Legislation Details (With Text)

File #:	18-1130	**Version:** 1	**Name:**	TI/FM/PW - Plenary Change Order D2	
Type:	Contract		**Status:**	CCIS	
File created:	11/29/2018		**In control:**	City Council	
On agenda:	12/18/2018		**Final action:**	12/18/2018	

Title: Recommendation to authorize City Manager, or designee, to execute the necessary documents to amend Contract No. 34242 with Plenary Properties Long Beach, LLC, of Los Angeles, CA, for critical technology needs infrastructure, in an amount not to exceed $4,300,000;

Authorize City Manager, or designee, to execute multiple lease-purchase agreements, in a total principal amount of up to $1,600,000, and authorize related financing documents with Banc of America Public Capital Corporation, of San Francisco, CA, for the financing of critical technology needs infrastructure, in an aggregate amount not to exceed $1,975,000 including principal, interest, and escrow fees, payable over a term not to exceed ten years;

Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by $3,300,000, offset by lease-purchase financing and funds available; and

Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the Technology and Innovation Department (TI) by $1,000,000, offset by funds available. (Citywide)

Sponsors: Technology and Innovation, Financial Management, Public Works

Indexes:

Code sections:

Attachments: 1. 121818-R-19sr.pdf

Date	Ver.	Action By	Action	Result
12/18/2018	1	City Council	approve recommendation	Pass

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Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by $3,300,000, offset by lease-purchase financing and funds available; and

Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the Technology and Innovation Department (TI) by $1,000,000, offset by funds available.

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(Citywide)

On March 20, 2018, the City Council authorized an amendment to Contract No. 34242 with Plenary Properties Long Beach, LLC (Plenary), to purchase and install a portion of the critical technology needs infrastructure in the new Civic Center. Since that time, there has been continued refinement of the critical technology needs. Additional needs have been identified and it has been determined that Plenary is in the best position to purchase and install the additional technology infrastructure needs. The design and equipment costs were extensively evaluated by a team of construction, engineering, design, and technology consultants to ensure the solutions were consistent with the Civic Center design and were competitively priced.

City Council approval is requested to amend Contract No. 34242 with Plenary, in an amount not to exceed $4,300,000, for the purchase and installation of additional critical technology needs infrastructure, including costs associated with the City's data center, a high definition video wall, cellular communications, cameras, broadcast systems, and audio/video equipment.

City Council approval is also requested to execute lease-purchase agreements with terms not to exceed ten years through the City's Master Lease Agreement with Banc of America Public Capital Corporation for the potential financing of the Civic Center technology infrastructure. The debt service and/or combined lifecycle costs will be approximately $360,000 a year. The final lease amount has not been finalized and will be determined consistent with the best interests of the City and the critical technology needs financing plan approved by City Council on December 5, 2017. Any lease amount will reduce on a dollar for dollar basis the cash funding needs and will not increase the total amount being expended.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on December 4, 2018 and by Budget Analysis Officer Julissa José-Murray on November 30, 2018.

City Council action is requested on December 18, 2018, to ensure the acquisitions and installation services for critical technology needs for the new Civic Center can be made in a timely manner.

The total contract authority with Plenary for the purchase of these critical technology needs will not exceed $4,300,000. Funding is available from the General Service Fund (IS 385) funds available in the amount of $3,300,000 and from the Special Advertising and Promotion Fund (SR 133) funds available in the amount of $1,000,000 for the media wall. Accordingly, an appropriation increase from these sources is requested in the Technology and Innovation Department (TI).

As the overall Citywide critical technology needs are further refined, it may fit better with the overall financial plan for Critical Technology Needs approved by City Council on December 5, 2017 to borrow a portion of these technology needs. This letter provides authority for some costs to be financed instead of using cash from funds available. This method will not

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increase the total authorized spending; instead, it will lower the overall use of cash, but increase annual cost for debt service. This would only be done to the extent it is consistent with the overall financial plan for Critical Technology Needs described to City Council on December 5, 2017. The maximum amount to be borrowed would be $1,600,000 with total aggregate debt service not exceeding $1,975,000 over the next ten years, with annual debt service not exceeding $360,000. Any annual debt service costs in the General Services Fund (IS 385) would be offset by charges to user departments and funds. There is no local job impact associated with this recommendation.

Approve recommendation.

LEA ERIKSEN
DIRECTOR OF TECHNOLOGY AND INNOVATION

CRAIG BECK
DIRECTOR OF PUBLIC WORKS

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER