



	Approved	Denied
Action taken	4/12/04	
Other:		
Verified by:	<i>[Signature]</i>	

WASILLA CITY COUNCIL ACTION MEMORANDUM

AM No. 04-24

TITLE: Award Of Contract To Tekmate To Provide Information Technology Support Services To The City Of Wasilla.

Agenda of: April 12, 2004
 Originator: Ted Leonard, Finance Director

Date: April 5, 2004

Route to:	Department	Signature/Date
	Police	
	Recreational and Cultural Services Library, Museum	
	Public Works Planning	
X	Finance *signature required	<i>[Signature]</i>
X	Clerk	<i>[Signature]</i>

REVIEWED BY MAYOR DIANNE M. KELLER:

[Signature: Dianne M. Keller]

FISCAL IMPACT: yes \$10,800 due to increasing number of support hours for FY 04
 or no Funds Available yes no
 Account name/number: 01-4240-420-30.34, and 340-4530-453-30.34
 Attachments: First Amendment to Contract for Information Technology Support Services, Exhibit B and Original Contract to Tekmate

SUMMARY STATEMENT:

The City of Wasilla is coming to the end of the two-year contract with Tekmate for providing Information Technology Support Services to the City of Wasilla. The City of Wasilla's staff has been very pleased with the support that Tekmate has given the City in the past two years.

Based on adding the Dispatch Center and the MUSC complex, administration has decided that the City of Wasilla needs to go to 40 hours of onsite support plus 24/7 call-out support for the Dispatch Center. Additionally, Administration is also projecting that the City will require approximately 400 hours or technical project hours for implementing a Point of Sales system at the MUSC complex, a new server system for the Dispatch Center, implementing a change over to new window operating system for

the city's existing network system and moving the City's main network from City Hall to the Police Station. In researching what would be the best route to provide these services, the staff has looked at three options: 1. provide the support with a full-time employee, 2. extend the contract with Tekmate or 3. go out to bid for new technical support services.

It is estimated that the cost for wages and benefits for a full-time network engineer would be approximately \$78,000. We estimate that it would cost approximately \$5,000 a year in training, \$10,000 for an outside firm to provide coverage for the person when they are on leave, \$2,000 for misc. employee cost for such items as mileage reimbursement. ect, and \$5,000 for equipment and furniture to outfit the employee. The total first year cost would be approximately \$100,000. It is projected that this cost will increase by at least approximately 10 percent per year based on benefit rate increase trend.

In negotiations with Tekmate, the owner offered to reduce his regular scheduled technical support rate to \$50 from \$55 per hour and to lower the technical project rate from \$100 to \$50.00 per hour, if we signed a five-year contract amendment. Based on this rate, administration estimates the cost for regular technical support service and call-out service would be approximately \$110,250. Administration is estimating that the City would save approximately \$20,000 on technical projects based on the new rates offered by Tekmate.

Other advantages offered by continuing our contract with Tekmate are the expertise and the knowledge that the company has regarding our systems. The owner of the company was one of the original support engineers on our system and has implemented several of our network servers. The company has several support engineers that live in the Valley and will be able to respond quickly to emergency call-outs.

Based on expertise that the company has with the our current system, the performance of Tekmate over the last two years and the projects that are coming up in the near future, administration would not recommend going out for new request for proposals for support services. Based on these facts, the Finance Director would recommend that the city could award the contract amendment under WMC 5.08.140 instead of going out for a request for proposal for technical support services.

Based on the philosophy of this administration that government should allow the private sector to provide the services when they can provide the services more efficiently and cost effectively than the government can, administration recommends that we should award this contract amendment to Tekmate under WMC 5.08.140 rather than adding a new employee to provide the technical support services in-house.

