



Legislation Text

File #: 20-0584, **Version:** 1

Recommendation to adopt resolution authorizing City Manager, or designee, to execute a contract, including any necessary amendments, with Califa Group, of San Francisco, CA, a California nonprofit corporation, for purchasing, furnishing, and delivering high-speed data communications services for the Library Services Department, in an annual amount not to exceed \$200,000, for a period of three years, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

City Council approval is requested to enter into a contract with Califa Group, a nonprofit corporation, for purchasing, furnishing, and delivering high-speed data communications services for the Department of Library Services (Library).

On March 24, 2015, the City Council authorized the City Manager to execute Contract No. 33801 with Califa Group, in an annual amount not to exceed \$252,000, for a period of three years, with the option to renew for two additional one-year periods. This contract will expire on June 30, 2020.

Contracting with Califa will continue to allow the Library to utilize a high-speed data network system at library locations at a highly discounted rate. The Library receives funding for this initiative through the Schools and Libraries Division (SLD) of the Universal Service Fund, commonly known as "E-Rate." E-Rate is administered by the Universal Service Administrative Company (USAC) under the direction of the Federal Communications Commission (FCC), and provides discounts to assist schools and libraries throughout the United States in obtaining affordable telecommunications and internet access. The E-Rate discount is based on the Free/Reduced Lunch eligibility of the surrounding school district. Approximately 70 percent of Long Beach Unified School District students are eligible for Free/Reduced Lunch under the National School Lunch Program. This translates to an E-Rate discount of up to 80 percent based on the SLD Discount Matrix.

City Charter Section 1801 requires that contracts for City purchases be awarded to the lowest responsible bidder after a competitive bid process, but allows for awards without a competitive bid process if accompanied by a Resolution adopted by City Council.

Staff from the Departments of Technology and Innovation and Library Services concur that the Califa high-speed data network is the most cost-effective provider and offers the best value for the products and desired services. The Technology and Innovation Department (TI) will manage the service payments for the Main and Branch libraries. The cost for Califa's data network services for the Library will not exceed \$200,000 annually, and is offset by an annual E-Rate discount reimbursement of approximately \$160,000, for an estimated net annual cost

of \$40,000.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley on June 3, 2020, Deputy Finance Director Sandy Tsang-Palmer on May 29, 2020, and by Budget Management Officer Rhutu Amin Gharib on June 3, 2020.

City Council action is requested on June 23, 2020, to ensure a contract is in place expeditiously and to maintain adequate project management support.

The estimated annual contract costs, including subsequent amendments, will not exceed \$200,000 annually. Approximately 80 percent, or \$160,000, of this expense will be reimbursed to the City from Califa Group, resulting in an estimated annual net cost of \$40,000. Sufficient funds are budgeted in the General Services Fund Group in the Technology and Innovation Department and is recovered from the Library via the annual TI Memorandum of Understanding (MOU). This recommendation has no staffing impact beyond normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

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APPROVED:

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