



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 8/14/2018

E24162.A2 - CentralOffice Based Business Communications System (Plexar) - ORDINANCE

Agenda Item#:

Background:

S69-E24162.A2 – Ordinance approving and authoring a first amendment to Ordinance No. 2014-007 (Passed by City Council on January 8, 2014) for the Sole Source Contract (4600012442) between the City of Houston and AT&T Corp. to increase the maximum contract amount from \$4,000,000.00 to \$5,261,125.66 and extend the contract term from January 8, 2019 to January 7, 2021, for a Central Office Based Business Communications System (Plexar) for 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 \$5,261,125.00** and to extend the Contract term for a maximum of 24 months (**January 8, 2019 to January 7, 2021**), for a central office based business communications system (Plexar) for 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. On April 20, 2016 an amending Ordinance No. 2016-322, was approved to increase the maximum contract amount to 4,000,000.00. Expenditures as of August 7, 2018 totaled \$3,351,675.46. Therefore, an increase to the maximum contract amount is needed to cover the services through the additional years being added to the contract.

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, station lines, switching equipment, customer facility groups, and other facilities located on company premises, based on the concept of simulated exchange lines which allow the contractor to provide a grade of service 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, including: items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies" of the Texas Local Government Code of exempted procurements.

M/WBE Participation:

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

Fiscal Note:

Funding for this term was included in the FY2019 Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

Reviewed by:
Lisa Kent
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Jerry Adams, Chief Procurement Officer
Finance/Strategic Procurement Division

Department Approval Authority

Estimated Spending Authority			
DEPARTMENT	FY2019	OUT YEARS	TOTAL
Houston Information Technology Services	\$732,977.91	\$528,147.75	\$1,261,125.66

Prior Council Action:

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

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

Amount of Funding:

\$1,261,125.66
Central Services Revolving Fund
Fund No.: 1002

Contact Information:

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ATTACHMENTS:

Description	Type
OBO Waiver	Backup Material
Ordinance 2014-0007	Backup Material
Ordinance 2016-0322	Backup Material
Funding Document (Attachment A)	Backup Material
Delinquent Tax Report	Signed Cover sheet