STAFF RECOMMENDED ACTION: Award contract amendment to Tekmate

**FIRST AMENDMENT TO
CONTRACT FOR INFORMATION TECHNOLOGY SUPPORT SERVICES**

THIS FIRST AMENDMENT TO CONTRACT FOR INFORMATION TECHNOLOGY SUPPORT SERVICES ("Amendment") is entered into as of the 15th day of April 2004, by and between TekMate, Inc. ("TekMate"), an Alaska corporation, and the City of Wasilla, Alaska ("Client"), an Alaska municipal corporation.

WHEREAS, Client and TekMate entered into a Contract for Information Technology Support Services dated as of April 15, 2002 ("Contract"), under which TekMate has provided Client with the computer network and PC support and maintenance services described therein; and

WHEREAS, the Contract expires on April 14, 2004, and the parties desire to extend the Contract for a period of five years, subject to the modifications of the original terms of the Contract that are set forth in this Amendment; and

WHEREAS, pursuant to Wasilla Municipal Code 5.08.140, the purchasing agent of the City of Wasilla has determined that Client's requirements reasonably limit the source for the services to be provided under this Amendment to one vendor.

NOW, THEREFORE, in consideration of the respective agreements of the parties hereto, the receipt and sufficiency of which is acknowledged, TekMate and Client agree as follows:

The first paragraph of Section 1, Services, of the Contract is amended to read as follows:

1. Services. Throughout the term of this agreement, TekMate agrees to provide to Client computer technical services as follows, and in conformity with the terms of TekMate's Proposal to Client dated March 22, 2002 (the "Proposal"). In addition to Client's computer network(s) and systems and information technology equipment for which TekMate initially provided computer technical services under this agreement, TekMate will provide the same computer technical services for Client's Police Department Dispatch Center (which requires 24-hour support) and Multiuse Sports Complex, pursuant to the direction of the Client.

Section 2, Term and Effectiveness, is amended to read as follows:

2. Term and Effectiveness. TekMate agrees to provide Client with those services set out herein, and this agreement shall be considered effective, for a term of seven (7) years commencing on April 15, 2002, and ending on April 14, 2009, unless otherwise terminated as provided herein. This agreement may be terminated by either TekMate or Client, subject to thirty (30) days prior written notice to the other party, upon said other party's breach of this agreement.

Paragraph (a) under Section 3, Provision of Services, is amended to read as follows:

(a) TekMate will provide the Client with forty (40) hours of regularly scheduled technical support services each week. A TekMate Representative will furnish "on-site" support (at Client's facilities) five (5) eight-hour days each week on a mutually agreed schedule. TekMate will use its best efforts to provide the Client with at least 24 hours prior notice of any modification to the schedule. Additionally, TekMate will provide the Client with call-out support services (outside of those regularly scheduled technical services) in response to any emergency and non-emergency requests received from the Client. In such cases, a TekMate Representative will use its best efforts to respond within ninety minutes for emergency requests and within four hours in non-emergency situations. TekMate will also provide services beyond such regularly scheduled (and separate from call-out) technical support services, to the extent requested by and upon the instructions of Client, including technical project services, training and remote support, to be furnished on a mutually agreed schedule.

Paragraph (c) under Section 3, Provision of Services, is amended to read as follows:

(c) Services provided by TekMate under this agreement shall be on and relate to systems and that network infrastructure particularly described in Exhibit A hereto, plus systems and network infrastructure that Client will acquire for its Police Department Dispatch Center and Multiuse Sports Complex. TekMate understands and agrees that the systems and network infrastructure for the Police Department Dispatch Center and Multiuse Sports Complex have not been specified or acquired as of the date of this Amendment, but that the remainder of this paragraph concerning additional compensation does not apply to the systems and network infrastructure for the Police Department Dispatch Center and Multiuse Sports Complex. If the Client acquires systems or network infrastructure whose maintenance and support requires substantially different qualifications or a substantial increase in monthly hours of service, TekMate shall so notify the Client in writing, with an estimate of the additional cost to TekMate of providing maintenance and support for the changed systems or network infrastructure, or a statement that TekMate does not have the resources required to provide such maintenance and support. If TekMate does not have the resources required to provide such maintenance and support, or if the parties cannot agree on additional compensation to TekMate for the increased cost of providing such maintenance and support, TekMate may opt, at its sole discretion and upon giving the Client sixty (60) days prior written notice, to terminate the agreement.

