



Agenda Memorandum

Agenda Item – {{section.number}}.D.

City Council Meeting
July 8, 2024

Strategic Priority 6: Organizational Vitality

Develop and sustain an environment where employees and the organization are equipped and supported to deliver outstanding service to everyone in Westminster

Subject: Ratification of Sole Source Vendor Purchase of Network Installation Services for City Hall and Facilities Renovation

Prepared By: David Guo, Information Technology Director
Larry Garlick, IT Services Administrator
Dan Hord, Senior Telecommunications Administrator

Recommended City Council Action:

Based on the recommendation of the City Manager, find that the public interest will be best served by ratifying the negotiated expenditure with End-2-End Structured Cabling and Fiber Optics, Inc., the provider of network installation to the City's renovation project, in an amount of \$64,763.

Summary Statement:

- The City is currently completing the City Hall and Facilities Renovation project re-aligning the workforce in several locations across the City. Two of the areas renovated in the early part of 2024 were the Municipal Service Center (MSC) and the old Finance area in City Hall. Both renovations needed network installation services to complete the renovations.
- When network installation services were requested for the MSC, the Information Technology (IT) Network Team followed current procurement procedures and solicited three quotes before awarding the work to the lowest bidder, End-2-End Structured Cabling and Fiber Optics, Inc., for \$35,340. Work commenced and was completed by the end of February 2024 and was paid from the City Hall and Facilities Renovations Capital Improvement Project (CIP).
- When network installation services were requested for the old Finance area of City Hall, the IT Network Team followed the same procedures and solicited three quotes before awarding the work to the lowest bidder, again End-2-End Structured Cabling and Fiber Optics, Inc., for \$27,773. Work commenced and was completed with one change order for \$1,650 at the beginning of June 2024 and was paid from the

same CIP.

- Pursuant to Westminster Municipal Code, if the awarded work causes the annual cumulative expenditures for one vendor to exceed \$50,000 within one capital project, then the individual award must go through a formal bid or receive sole source authorization from City Council.
- The cost of work awarded to End-2-End Structured Cabling and Fiber Optics, Inc. through these two projects and paid from the same CIP totaled \$64,763 and exceeded the \$50,000 limit.
- Pursuant to Westminster Municipal Code, these purchases exceeding \$50,000 that have already been initiated by staff require City Council ratification. The amount awarded to End-2-End Structured Cabling and Fiber Optics, Inc. totals \$64,763.

Fiscal Impact:

\$64,763

Source of Funds:

General Capital Improvement Fund – City Hall & Facilities Renovations CIP

Policy Issue(s):

Should City Council ratify the purchase of network installation services with End-2-End Structured Cabling and Fiber Optics, Inc. completing renovations to the MSC and old Finance area in City Hall?

Alternative(s):

City Council could choose not to ratify the purchase of network installation with End-2-End Structured Cabling and Fiber Optics, Inc. This alternative is not recommended because the projects were awarded to the low bid using three quotes even though the awarded bidder was the same vendor. The vendor completed the work with high marks. Only after the fact, it was realized that cumulative expenditures over \$50,000 from the same capital improvement project went to the same vendor.

Background Information:

The IT Network team has multiple network projects going on throughout the City at any one time. As these projects come to IT, the steps necessary to complete them appropriately are carried out. IT follows the steps below, as determined by Procurement, to appropriately prepare for engaging with vendors.

- 1) Secure the Funds
- 2) Determine whether only one detailed quote, three quotes, or a formal bid process is necessary
 - a. If <\$10,000: Obtain a detailed quote
 - b. If <\$50,000: Obtain three quotes
 - c. If >=\$50,000: Submit a formal bid or obtain City Council sole source purchase authorization
- 3) Award the work
- 4) Issue a Purchase Order
- 5) Complete the work
- 6) Obtain invoices for completed work

7) Pay the vendor

This procedure handles the majority of work awarded to vendors, and IT followed these procedures to award the two instances of network installation services requested.

However, the City Municipal Code addresses the need to follow specific procedures when cumulative amounts for one vendor reach the same limits annually within a department and within a project. If one instance of work pushes a vendor over the limit cumulatively, then it must be treated as if that one instance is over the limit. Consequently, an award under the \$10,000 limit individually, may still need three quotes or even a formal bid based on cumulative spend with the awarded vendor.

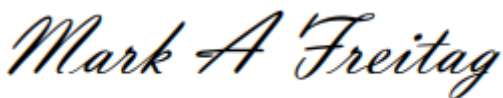
This is the case with End-2-End Structured Cabling and Fiber Optics, Inc. The first bid was for \$35,340, so IT solicited three quotes based on the above procedures. The second bid was for \$27,773 with one change order totaling \$1,650, so IT solicited three quotes based on the same procedures. However, both bids were awarded to End-2-End Structured Cabling and Fiber Optics, Inc. and were paid from the same capital project causing the cumulative spend for this vendor in the same project to exceed \$50,000. At that point, the second bid should have gone to formal bid before it was awarded.

Pursuant to Westminster Municipal Code, purchases exceeding \$50,000 that Staff has already initiated require City Council ratification.

Both awards were to the lowest bidder and the work was completed with high marks. The City benefited by keeping the City Hall and Facilities Renovation project on track. The network installation services benefited the workforce by providing network connectivity throughout the MSC and the old Finance area in City Hall.

These purchases support the City's Strategic Priority of Organizational Vitality by developing and sustaining an environment where employees and the organization are equipped and supported to deliver outstanding service to everyone in Westminster.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mark A. Freitag". The ink is dark and the signature is fluid.

Mark A. Freitag
City Manager