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AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Gerry Garzón
Interim Library Director

SUBJECT: Library Telecommunications Proposal

DATE: February 6, 2013

City Administrator
Approval

Date 2/7/13

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff requests that the City Council approve a resolution authorizing the City Administrator or her designee to execute an "Authorization To Order" to allow the Library to receive telecommunications services from AT&T in FY 2013-14 and beyond, upgrading the Library Wide Area Network (WAN) and Internet connectivity and continuing existing voice, long distance, and Voice Over Internet Protocol (VOIP) connectivity.

OUTCOME

Passage of this resolution will enable the upgrade of Library Wide Area Network (WAN) from copper to fiber circuits, increasing connection speeds, as well as the upgrade of Library Internet connectivity speed. Passage of this resolution will also provide the continuation of existing voice, long distance and VOIP connectivity at Library.

BACKGROUND/LEGISLATIVE HISTORY

The City, including the Library, now receives local, long distance, data transmission and Internet services under the statewide CALNET 2 contract from AT&T, including WAN services.

An upgrade of WAN speed is needed because the existing circuits are already at or close to capacity. AT&T proposes to upgrade the Library's WAN from its current copper T1/DS1 circuits to much faster fiber optic circuits at all Library locations. This proposal will require a five-year commitment from the City so that AT&T can recoup the cost of running new fiber cables to each branch library. The Library is proposing a 5-year agreement with AT&T (July 1, 2013 – June 30, 2018) to achieve this.

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To take full advantage of the upgraded WAN, the Library will need to upgrade its existing AT&T WAN Internet circuit to 100 Mbps from its existing 30 Mbps.

The CALNET 2 contract will expire in January 2014. To allow the Library to apply for E-rate discounts (see description below) for non-WAN services for the entire 2013-14 fiscal year, the Library is proposing a one-year agreement with AT&T (July 1, 2013 – June 30, 2014) for non-WAN services.

The Library receives substantial discounts on telecommunications services via the federal E-rate program for schools and libraries and the related California Teleconnect Fund. The programs provide discounts to assist most schools and libraries in the United States to obtain affordable telecommunications and Internet access. To continue to receive these E-rate discounts, the Library must re-apply for the discounts for each fiscal year.

The Library's application for E-rate discounts for FY 2013-14 must be filed by March 14, 2013. CALNET 2, a statewide contract that offers State and local agencies a comprehensive array of telecommunications services throughout the State of California will expire in January 2014, in mid-FY 2013-14. To ensure continuity of service and to allow the Library to continue to apply for E-rate discounts for all of FY 2013-14, the Library used the federal-established process within the E-rate program to solicit proposals from vendors to provide these services under a new agreement outside of the statewide CALNET contract. AT&T's proposal was found to be the most suitable based on criteria developed by the Library Department and the Office of Information Technology (OIT) staff within the guidelines of the E-rate program.

ANALYSIS

The Library received two proposals that directly address the services requested by the Library Department and OIT; one from AT&T and the other from Comcast. AT&T's proposal was judged superior for the following reasons:

- (1) AT&T proposed to offer all the requested services: local and long distance voice services, data transmission for the Library's WAN, data transmission for Internet service, and connectivity for Voice Over Internet Protocol (VOIP.) Comcast proposed only one of these components (data transmission for the WAN.) OIT has a strong preference for a comprehensive solution that offers all of the requested services.
- (2) AT&T has successfully provided all of these services to the Library for many years, including WAN data transmission, which was the only service that Comcast proposed. OIT has a strong preference for a vendor with successful and direct relevant experience with the City.
- (3) AT&T's offered price for WAN services was \$6,150/month. Comcast's offered price was \$18,985/month.

PUBLIC OUTREACH/INTEREST

This item did not require any additional public outreach other than the required posting on the City's website and the Federal E-rate website.

COORDINATION

This report was prepared in coordination with the Office of Information Technology, the City Attorney's Office and the Budget Office.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: No one-time start-up costs. Ongoing costs as described below.
2. COST ELEMENTS OF AGREEMENT/CONTRACT:
Upgraded Wide Area Network (WAN): \$6150/month before E-rate/CTF discounts, projected to be \$615/month after discounts. (Current monthly WAN cost is \$3992 before discounts, \$509 after discounts.)

Upgraded Internet circuit: \$3532/month before E-rate/CTF discounts, projected to be \$2524/month after discounts. (Current monthly Internet circuit cost is \$2115 before discounts, \$1217 after discounts.)

Other elements of agreement (voice, long distance, VOIP): Monthly costs vary. Current costs for these services are approximately \$3200/month before E-rate/CTF discounts, \$900/month after discounts. Pricing is not expected to change during the CALNET 2 term. Initial pricing based on CALNET 2 contract, negotiated by the State of California and already used by the City. After State CALNET 2 contract transitions to CALNET 3 in January 2014, service will either continue at CALNET 2 prices or change over to newer State-negotiated CALNET 3 prices. CALNET 3 pricing has not yet been established.

