



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
13**

Meeting Date: APRIL 7, 2011

Subject:

Ratify Contract No. AA-1059 and Authorize the President/CEO to execute a Second Amendment to the Agreement with AT&T California (CALNET2)

Recommendation:

Adopt Resolution No. 2011-0045, ratifying Contract No. AA-1059 and authorizing the President/CEO to execute a second amendment to the contract with AT&T California CALNET 2 increasing the compensation amount by \$828,700 for a not-to-exceed amount of \$1,205,700.

Background/Justification:

In 2007, SBC Global Services, Inc., dba AT&T Global Services on behalf of Pacific Bell Telephone Company, dba AT&T California ("AT&T California") entered into a contract (the "CALNET 2" Contract) with the State of California for integrated information network services for a term of five (5) years with two one-year options exercisable at the State's sole discretion. The CALNET 2 contract permits local public entities to contract for services under the CALNET 2 Contract with the consent of the State. The CALNET 2 Contract was the result of a competitive process conducted by the State of California.

In 2008, under the Authority's Cooperative Purchasing Policy Section 5.04, Authority staff executed an "Authorization to Order Under State Contract" ("ATO"). The ATO is the contractual mechanism that must be used by local public entities wishing to obtain services under the terms and conditions of the CALNET 2 Contract. Authority staff executed the ATO with the State and AT&T California on July 14, 2008 for the purpose of obtaining services under the CALNET 2 Contract (Authority Contract No. AA-1059). Authority Contract No. AA-1059 incorporates by reference the terms and conditions of the CALNET 2 Contract resulting in a term of five (5) years with two one-year options to renew at the discretion of the State. Authority staff estimated the cost of services under Contract No. AA-1059 would not exceed \$377,000. The \$377,000 amount was an estimate for five years of service based upon the then usage rate of CALNET 2 services. Over the last several years, the Authority has shifted services acquired from two other contracts (long-distance and data communications service) onto the CALNET 2 Contract, at an estimated 8% to 10% cost savings to the Authority, thus increasing the rate of expenditure under the CALNET 2 Contract.

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A First Amendment to Contract No. AA-1059, was executed in December, 2008, as a no cost amendment, to acquire the newly added AT&T OPT-E-MAN service, to enable cost-effective telecommunications between the main Authority campus, the Truxtun facility, and the Green Build project management facility.

The purpose of the Second Amendment to Authority Contract No. AA-1059, is to add funds to allow the Authority to continue obtaining services through January 2014, increasing the amount payable by \$828,700, for three (3) additional years of telecommunications services under the terms and conditions of the CALNET 2 Contract.

Why the Authority consolidated its telecommunications services into one contract:

Prior to consolidating to the CALNET 2 Contract for telecommunications services, the Authority used three (3) separate contracts: one for local voice services, one for a long-distance service provider, and one for data communications lines. When Emergency 911 location identification support for Authority desk phones was added, a fourth service provider would have been needed, at a significant cost increase just to support the 911 function. By consolidating with the AT&T CALNET 2 Contract, the Authority was able to obtain state pre-negotiated pricing for all the needed local voice services and network data services, including the 911 service at no additional cost, for an estimated 8% to 10% savings over the previous multiple contracts. For example, the Authority was paying \$675 per month for a T-1 data communication line (used to connect to the Internet) from the previous provider, and under the CALNET 2 Contract the Authority pays only \$375 per month for the same service.

The Authority has eliminated expenditures for telecommunications services from the old contracts, thereby offsetting the cost of services that have been added to the CALNET 2 Contract.

Services the CALNET 2 Contract provides:

Local Voice Services

- Outside line dialing for Authority administrative phones
- Outside phone lines for elevator phones and Ambassador desk phones
- Transport lines throughout the Airport to interconnect HVAC controls and fire alarm monitoring
- Special 911 lines

Network Data Services

- Data Transmission (inter-campus connectivity – Truxtun and TDP)
- Internet connection
 - Hosted applications
 - Administrative Internet access
 - Free Wi-Fi to Airport customers

Fiscal Impact:

Sufficient funds are in the FY11 Information Technology budget to cover this expenditure. The requested revised contract amounts will be requested in the FY12 and budgets thereafter for the contract costs in each fiscal year.

Environmental Review:

- A. CEQA: This Board action, as an administrative action, is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

The Authority's small business program promotes the utilization of small, local, disadvantaged and other business enterprises, on all contracts, to provide equal opportunity for qualified firms. By providing education programs, making resources available, and communicating through effective outreach, the Authority strives for diversity in all contracting opportunities.