Exhibit B to the Contract is replaced with the Exhibit B attached hereto.

Except as expressly provided herein, all terms and conditions of the Contract remain in full force and effect, and the parties hereby ratify and confirm all of such terms and conditions, as modified by this Amendment.

IN WITNESS WHEREOF, the parties executed this Amendment as of the date first set forth above.

TekMate, Inc.

By: Shawn Fuller 4/19/2004

Shawn Fuller, President

City of Wasilla, Alaska

By: Dianne M. Keller

Dianne M. Keller, Mayor

EXHIBIT B

to

CONTRACT FOR INFORMATION TECHNOLOGY SUPPORT SERVICES

\$50/hour	Regularly Scheduled Technical Support and Technical Projects (non AS/400)
\$75/hour	Regularly Scheduled Technical Support (AS/400)
\$75/hour	Call-Out Support (non AS/400)
\$125/hour	Call-Out Support and Technical Projects (AS/400)
\$75/hour	Training (on-site) – price does not include materials
\$100/day	Training (off-site) – “per student” rate, price does not include materials
\$75/hour	Remote Diagnostic Support

CONTRACT FOR INFORMATION TECHNOLOGY SUPPORT SERVICES

THIS AGREEMENT is entered into as of this 15th day of April, 2002, by and between TekMate, Inc., ("TekMate"), an Alaska corporation, and the City of Wasilla, Alaska, ("Client"), an Alaska municipality.

WHEREAS Client desires to secure and obtain certain computer network and PC support and maintenance services from TekMate and TekMate desires to provide and furnish Client with such services, each upon the terms and conditions as set forth herein;

NOW, THEREFORE, in consideration of the respective agreements of the parties hereto, the receipt and sufficiency of which is acknowledged, TekMate and Client agree as follows:

1. Services. Throughout the term of this agreement, TekMate agrees to provide to Client the computer technical services as follows. Services will be provided in conformity with the terms of TekMate's Proposal to Client dated 03/22/2002 (the "Proposal").

(a) to maintain and support the Client's computer network(s) and systems and information technology equipment pursuant to the direction of the Client;

(b) to direct, supervise and effect any major modifications, developments, conversions or operations of and to any of Client's computer network(s) and systems and information technology equipment as the Client may request and authorize;

(c) to direct, supervise and furnish and/or arrange for certain technical training of Client's personnel and representatives on topics relating to the maintenance and use of Client's computer network(s) and systems and information technology equipment as the Client may request and authorize;

(d) to communicate regularly with and report periodically to Client on matters that relate to or involve the Client's computer network(s) and systems and information technology equipment, including those services provided pursuant to this agreement;

(e) to provide and perform such other and further computer and system maintenance and support services (consistent with the general description of services set out hereinabove) as may be directed by Client from time to time after the commencement of this agreement.

2. Term and Effectiveness. TekMate agrees to provide Client with those services set out herein, and this agreement shall be considered effective, for a term of two (2) years commencing on April 15, 2002, and ending on April 14, 2004, unless this agreement is otherwise terminated or extended as provided herein.

(a) This agreement may be terminated by either TekMate or Client, subject to thirty (30) days prior written notice to the other party, upon said other party's breach of this agreement.

(b) This agreement may be extended for three (3) additional one (1) year terms, starting on the ending date of that term immediately preceding, upon the prior written agreement of both TekMate and Client. Client shall provide TekMate thirty (30) days prior written notice if it intends to pursue any such extension(s).

