

JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT

COMPLETE THIS SECTION IF NEW CONTRACT

For contract(s) in this request, answer applicable questions in each of the 4 major subject areas below in accordance with the Instructions for Preparation of Non-Competitive Procurement Form on the reverse side.

Request that negotiations be conducted only with AT&T for the product and/or services described herein.
(Name of Person or Firm)

This is a request for _____ (One-Time Contractor Requisition # _____, copy attached) or _____ Term Agreement or _____ Delegate Agency (Check one). If Delegate Agency, this request is for "blanket approval" of all contracts within the _____ (Attach List) Pre-Assigned Specification No. _____ (Program Name) Pre-Assigned Contract No. _____

COMPLETE THIS SECTION IF AMENDMENT OR MODIFICATION TO CONTRACT

Describe in detail the change in terms of dollars, time period, scope of services, etc., its relationship to the original contract and the specific reasons for the change. Indicate both the original and the adjusted contract amount and/or expiration date with this change, as applicable. Attach copy of all supporting documents. Request approval for a contract amendment or modification to the following:

Contract #: T27025 Company or Agency Name: _____
 Specification #: B49612022 Contract or Program Description: _____
 Mod. #: _____ (Attach List, if multiple)

Amy Gudgeon 2-3790 Amy Gudgeon OEMC 6/12/06
Originator Name Telephone Signature Department Date

Indicate SEE ATTACHED in each box below if additional space needed:

| | |
|--|-------------------------------|
| <input type="checkbox"/> PROCUREMENT HISTORY | |
| <u>please see attached</u> | |
| <input type="checkbox"/> ESTIMATED COST | S. S. R. B. |
| <u>please see attached</u> | DATE <u>6-15-06</u> |
| <input type="checkbox"/> SCHEDULE REQUIREMENTS | APPROVED <u>4-0</u> |
| <u>please see attached</u> | CONDITIONALLY APPROVED |
| <input type="checkbox"/> EXCLUSIVE OR UNIQUE CAPABILITY | RETURN TO DEPT |
| <u>please see attached</u> | DISAPPROVED |
| <input type="checkbox"/> OTHER | |
| <u>please see attached</u> | |

APPROVED BY: [Signature] 6/12/06 [Signature] 6/16/06
DEPARTMENT HEAD OR DESIGNEE DATE BOARD CHAIRPERSON DATE

DPS PROJECT CHECKLIST

| | |
|------------------|-------|
| For DPS Use Only | |
| Date Received | _____ |
| Date Returned | _____ |
| Date Accepted | _____ |
| CA/CN's Name | _____ |

IMPORTANT: PLEASE READ AND FOLLOW THE INSTRUCTIONS FOR COMPLETING THE PROJECT CHECKLIST AND CONTACT THE APPROPRIATE UNIT MANAGER IF YOU HAVE ANY FURTHER QUESTIONS. ALL INFORMATION SHOULD BE COMPLETED, ATTACH ALL REQUIRED MATERIALS AND SUBMIT FOR HANDLING TO THE DEPARTMENT OF PROCUREMENT SERVICES, ROOM 403, CITY HALL, 121 N. LASALLE STREET, CHICAGO, ILLINOIS 60602.

GENERAL INFORMATION:

Date: 6.12.06
REQ No.: 28132

Contact Person: Amy Gudgeon
Tel: 2-3790 Fax: 6-8647 E-mail: agudgeon@cityofchicago.org

Project Manager: Jim Argiropolous
Tel: 6-9239 Fax: E-mail: @cityofchicago.org

PO No.: (if known):

Modification No.: (if known):

Previous PO No.: (if known):

Project Description: One year extension for the AT&T 9-1-1 system

FUNDING:

- | | | | | | |
|----------|---------------------------------------|--|-------------------------------------|---------------------------------|--------------------------------|
| City: | <input type="checkbox"/> Corporate | <input checked="" type="checkbox"/> Bond | <input type="checkbox"/> Enterprise | <input type="checkbox"/> Grant* | <input type="checkbox"/> Other |
| State: | <input type="checkbox"/> IDOT/Transit | <input type="checkbox"/> IDOT/Highway | <input type="checkbox"/> FAA | <input type="checkbox"/> Grant* | <input type="checkbox"/> Other |
| Federal: | <input type="checkbox"/> FHWA | <input type="checkbox"/> FTA | | <input type="checkbox"/> Grant* | <input type="checkbox"/> Other |

| LINE | FY | FUND | DEPT | ORGN | APPR | ACTV | OBJT | PROJECT | RPTG | \$ DOLLAR AMOUNT |
|------|-----|------|------|------|------|------|------|---------|------|------------------|
| | 006 | 0100 | 58 | 2705 | 0189 | | | | | 3300000 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |

Estimated Value \$3,300,000

*IF GRANT FUNDED, A COPY OF THE APPROVED GRANT AND APPLICATION ARE REQUIRED and any other Terms and Conditions that may apply.

SCOPE STATEMENT:

Attached is a Detailed Scope of Services and/or Specification

IMPORTANT: THIS IS A CRITICAL PORTION OF YOUR SUBMITTAL. IN ORDER FOR DPS TO ACCEPT YOUR SUBMITTAL YOU MUST COMPLETE THE SPECIFIC SCOPE REQUIREMENTS AS SET FORTH IN THE SUPPLEMENTAL CHECKLIST FOR THAT UNIT.

The following is a general description of what should be included in a Scope of Services or Specification:

A clear description of all anticipated services and products, including: time frame for completion, special qualifications of prospective vendors, special requirements or needs of the project, locations, anticipated participating user departments, citation of any applicable City ordinance or state/federal regulation or statute.

TYPE OF PROCUREMENT REQUESTED (check all that apply):

NEW REQUEST

- Blanket Agreement
- Standard Agreement
- Small Orders

MOD/AMENDMENT

- Time Extension
- Vendor Limit Increase
- Scope Change/Price Increase/Additional Line Item(s)
- Other (specify):

FORMS: Requisition Special Approvals Non-Competitive Review Board (NCRB)

CONTRACT TERM: 1.18.2007- 1.17.2008 Requested Term (number of months): 12 months

**CITY OF CHICAGO
 PURCHASE REQUISITION**

Copy (Department)

| | |
|--|--|
| DELIVER TO: 058- OEC1411 1411 W. MADISON Chicago, IL 60607 | REQUISITION: 28132 PAGE: 1 DEPARTMENT: 58 - OFFICE OF EMERGENCY COMMUNICA PREPARER: Amy R Gudgeon NEEDED: APPROVED: 6/13/2006 |
|--|--|

REQUISITION DESCRIPTION

One Year Extension and Vendor Limit Increase on SBC/AT&T S911 telephony maintenance
 SPECIFICATION NUMBER: 47963

COMMODITY INFORMATION

| LINE | ITEM | QUANTITY | UOM | UNIT COST | TOTAL COST |
|------|--------------------------------|----------|-----|-----------|------------|
| 1 | 72597 Telephone Maintenance | ##### | USD | 0.00 | 0.00 |

SUGGESTED VENDOR:

REQUESTED BY: Amy R Gudgeon

| DIST | BFY | FUND | COST CTR | APPR | ACCNT | ACTV | PROJECT | RPT CAT | GENRL | FUTR | Dist. Amt. |
|------|-----|------|----------|------|--------|------|----------|---------|-------|------|------------|
| 1 | 006 | 0100 | 0582705 | 0189 | 220189 | 0000 | 00000000 | 000000 | 00000 | 0000 | 0.00 |

LINE TOTAL: 0.00

| LINE | ITEM | QUANTITY | UOM | UNIT COST | TOTAL COST |
|------|--------------------------------|----------|-----|-----------|------------|
| 2 | 72597 Telephone Maintenance | 365.00 | Day | 0.00 | 0.00 |

SUGGESTED VENDOR:

REQUESTED BY: Amy R Gudgeon

| DIST | BFY | FUND | COST CTR | APPR | ACCNT | ACTV | PROJECT | RPT CAT | GENRL | FUTR | Dist. Amt. |
|------|-----|------|----------|------|--------|------|----------|---------|-------|------|------------|
| 1 | 006 | 0100 | 0582705 | 0189 | 220189 | 0000 | 00000000 | 000000 | 00000 | 0000 | 0.00 |

