ADDRESS 11080 White Rock Road, Suite 200 Rancho Cordova, CA 95670		
STATE OF CALIFORNIA		
AGENCY NAME California Department of Technology		<input type="checkbox"/> Exempt per
BY (Authorized Signature) 	DATE SIGNED (Do not type) 11-28-17	
PRINTED NAME AND TITLE OF PERSON SIGNING Marlon Paulo, Deputy Director, Statewide Technology Procurement, CDT		
ADDRESS P.O. Box 1810, Rancho Cordova, CA 95741-1810		

STATE OF CALIFORNIA
STANDARD AGREEMENT AMENDMENT
STD 213 A (Rev 2/12)

☐ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED

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Pages

AGREEMENT NUMBER	AMENDMENT NUMBER
IFB STPD 12-001-B, C3-B-13-02-TS-08	7
REGISTRATION NUMBER	

1. This Agreement is entered into between the State Agency and Contractor named below:

STATE AGENCY'S NAME

California Department of Technology

CONTRACTOR'S NAME

Verizon Business Network Services Inc., on behalf of and as agent for MCI Communications Services Inc., MCI metro Access Transmission Services LLC., Verizon California Inc., and Verizon Select Services Inc., (together "Verizon")

2. The term of this

Agreement is

04/07/2014

through

06/30/2019

3. The maximum amount of this agreement after this amendment is: \$0.00

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

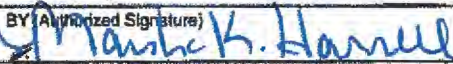


A. In accordance with the provisions of CALNET 3 IFB STPD 12-001-B, 1.1 Purpose of this Invitation for Bid and General Provisions – Telecommunications, Section 85, OFFER; TERM, the State exercises its option for a one-year extension. Amendment 7 extends IFB STPD 12-001-B and all awarded Categories/Subcategories for one year, expiring June 30, 2019, with one (1) remaining one-year option to extend.

1. Original Term: 04/07/2014 – 06/30/2018
New Term: 04/07/2014 – 06/30/2019

2. All other Terms and Conditions of the original award shall remain the same.

All other terms and conditions of the original agreement shall remain the same.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		CALIFORNIA DEPARTMENT OF TECHNOLOGY Use Only
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.) Verizon Business Network Services Inc., on behalf of and as agent for MCI Communications Services Inc., MCI metro Access Transmission Services LLC., Verizon California Inc., and Verizon Select Services Inc., (together "Verizon")		
BY (Authorized Signature) 	DATE SIGNED (Do not type) 10/2/14	
PRINTED NAME AND TITLE OF PERSON SIGNING Marsha K. Harrell, Sr. Consultant – Pricing/Contract Management		
ADDRESS 11080 White Rock Road, Suite 200, Rancho Cordova, CA 95670		
STATE OF CALIFORNIA		
AGENCY NAME California Department of Technology		
BY (Authorized Signature) 	DATE SIGNED (Do not type) 11.1.17	
PRINTED NAME AND TITLE OF PERSON SIGNING Marlon Paulo, Deputy Director, Statewide Technology Procurement, CDT		
ADDRESS P.O. Box 1810, Rancho Cordova, CA 95741-1810		

☐ Exempt per