3. Provision of Services. Pursuant to and throughout the term of this agreement, TekMate shall retain and utilize the service of employees and/or independent contractors (individuals and/or business entities) who shall have primary responsibility for directing TekMate's activities relating to same. Any and all such individuals or entities shall be referred to, for purposes of this agreement, as TekMate's Representatives. All services under this agreement shall be provided either by the TekMate Representatives whose qualifications were stated in the Proposal, or by other TekMate Representatives whose qualifications are subject to the reasonable approval of the Client.

(a) TekMate will provide the Client with eighty (80) hours of regularly scheduled technical support services each month. A TekMate Representative will furnish "on-site" support (at Client's facilities) two (2) eight-hour days each week and an additional two (2) eight-hour days each month (at Client's library) on a mutually agreed schedule. TekMate will use its best efforts to provide the Client with at least 24 hours prior notice of any modification to the schedule. Additionally, TekMate will provide the Client with call-out support services (outside of those regularly scheduled technical services) in response to any emergency and non-emergency requests received from the Client. In such cases, a TekMate Representative will use its best efforts to respond within ninety minutes for emergency requests and within four hours in non-emergency situations. TekMate will also provide services beyond such regularly scheduled (and separate from call-out) technical support services, to the extent requested by and upon the instructions of Client, including technical project services, training and remote support, to be furnished on a mutually agreed schedule.

(b) All TekMate Representatives providing service under this agreement, except for those furnishing technical training identified in paragraph 1(c) above, shall be qualified as follows: MCSE (Microsoft Certified Systems Engineer); A+; and at least one (1) year of experience in computer or information systems service or support as a MCSE.

(c) Services provided by TekMate under this agreement shall be on-site and relate to systems and that network infrastructure particularly described in Exhibit A hereto. If the Client acquires systems or network infrastructure whose maintenance and support requires substantially different qualifications or a substantial increase in monthly hours of service, TekMate shall so notify the Client in writing, with an estimate of the additional cost to TekMate of providing maintenance and support for the changed systems or network infrastructure, or a statement that TekMate does not have the resources required to provide such maintenance and support. If TekMate does not have the resources required to provide such maintenance and support, or if the parties cannot agree on additional compensation to TekMate for the increased cost of providing such maintenance and support, TekMate may opt, at its sole discretion and upon giving the Client sixty (60) days prior written notice, to terminate the agreement.

(d) Client agrees to furnish TekMate and its Representatives with the access, information, resources and cooperation necessary to allow them to provide all the services identified under this agreement, including a right to have unrestricted access to and use Client's computers, networks, systems and information technology equipment. All information and data contained in Client's files shall be and remain Client's property and shall not be used, divulged, or disseminated by TekMate except as is necessary to the provision of service under this agreement. Client otherwise remains wholly responsible for the back-up, retention and security of all its information, data and programs.

(e) TekMate's Representatives shall be and remain throughout the term of this agreement employees or independent contractors of TekMate or its subcontractors and, in connection with all activities undertaken and services provided pursuant to this agreement, the Representatives shall be and remain throughout subject to the exclusive authority, direction and control of TekMate. All TekMate Representatives shall be provided with authority sufficient to exercise all the duties and responsibilities of TekMate under this agreement and Client consents to a grant of such authority thereto. TekMate retains complete discretion regarding the appointment and assignment of those Representatives providing services under this agreement, both as to their identity and number.

4. Price. Client shall pay TekMate for services provided under this agreement according to an hourly rate schedule that is attached hereto as Exhibit B. TekMate will invoice Client monthly and Client shall pay all such invoices in full within ten (10) days from receipt. Amounts outstanding for more than thirty (30) days from invoice will be charged interest at the lesser of 18% per annum or the highest allowable rate. If TekMate is required to pursue collection upon non-payment of any amounts owing under this agreement, it shall be entitled to recover all its collection costs and full attorneys fees incurred in connection therewith. If this agreement terminates early for any reason, TekMate shall, within ten (10) days of the date of termination, send Client its final invoice for all of the services provided prior to termination and Client shall pay same within ten (10) days of receipt.