LINE TOTAL: 0.00

REQUISITION TOTAL: 0.00

**CITY OF CHICAGO
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Copy (Department)

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Handwritten signature: Amy R Gudgeon

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| 1 | 006 | 0100 | 0582705 | 0189 | 220189 | 0000 | 00000000 | 000000 | 00000 | 0000 | 0.00 |
| LINE TOTAL: | | | | | | | | | | | 0.00 |
| REQUISITION TOTAL: | | | | | | | | | | | 0.00 |

Where a commodity is for a particular or unique use other than standard quality, grades, color, size or other characteristics, give details of how it will be and for what purpose.
 Requisitions prepared incorrectly will be returned to the using department.



City of Chicago
Richard M. Daley, Mayor

Office of Emergency Management
and Communications

Andrew Velasquez III
Executive Director

1411 West Madison Street
Chicago, Illinois 60607
(312) 746-9111
(312) 746-9120 (FAX)
<http://www.cityofchicago.org>

June 12, 2006

Mr. Bo Humphrey
Department of Procurement Services
121 N. LaSalle Street, Suite 403
Chicago, Illinois 60602

SUBJECT: Sole Source Request
CONTRACT TYPE: Professional Services
CONTRACT TITLE: One-year extension on 9-1-1 telephony
services and maintenance
VENDOR: AT&T
ESTIMATED ANNUAL COST: \$3,300,000 per year

Dear Mr. Humphrey:

We respectfully submit this request to the Sole Source Review Board to allow OEMC to enter into a one-year extension with AT&T for maintenance support services and telephony for the City of Chicago's 9-1-1 system.

AT&T has provided the city with 9-1-1 telephony services and equipment since May 25, 1994. The services they provide are mission critical and necessary public safety functions, which are not available through other vendors. Additionally, OEMC has received a sole source approval in the past for this contract and is requesting additional approval to execute a time and vendor limit increase, until a new contract is fully negotiated.

In support of this request, please find the attached: (1) the Project Checklist; (2) Requisition # 28132; (3) the Justification for Non-Competitive Procurement form; and (4) a written justification for non-competitive procurement.

Please feel free to contact me directly at 2-3790 with any questions.

Sincerely,

Amy Gudgeon

ATTACHMENT
OFFICE OF EMERGENCY MANAGEMENT AND COMMUNICATIONS
JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT
AT&T 9-1-1/3-1-1 Telephony system

PROCUREMENT HISTORY

AT&T Global Services (formerly SBC) has been the sole provider of 9-1-1 telephony services and equipment since May 25, 1994. The original agreement was between the City of Chicago and SBC Global Communications. The original contract length was 10 years with subsequent platform enhancements occurring after the contract expiration that were not accepted until January 18, 1997. A 10 year letter of acceptance was granted with an expiration of January 18, 2007. SBC has since merged under the umbrella of AT&T, which is currently the sole sales and maintenance provider of monitoring and other equipment for the City's 9-1-1 network.

The basis of this sole source agreement is that AT&T is the only authorized vendor who can maintain and sell Central Office based 9-1-1 hardware and software for the 9-1-1 network. While there are other non-central office solutions available, no other equipment is compatible with the existing system. Due to the unique nature of this service requiring a Central Office based solution and the emergency nature of this situation which would leave the City's 911 Center at risk for failure, it is hoped that the competitive bid process may not be warranted due to the fact AT&T owns the franchise rights of all Central Offices and associated switching centers and services.

ESTIMATED COST

OEMC estimates a ceiling of \$3.3 million for a one-year extension, while a new agreement is being negotiated. This figure is based on past maintenance bills.

SCHEDULE REQUIREMENTS

The existing maintenance agreement ends on January 18, 2007. A delay of maintenance coverage will leave the City's 9-1-1 and 3-1-1 telephone systems vulnerable in the event of a telephony platform failure. This extension will allow for 24-hour maintenance coverage, while a new agreement is negotiated. It is imperative that we maintain a smooth flow of service as to prevent any interruptions in service.

