



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
Scott P. Johnson

SUBJECT: SEE BELOW

DATE: 06-04-07

Approved

Katy Winer

Date

6/10/07

COUNCIL DISTRICT: Citywide

SUBJECT: TARIFF AGREEMENT WITH AT&T AND COOPERATIVE PURCHASE OF NON-TARIFF AGREEMENT FOR TELECOMMUNICATIONS SERVICES AND EQUIPMENT FOR NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT

RECOMMENDATION

Adoption of a resolution authorizing the Director of Public Works to negotiate and execute a Tariff Agreement with AT&T to provide telecommunications services and equipment for the Norman Y. Mineta San Jose International Airport in an amount not to exceed \$400,000.

Adoption of a resolution authorizing the Director of Finance to negotiate and execute an accompanying non-tariff agreement based on the State of California CalNet agreement for circuit relocation and reconnection in an amount not to exceed \$600,000.

OUTCOME

Approval of these agreements will allow for improvements to the Airport's telecommunications reliability and redundancy and will allow for the removal of overhead telecommunications lines that interfere with the construction of the Terminal Area Improvement Program (TAIP).

BACKGROUND

The termination point of utility company maintained facilities and the origination point of privately maintained telecommunications facilities is known as the Minimum Point of Entry (MPOE). Currently the entire Airport is served by a single MPOE located near the central plant. From that point, an Airport owned telecommunications cable is fed overhead to Terminals A and C along Terminal Drive. Some of these utility-company maintained overhead facilities interfere with construction of the TAIP.

ANALYSIS

In order to provide redundancy to the Airport's telecommunications infrastructure, the Airport's Master Plan contemplates three MPOEs for the campus. The three MPOEs will serve Terminal A, Terminal B, and the remainder of the campus, respectively. This action will provide funding for AT&T to perform the regulated utility work (including providing utility-owned equipment and the termination of fiber optic telecommunications cables at two new MPOEs) and the unregulated circuit discovery and provisioning necessary to provide continued service for Airport tenants. The existing MPOE at the central plant will be maintained.

For the regulated portion of the scope, costs are regulated by the Public Utilities Commission, therefore pursuant to SJMC 14.04.070 B the City is not required to let the contract for bid. It is anticipated that the cost of the regulated work will not exceed \$400,000.

For the unregulated portion of the scope, the State of California has previously established rates under the CalNet agreement. Use of AT&T to perform this portion of the scope is required due to the complex nature of the circuit relocations and the number of customers and circuits involved. Section 4.12.225 authorizes the City to contract for these services under the State's procurement. It is anticipated that the cost of the unregulated work will not exceed \$600,000.

Staff is recommending delegation of authority for the execution of the agreement, because the scope of services has not been finalized as of the preparation of this staff report. In addition, the schedule for the demolition of a portion of Terminal C could be delayed if this work is not completed during the month of July.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets Criteria 1. Therefore, this memorandum will be posted on the City's website for the June 26, 2007, Council agenda.

COORDINATION

This memorandum has been coordinated with the Departments of Planning, Building and Code Enforcement, Airport, Information Technology, City Manager’s Budget Office and City Attorney’s Office.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy; furthermore, it helps deliver the long-term strategy objectives of the Airport Master Plan.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$1,000,000

2. COST OF AGREEMENT:

Tariff Agreement (not-to-exceed)	\$ 400,000
Cooperative Purchase (not-to-exceed)	\$ 600,000
TOTAL	\$ 1,000,000

3. SOURCE OF FUNDING: 526 – Airport Revenue Bond Improvement Fund

4. OPERATING COSTS: The project has no significant adverse impact on ongoing operating costs.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2006-2007 Budget Page	Last Budget Action (Date, Ord. No.)
526 (554)	5253	Terminal Area Improvement Ph 1	\$119,754,000	\$1,000,000	V-985	2/13/07, Ord 27973

HONORABLE MAYOR AND CITY COUNCIL

06-04-07

Subject: Norman Y. Mineta San Jose International Airport Telecommunication Services and Equipment

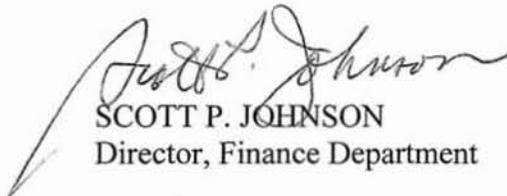
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CEQA

CEQA: Resolutions No. 67380 and 71451.



KATY ALLEN
Director, Public Works Department



SCOTT P. JOHNSON
Director, Finance Department

For questions on the Tariff Agreement, please contact HARRY FREITAS, DEPUTY DIRECTOR, PUBLIC WORKS DEPARTMENT, at 408-535-8300.

For questions on the cooperative purchase, please contact WALTER ROSSMAN, CHIEF PURCHASING OFFICER, FINANCE DEPARTMENT, at 408-535-7051.

hf:KA