5. Indemnity and Limitation of Liability. TekMate and Client agree to hold harmless and indemnify the other of and from and for any and all claims, actions, damages, liabilities, costs and expenses, including attorneys fees and costs, associated with any injuries to persons or damages to property arising from any act or omission of the indemnitor under this agreement. Client further

agrees that TekMate's liability to it for any damages arising out of the provision of services under this agreement shall be limited to the amount paid by Client to TekMate for such services.

6. Notices. All notices or other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or mailed or transmitted, and shall be effective upon receipt, if delivered personally or mailed by registered or certified mail (postage prepaid, return receipt requested) to the parties at the following addresses (or at such other addresses specified by like changes of address):

TekMate: Shawn Fuller, President
TekMate, Inc.
1301 W. Parks Highway, Suite 2
Wasilla, Alaska 99654

Client: City of Wasilla
290 E. Herning Av.
Wasilla, Alaska 99654

7. Arbitration. The parties consent to the resolution by exclusive and binding arbitration of any and all claims or controversies arising out of or relating to this agreement, except as provided in paragraph 4 above. Such arbitration shall be before one arbitrator and conducted in accordance with the limited service rules of the American Arbitration Association, with each party bearing its own costs and legal fees and sharing equally in all of the fees and expenses of the arbitrator. The decision of the arbitrator shall be final and binding.

8. Assignment. This agreement may be assigned by TekMate only with the prior written consent of the Client, which the Client may grant or withhold at its sole discretion. Subject to the preceding sentence, this agreement shall be binding on the parties hereto and their successor and assigns.

9. Construction. This agreement shall be governed by and construed and enforced in accordance with Alaska law. Each of the parties acknowledges that it has been represented by counsel during and in the negotiation, preparation and execution of this agreement and, therefore, each agrees that this agreement shall not be subject to any presumption or rules of construction working against the drafter thereof. This agreement represents the full and complete expression of the parties' agreement and it supersedes any and all prior agreements, written or oral. No other or additional terms or conditions not made a part hereof shall be read into this agreement or be enforced against the parties in connection herewith. Should any provisions of this agreement be held to be violative of Alaska or federal law, such provision(s) are to be stricken but the remainder of this agreement shall remain in full force and effect.

Dated: 5/14/2002

TekMate, Inc.

By: Shawn Fuller
Shawn Fuller, President

Dated: 5/9/02

City of Wasilla, Alaska

By: Sarah Palin
Sarah Palin
Its: Mayor

EXHIBIT A

to

CONTRACT FOR INFORMATION TECHNOLOGY SUPPORT SERVICES

One (1) Microsoft Exchange Server

One (1) Microsoft SQL Server

Two (2) AS/400 (running financial software) – one current, second to be acquired in CY2003

Two (2) Microsoft NT 4.0 File and Print Servers

One (1) Microsoft Windows 2000 Terminal Server (for remote access)

One (1) Watchguard Firebox II

Hewlett-Packard Procurve Fiber Switches (with fiber background) and Spectrum Wireless Router

Internet Service: GCI DSL

Operating Systems/Software: Microsoft Windows 2000, Windows 95/98, NT, Office 97 & 2000

Desktop Computers: approximately 60 (Dell, HP, Micron)

Laptop Computers: approximately 15

EXHIBIT B

to

CONTRACT FOR INFORMATION TECHNOLOGY SUPPORT SERVICES

\$55/hour	Regularly Scheduled Technical Support (non AS/400)
\$75/hour	Regularly Scheduled Technical Support (AS/400)
\$100/hour	Call-Out Support and Technical Projects (non AS/400)
\$125/hour	Call-Out Support and Technical Projects (AS/400)
\$75/hour	Training (on-site) – price does not include materials
\$100/day	Training (off-site) – “per student” rate, price does not include materials
\$75/hour	Remote Diagnostic Support