



# CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 1/17/2018

ALL

Item Creation Date: 12/8/2017

## E24162-A2 - Central Office Based Business Communications System (Plexar) - ORDINANCE

Agenda Item#: 10.

### **Background:**

S69-E24162-A2 – Ordinance approving and authoring a first amendment to the Sole Source Contract (4600012442) between the City of Houston and AT&T Corp. to Increase the Maximum Contract Amount from \$4,000,000 to \$5,500,000 and Extend the Contract Term from January 8, 2019 to January 7, 2021, for a Central Office Based Business Communications System (Plexar) for the Houston Information Technology Services.

### **Specific Explanation:**

The Chief Information Officer and the Chief Procurement Officer recommend that City Council approve an amending ordinance authorizing a first Amendment to the contract between the City of Houston and AT&T Corp. to increase the maximum contract amount from \$4,000,000.00 to \$5,500,000.00 and to extend the Contract term for a maximum of 24 months (January 8, 2019 to January 7, 2021), for the contract between the City of Houston and AT&T Corp. for a central office based business communications system (Plexar) for the Houston Information Technology Services.

The contract was originally awarded by Council on January 8, 2014 by Ordinance No. 2014-007, for a two-year term with three one-year options in the total amount of \$2,000,000.00. City Council approved an Amending Ordinance to add additional funds in the amount of \$2,000,000.00 on April 20, 2016 passed by Ordinance No. 2016-322. Expenditures as of November 29, 2017 totaled \$3,179,413.74.

The scope of work requires the contractor to provide all supervision, labor, and materials necessary to provide Plexar custom services by an arrangement of simulated exchange access lines, switching equipment, customer facility groups, and other facilities located on company premises, based on the concept of simulated exchange lines which all contractor to provide a grade of serviced based on the customer's individual usage needs.

The subject contract is a sole source, as AT&T Corp. maintains exclusivity based on a combination of having: (a) standing as a Local Exchange Carrier in Houston, Texas; (b) product ownership and naming rights; and (c) legacy permission by the Texas Public Utility Commission.

This recommendation is made pursuant to Chapter 252, Section 252.022 (a) (7) (A) "a procurement of items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies" of the Texas Local Government Code for exempt procurement.

### **M/WBE Participation:**

Zero-Percentage Goal document approved by the Office of Business Opportunity.

### **Fiscal Note:**

Funding for this item will be included in the FY2019 Budget. Therefore, no Fiscal Note is required as stated in the Financial Policy Ordinance No.: 2014-1078.

**Jerry Adams, Chief Procurement Officer**  
**Finance/Strategic Procurement Division**

**Department Approval Authority**

Estimated Spending Authority			
DEPARTMENT	FY2018	OUT YEARS	TOTAL
Houston Information Technology Services	\$0.00	\$1,500,000.00	\$1,500,000.00

**Prior Council Action:**

Ordinance No. 2014-007; 1/08/2014

Ordinance No. 2016-322; 4/20/2016

**Amount of Funding:****\$1,500,000.00**

Central Services Revolving Fund (1002)

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**ATTACHMENTS:**

Description	Type
<u>OBO Waiver</u>	Backup Material
<u>Ordinance 2014-0007</u>	Backup Material
<u>Ordinance 2016-322</u>	Backup Material
<u>Funding Document (Attachment A)</u>	Backup Material
<u>Delinquent Tax Report</u>	Backup Material