


Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION


I MOVE TO authorize the Municipal Administrator to enter into an 8 year contract with ACS to provide the City and Borough of Sitka with campus network infrastructure.

TO: MAYOR McCONNELL AND ASSEMBLY MEMBERS
MARK GORMAN, MUNICIPAL ADMINISTRATOR

FROM: RON DUVAL, INFORMATION TECHNOLOGY DIRECTOR 

SUBJECT: NETWORK REDESIGN PROJECT - CAMPUS NETWORK
PHASE

DATE: JULY 22, 2015

CC: JAY SWEENEY, CHIEF FINANCE AND ADMINISTRATIVE
OFFICER 

Background

The City and Borough of Sitka (CBS) currently manages over 35 different telecommunication accounts for telephone and internet services between Alaska Communications (ACS), General Communication Inc (GCI), and some fiber optics cables that CBS has installed (Customer Owned). These accounts represent the backbone of CBS telecommunications and includes building life safety (fire alarms, elevators, and HVAC), network connectivity between CBS buildings (Campus Network), telephone (local, long distance, FAX, and conferencing), and internet connectivity. With the complications and complexities associated with managing all the CBS telephone and internet accounts the IT Department outlined solutions as part of the Network Redesign Project approved by the Assembly for the FY 2016 budget and the Municipal Solutions Report received in 2014. This projects outlines improvements to the CBS Campus Network and consolidation of telephone and internet services. We are now seeking your approval for the CBS Campus Network phase of the Network Redesign Project.

Goals of this phase of the Network Redesign Project:

- Provide infrastructure for interconnectivity between CBS locations
- Centralize and streamline billing
- Provide a centralized and secure board to the internet

To achieve the goals of the Network Redesign Project we have analyzed three options.

Customer Owned

GCI

ACS

Analysis

There are advantages and disadvantages for each option. With the first three options there are significant infrastructure improvements that need to be done which includes fiber optic network cabling needing to be installed for the CBS Campus Network connection to the Police Station, Fire Hall, City Hall, Waste Water Treatment Plant, City Hall, City Shops at Jarvis Street, Kettleston Memorial Library, Harrigan Centennial Hall, and Sawmill Creek Industrial Park.

Customer Owned

- **Highly flexible**
- **Best for available capacity**
- **High upfront capital cost**
- **High circuit management cost**

GCI

- **No upfront capital cost**
- **No circuit management cost**
- **24/7 Technical Support**
- **Can only service an Administrative CBS Campus Network**
- **Monthly Recurring Costs**
- **7 Year contractual commitment**

ACS

- **No upfront capital cost**
- **No circuit management cost**
- **24/7 Technical Support**
- **Total integration of all CBS networks**
- **Total integration of CBS phone system**
- **Monthly Recurring Costs**
- **8 Year contractual commitment**

The current month cost for the CBS telephone and internet service is about \$23,000. This can fluctuate with overage charges, long distance charges, taxes, and fees. Option two and three monthly cost for the CBS telephone and internet service could be about \$28,000. This increase in costs to CBS will not occur all at once, but will take a couple of years as the project scales up. While this project does increase the monthly cost to CBS, savings and efficiencies will be realized in centralizing network security and routing equipment, increase in critical services being provided, and a robust connection to the new CBS Data Center.

To enter into a contract with an Internet Service Provider, the Assembly must pass a motion in accordance with Sitka General Code 3.16.020.

Fiscal Note

Monthly cost increases associated with this project for FY16 have already been allocated as part of the Network Redesign Project. Beginning in the FY17 budget cycle the centralization of billing will begin by adding telephone and internet charges to the MIS interdepartmental service fee.

Recommendation

ACS provides the best option to consolidate all CBS networks and telephone systems and billing which is in line with the Municipal Solutions Report from 2014. When comparing ACS and GCI directly, ACS can also provide the CBS administrative network for less than GCI can. Therefore, it is my recommendation is to enter into an 8 year contract with ACS to provide CBS with the infrastructure necessary to support our Campus Network.