

## COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: City Clerk Rafael E. Granado

DATE: June 26, 2024

TITLE: A RESOLUTION OF THE MAYOR AND THE CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE INTERIM CITY MANAGER AND WAIVING, BY 5/7TH VOTE, THE CITY'S COMPETITIVE BIDDING REQUIREMENT, FINDING SUCH WAIVER TO BE IN THE BEST INTEREST OF THE CITY; AUTHORIZING THE ADMINISTRATION TO NEGOTIATE A MASTER SERVICES AGREEMENT WITH AT&T FOR TWO (2) YEARS, RETROACTIVE TO FEBRUARY 21, 2024, WITH ONE (1) ONE-YEAR OPTION TO RENEW; AND FURTHER, AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE THE MASTER SERVICES AGREEMENT AND ANY ADDITIONAL DOCUMENTS NECESSARY TO ADD ADDITIONAL SERVICE(S) WITH AT&T, AS NEEDED TO MEET THE CITY'S REQUIREMENTS, FOR AN ANNUAL COST NOT TO EXCEED THE AMOUNT APPROPRIATED THROUGH THE CITY'S BUDGETARY PROCESS.

### **RECOMMENDATION**

It is recommended that the Mayor and City Commission approve the resolution.

### **BACKGROUND/HISTORY**

In 2018, Commission adopted Resolution 20218-30393 authorizing the Administration to enter into negotiation with the sole proposer, AT&T Corporation and further, authorizing the Mayor and City Clerk to execute an agreement upon conclusion of successful negotiation by the Administration. The current contract, pursuant to RFP 2018-154-JC, was originally set to expire on February 21, 2024. On September 13, 2023, the Administration issued an Invitation to Bid (ITB) 2024-001-LB seeking proposals from qualified service providers to deliver telecommunications services to all Citywide facilities.

In anticipation of the expiring Agreement, on September 13, 2023, the Administration issued an Invitation to Bid (ITB) 2024-001-LB seeking proposals from qualified service providers to deliver telecommunications services to all Citywide facilities. On November 2, 2023, bids were received from the following: Comcast Business Communications LLC, Ooma, Inc., Cogeco US Enterprise, LLC d/b/a Breezeline, and AT&T Corp.

The Administration was expected to be able to make an award recommendation in December 2023. However, the due diligence period was protracted because none of the proposals complied with the requirements of the ITB. Accordingly, all submittals have been deemed non-responsive and cannot be considered. The Administration requested per the agreement to extend the current agreement on a month-to-month basis to continue services until such time that a new contract is awarded.

On January 31, 2024, a month-to-month letter was sent to AT&T Corp. However, due to unannounced turnover with the City's account team, the letter was never received by the current

representative. On February 14, 2024, the Administration received a response from AT&T Legal and Contracting Team stating that AT&T was unable to honor the existing rates on a month-to-month basis. Upon expiration of the current agreement, all the services under this contract will increase as a result of current prices structures.

AT&T Corp. is focused on migrating its customers off of legacy, unreliable telecommunication services and has ceased the sale of legacy circuits and services, except for current customers. AT&T Corp. will discontinue support of these legacy services in the coming years as customers transition to modern, reliable services.

## **ANALYSIS**

The products and services obtained under this contract are critical to operations and are necessary to ensure uninterrupted internal City communications as well as external communications with constituents. Per the solicitation RFP 2018-154-JC which nine-hundred fifty-six (956) vendors were notified and one-hundred forty-one (141) vendor access. On May 16, 2018, the City received one (1) proposal, from AT&T Corporation.

Prior to requesting this 5/7th waiver Prior to requesting approval of this designated purchase, extensive market research was conducted to determine different procurement options pursuant to Section 2-369 of the Miami Beach City Code. (attached) and if competition was available in the market. These market studies showed that other large customers that had traditionally provided piggyback options were in the process of executing bid waivers as they experience the same transition challenges. The State of Florida's DMS services contract was also analyzed and was shown to offer only partial services at elevated rates.

Miami-Dade: The County awarded Contract No. BW9403-3/19 Bid Waiver on November 15, 2011, for five-year term with three, one-year option to renew terms through February 15, 2020. On January 22, 2024, Miami-Dade extended the current contract for an additional three (3) years, with two (2), one-year option ending February 15, 2025.

City of Miami: Resolution: R-17-0302 Finding a Sole Source waiving the requirement for competitive seal bidding and approving the award of the Sole Source on June 17, 2017, effective August 14, 2017, through August 13, 2024

Broward County Public School Board: Board Meeting approved FY21-037- Telecommunications with a term of commencing on December 29, 2020 through June 30, 2024 with three (3) one-year renewal.

1. The Service being provided are different from the City.
2. The pricing is much higher than the City currently pays and will pay.

Request for Information was subsequently issued to gather industry feedback which revealed that no single provider other than the current vendor, AT&T Corp., was capable of providing all of the required services. In particular, it was determined that other vendors were unable to support the City's existing telecommunication infrastructure, and dividing the services amongst multiple vendors could create potential inconsistencies in infrastructure, delays in service availability, and result in operational disruptions. Third party resellers were determined to be an unviable option as they would only resell services provided by AT&T, and others, at a premium. Accordingly, competition for these services is impracticable at this time.

**FISCAL IMPACT STATEMENT**

None

**Does this Ordinance require a Business Impact Estimate?**  
(FOR ORDINANCES ONLY)

The Business Impact Estimate (BIE) was published on . See BIE at:  
<https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

**FINANCIAL INFORMATION**

**CONCLUSION**

Based on the aforementioned recommendation by Staff, I recommend that the Mayor and City Commission of Miami Beach, Florida, hereby approves waiving, by a 5/7ths vote, the formal competitive bidding requirements, finding such waiver to be in the City’s best interest, and authorizing the administration to negotiate a Master Services Agreement with AT&T for two (2) years with one (1) one-year option to renew , and authorizing the Interim City Manager to execute the Master Services agreement upon successful negotiations; and further, authorizing the City Manager to execute new service(s) with AT&T as needed to meet the city’s requirements. For annual cost not to exceed the amount appropriated through the City’s budgetary process.

**Applicable Area**

Citywide

**Is this a “Residents Right to Know” item, pursuant to City Code Section 2-17?**

No

**Is this item related to a G.O. Bond Project?**

No

**Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying?** No

If so, specify the name of lobbyist(s) and principal(s):

**Department**

Information Technology

**Sponsor(s)**

**Co-sponsor(s)**