EXCLUSIVE OR UNIQUE CAPABILITY

AT&T network technicians and its subcontractors have designed and maintained the OEMC 9-1-1 and 3-1-1 telephony systems for more than 10 years and have complete knowledge of its complicated design. AT&T provides exclusive support and diagnostic

tools for the legacy 9-1-1 switching and physical telephony equipment that is used throughout the network and system. AT&T also provides engineering design and support through a remote site as well as responds to the OEMC as required. AT&T and its subcontractor alone can only modify software code and hardware requirements of the provided system. This comprises 223-telephone positions as well associated switchgear.

Research has shown that the AT&T Global Services combined with its subcontractor Plan Equipment Incorporated (PEI) solution is the only proven Central Office (C.O.) based 9-1-1 solution on the market today. Additionally, research has strongly indicated that successful implementation of Central Office (CO) based solutions can only be performed by incumbent local exchange network providers. Therefore competitive bidding would not yield the City equal or superior proposals.

OEMC research quickly indicated that only one vendor exists for large, complex Central Office based 9-1-1 environments similar to that City of Chicago. That vendor is AT&T partnering with Plant Equipment Incorporated (PEI). PEI customers with similar (large, complex) central office based 9-1-1 solutions include:

| | |
|-------------------|-------------------------|
| Los Angeles, CA | 2 sites – 160 positions |
| Austin, TX | 60 positions |
| Baltimore, MD | 35 positions |
| Howard County, MD | 20 positions |
| Syracuse, NY | 60 positions |
| Philadelphia, PA | 100 positions |

Additionally, PEI provided a more extensive list of large, complex customers, which included the following:

- City of Los Angeles
- Houston Emergency Communications
- City of Las Vegas
- City of Boston
- City of Portland
- MECA Indianapolis
- Nashville Metro Emergency Services
- City of Baltimore
- Onondaga County Emergency Communications
- City of San Diego
- Anne Arundel County
- City of Long Beach
- Montgomery County
- Chester County
- Commonwealth of Massachusetts
- California Highway Patrol
- Los Angeles County Sheriffs Office
- Pinellas County 9-1-1 District

Capital Area Planning Commission
Shelby County
Hillsborough County
Massachusetts State Police

OEMC has performed due diligence in contacting customers on the reference list and found overwhelmingly positive results. The findings from these complex customers indicated that AT&T/PEI was responsive to customers, offers critical enhanced services, possesses available and redundant staff, maintains deep expertise in relevant technologies, provides reliable and scalable solutions and possesses an excellent large project track record

Lastly, if AT&T maintains the network, there is no need to train new personnel. From a service level and security perspective, changing to another vendor could have adverse consequences. The on-site technicians are experts on the equipment and services used by the OEMC. Changing these service could potentially disrupt communications.

OTHER

Given the nature of the equipment, the City sets high standards for the vendor with respect to quality assurance and availability. We anticipate requiring all safeguards that are in the current contract to be in any future contract.

AT&T Global Services is very familiar with City of Chicago's MBE/WBE requirements and stated it is committed to increasing the business opportunities for minorities and women in the City. Due to the unique and proprietary capabilities of the 911 system proposed to the OEMC, AT&T Global Services requests to continue to provide indirect participation of the established MBE/WBE goal set forth by the City of Chicago.

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 (Program Name) Pre-Assigned Contract No. _____

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Amy Gudgeon 2-3790 Amy Gudgeon OEMC 6/12/06
 Originator Name Telephone Signature Department Date

Indicate SEE ATTACHED in each box below if additional space needed:

| | |
|---|---|
| <input type="checkbox"/> PROCUREMENT HISTORY please see attached | |
| <input type="checkbox"/> ESTIMATED COST please see attached | S. S. R. B. DATE _____ APPROVED _____ |
| <input type="checkbox"/> SCHEDULE REQUIREMENTS please see attached | CONDITIONALLY APPROVED _____ |
| <input type="checkbox"/> EXCLUSIVE OR UNIQUE CAPABILITY please see attached | RETURN TO DEPT _____ DISAPPROVED _____ |
| <input type="checkbox"/> OTHER please see attached | |

APPROVED BY: [Signature] 6/12/06 DATE
 DEPARTMENT HEAD OR DESIGNEE BOARD CHAIRPERSON DATE