The Authority has a Disadvantaged Business Enterprise ("DBE") Plan as required by the Department of Transportation, 49 CFR Part 26. The DBE Plan calls for the Authority to submit an annual overall goal for DBE participation on all federally funded projects.

This project does not utilize federal funds; therefore, it will not be applied toward the Authority's overall DBE goal.

Prepared by:

HOWARD KOURIK
DIRECTOR, INFORMATION TECHNOLOGY

RESOLUTION NO. 2011- 0045

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY RATIFYING CONTRACT NO. AA-1059 AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE CONTRACT WITH AT&T CALIFORNIA (CALNET 2), INCREASING THE COMPENSATION AMOUNT BY \$828,700 FOR A NOT-TO-EXCEED AMOUNT OF \$1,205,700.

WHEREAS, SBC Global Services, Inc., dba AT&T Global Services on behalf of Pacific Bell Telephone Company, dba AT&T California ("AT&T California") entered into a contract (the "CALNET 2 Contract") with the State of California ("State") in 2007 for integrated information network services; and

WHEREAS, the State's CALNET 2 Contract permits local public entities to contract for services under the CALNET 2 Contract with the consent of the State; and

WHEREAS, in 2008, under the Authority's Cooperative Purchasing Policy Section 5.04, Authority staff executed an "Authorization to Order Under State Contract" ("ATO"). The ATO is the contractual mechanism that must be used by local public entities wishing to obtain services under the terms and conditions of the CALNET 2 Contract. Authority staff executed the ATO with the State and AT&T California on July 14, 2008 for the purpose of obtaining services under the CALNET 2 Contract (Authority Contract No. AA-1059); and

WHEREAS, Authority Contract No. AA-1059 incorporates by reference the terms and conditions of the CALNET 2 Contract resulting in a term of five (5) years with two one-year options to renew at the discretion of the State; and

WHEREAS, Authority staff estimated the cost of services under Contract No. AA-1059 would not exceed \$377,000; and

WHEREAS, the \$377,000 not to exceed contract amount was an estimate for five (5) years of services based upon the then contract usage rates of the CALNET 2 Contract; and

WHEREAS, over the last several years, the Authority has shifted services acquired from two other contracts (long-distance and data communications service) onto the CALNET 2 Contract, at an estimated 8% to 10% cost savings to the Authority, thus increasing the rate of expenditure under the CALNET 2 Contract; and

WHEREAS, a First Amendment to Agreement AA-1059 was executed by staff in December of 2008, as a no cost amendment, to acquire the newly added AT&T OPT-E-MAN service, to enable cost-effective telecommunications between the main Authority campus, the Truxtun facility, and the Green Build project management facility; and

WHEREAS, the current CALNET 2 Contract between the State and AT&T California extends through 2014; and

WHEREAS, the proposed Second Amendment is to add funds through the end of the CALNET2 Contract in 2014, increasing the maximum amount payable by \$828,700; and

WHEREAS, Authority staff recommends the Board approve a proposed Second Amendment to Authority Agreement AA-1059 to increase the compensation amount by \$828,700 through the end of 2014, the expiration date of the State of California's CALNET 2 Contract with AT&T California; and

WHEREAS, based on staff's representations, the Board finds that it is in the best interest of the Authority to ratify Contract No. AA-1059 and amend Authority Agreement AA-1059 with AT&T California to increase the compensation amount, using the terms, conditions and rate structure set forth in the existing CALNET 2 Contract between the State of California and AT&T California.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby RATIFIES Contract No. AA-1059, APPROVES the Second Amendment to Contract No. AA-1059 with AT&T California and AUTHORIZES the President/CEO to execute the Second Amendment, increasing the compensation amount by \$828,700, for a not-to-exceed amount of \$1,205,700 upon the terms, conditions and rate structure set forth in the CALNET 2 Contract and Contract No. AA-1059; and

BE IT FURTHER RESOLVED that the President/CEO is hereby AUTHORIZED to execute and deliver said Second Amendment to AT&T California and the State; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents hereby are AUTHORIZED to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing; and

BE IT FURTHER RESOLVED that the Board FINDS that this Board action is not a "project" as defined by the California Environmental Quality Act (CEQA), Cal. Pub. Res. Code § 21065; and this action is not a "development" as defined by the California Coastal Act, Cal. Pub. Res. Code § 30106.

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PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of April, 2011, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
**DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK**

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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