3. SOURCE OF FUNDING: Oracle Fund 2241, Organization 61121, Account 53116 Project 0000000, Program NB37. The Library will apply for discounts from Federal E-rate and California Teleconnect Fund (CTF) funds. The Library has been successful in applying for and receiving these funds through the current fiscal year (2012-13) and they have covered up to 80 to 90 percent of the costs of the type of services covered in this agreement. Remaining costs will be paid from budgeted Library funds.
4. FISCAL IMPACT: Significant savings to the City and the Library if resolution is adopted and E-rate and CTF pricing is awarded.

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SUSTAINABLE OPPORTUNITIES

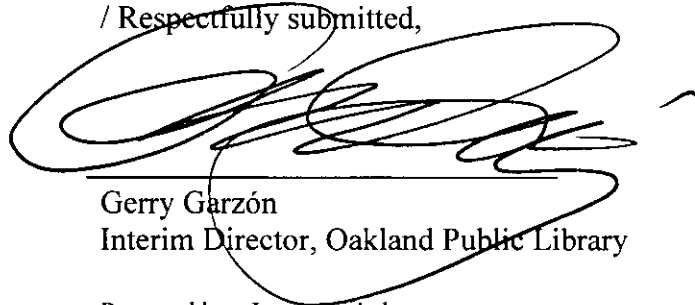
Economic: No specific economic opportunities have been identified.

Environmental: No specific environmental opportunities have been identified.

Social Equity: The services of the Oakland Public Library are available at no charge to all residents of all ages to acquire knowledge and develop the skills they need to assure equity in educational, employment, housing and community opportunities.

For questions regarding this report, please contact Jamie Turbak, Interim Associate Director, at 510-238-6610 or jturbak@oaklandlibrary.org

/ Respectfully submitted,



Gerry Garzón
Interim Director, Oakland Public Library

Prepared by: Jamie Turbak
Interim Associate Director
Oakland Public Library

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M. Mowbray
Oakland City Attorney's Office

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

Introduced by Councilmember _____

Resolution Authorizing The City Administrator Or Her Designee To Execute An "Authorization To Order" To Allow Oakland Public Library To Receive Local, Long Distance, Data Transmission, Internet and Voice Over Internet Protocol Telecommunications Services From AT&T In Fiscal Year 2013-2014 At A Cost To Be Determined By Usage Rates And To Receive Wide Area Network (WAN) Services In Fiscal Years 2013-2018 With A Potential Deep Discount Using E-Rate And California Teleconnect Funds (CTF) At The Cost of \$6150 Per Month.

WHEREAS, the Oakland Public Library (OPL) in conjunction with the Department of Information Technology (DIT) is working to improve the service and reliability of the Library's technology infrastructure; and

WHEREAS, the Oakland Public Library must apply each year to receive E-rate discounts for telecommunications services; and

WHEREAS, Local, long distance, data transmission and Internet services are of vital interest to continuing Library functions; and

WHEREAS, existing Library Wide Area Network (WAN) will require upgrade from copper to fiber circuits; and

WHEREAS, the Oakland Public Library solicited proposals in an effort to obtain the best possible service and pricing for Local, long distance, data transmission, Internet Services connectivity for Voice Over internet Protocol (VOIP) and the WAN upgrade to fiber; and

WHEREAS, AT&T submitted the only proposal that provides all necessary services; and

WHEREAS, AT&T submitted the proposal with the most competitive pricing at \$6150 per month for WAN services before discounts; and

WHEREAS, AT&T has provided telecommunication services to the Oakland Public Library and the Department of Information Technology successfully in the past; and

WHEREAS, the Oakland Public Library must have a telecommunications contract in place in order to apply for E-rate discounts; and

WHEREAS, E-Rate discounts provide significant savings to Oakland Public Library; and

WHEREAS, Telecommunication services from AT&T will be paid from Measure Q Fund (2241), Organization 61121, Account 53116, Project 0000, Program NB37; and be it

RESOLVED: That the City Council hereby finds and determines that it is in the best interests of the City to authorize the City Administrator or her designee to execute an "Authorization to Order" to Allow Oakland Public Library To Receive Local, Long Distance, Data Transmission, Internet and Voice Over Internet Protocol Telecommunications Services From AT&T In Fiscal Year 2013-2014 At A Cost To Be Determined By Usage Rates And To Receive Wide Area Network (WAN) Services In Fiscal Year 2013-2018 With A Potential Deep Discount Using E-Rate And California Teleconnect Funds (CTF) At The Cost of \$6150 Per Month.

FURTHER RESOLVED: That the Authorization to Order shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution, and a copy shall be placed on file with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF and
PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California

Date of Attestation: _____