

## Item 8



# Travis County Commissioners Court Agenda Request

**Meeting Date:** December 18, 2012

**Prepared By/Phone Number:** Scott Wilson/854-1182

**Elected/Appointed Official/Dept. Head:** Cyd Grimes

**Commissioners Court Sponsor:** Judge Biscoe

**Agenda Language:** Consider and take appropriate action on agreement between Travis County and ACS Dataline, LP d/b/a Black Box Network Services to terminate contract for Cabling Installation Services.

- **Purchasing Recommendation and Comments:** Purchasing concurs with department and recommends approval of requested action. This procurement action meets the compliance requirements as outlined by the statutes.

On November 13, 2012, the Commissioner's Court approved a contract with Black Box Network Services for Cabling Installation Services, Time and Materials.

After the contract award, the contractor realized they misinterpreted the bid requirements and as a result they have requested to withdraw their contract award. Purchasing is working to ensure another contract is in place as soon as possible.



**December 11, 2012**

**To: Travis County - Bonnie Floyd  
Scott Wilson**

**Reference: Black Box – Travis County Cabling Services Agreement**

---

Thank you for your email and for explaining the County processes.

We submitted our bid via BidSync based on Hourly Labor Rates for Data Copper Installation, Hourly Labor Rates for Fiber Installation within Building and Hourly Labor Rates for CATV Installation within Building. It was our understanding, or interpretation of the bid, that we would be able to charge a Fair and Reasonable Market Value pass through to County for the cost of materials based on the verbiage stated in Item 6 of Part II – Special Provisions. Our understanding of a Fair Market Value Rate is somewhere between full retail list price (or MSRP) and cost of the products. Based on the wholesale material pricing Black Box has received for the County, a 15% mark-up on the required materials is well below the full market retail list price (or MSRP) for these products.

During our initial meetings it was identified that some cabling request may require, trenching, boring, installation of power/telephone poles, etc. that will require a special trade subcontractor to perform these services. We understand that we can hire a County pre-approved contractor that specializes in this trade. However, these tasks can be very costly, time consuming and have very few actual on-site cabling labor hours associated with these task. For us to be expected to pass these charges through to the County at our cost, without the allowance of a Fair Market Value Project Management Fee, is cost prohibitive. Also, the Lot Description for Hourly Labor Rate for Fiber Optics and CATV Installation are within Building, so we are not sure what labor rates would be applicable.

We hope you can understand our interpretation of these bid specifications and we truly thought a fair and reasonable fair market value material pass through to the County would be allowable. If the intent of this bid was to provide the County with the materials at our cost, then we misunderstood the bid requirements and respectfully ask to withdraw our contract award.

We are sorry for the misunderstanding of the intent of the solicitation and apologize for any inconvenience this may have caused the County.

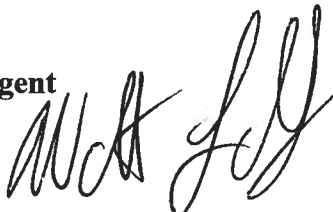
*Respectfully,*

A handwritten signature in black ink that reads "Bob Cotton".

**Bob Cotton - Sr. Account Manager  
Black Box Network Services  
Austin, TX  
Office - 512.719.6619**



**TRAVIS COUNTY INFORMATION TECHNOLOGY SERVICES**  
700 Lavaca St, Austin, TX 78701 (512) 854-9666 Fax (512) 854-4401

**DATE:** December 12, 2012  
**TO:** Cyd V. Grimes, C.P.M - Travis County Purchasing Agent  
**FROM:** Walter LaGrone, Interim Chief Information Officer   
**SUBJ:** Terminate Contract with Black Box Network for Cabling Installation Services

---

**ITS Recommendation:**

*Terminate contract for Installation Services with ACS Dataline, dba, Black Box Network Services.*

**Summary and Staff Analysis:**

In the past every three years, Travis County issues and awards a contract for cabling installation services to meet the cabling needs of the County. This contract is utilized for routine adds/moves/changes as well as cabling infrastructure projects.

Subsequent to Travis County awarding the contract for cabling services to Black Box Network Services, Travis County and the vendor had a conflict over the interpretation of "Fair Market Value." Black Box felt they would be able to charge a "markup" of the products they purchase from their suppliers and or subcontractors. Travis County's intent was that Fair Market Value be just a pass through. The vendors preferred solution was to renegotiate the contract. Further discussions between the Purchasing Office and Black Box could not settle the dispute and both parties have agreed to a withdrawal of the contract award. ITS concurs with this course of action.

**Issues and Opportunities:**

Travis County ITS provides cabling services to county departments for office moves and space renovations. Since the end of the previous cabling contract, ITS has over 20 cabling jobs that need to be addressed. Cabling services include voice, data and cable TV signals running on coaxial, copper and fiber optic cabling. Termination of the contract will allow Travis County to pursue other vendor options.

**Background:**

On November 6, 2012 ITS recommended to the Purchasing Office to award Bid- #1209-002-SW, Cabling Installation Services to ACS Dataline, dba, Black Box Network Services.

There were three bidders: BryComm, Black Box Network Services, and Titus Systems. All respondents provided bids for equivalent equipment and technical support. Bids presented were as follows:

BryComm	\$ 928,750
Black Box	\$1,857,375
Titus	\$3,041,512

BryComm had submitted the lowest bid; however, the Purchasing Office discovered that BryComm was not qualified due to it not meeting the ITS requirement for being a Panduit Certified Installer. The next lowest bidder was Black Box Network services and they do meet all ITS requirements. This was the first time Black Box Network had worked with Travis County.

**Budgetary and Fiscal Impact:**

N/A

**Required Authorizations:**

Legal:	Tenley Aldredge, County Attorney's Office
Purchasing:	Bonnie Floyd, Scott Wilson, Purchasing Office
Budget:	Leslie Browder, County Executive for Planning and Budget, Katie Petersen, Planning and Budget
ITS:	Tanya Acevedo, Rod Brown, Trey Wallace, David Hopkins

STATE OF TEXAS

COUNTY OF TRAVIS

### **AGREEMENT TO MUTUALLY TERMINATE CONTRACT**

This Agreement to Terminate Contract (this "Mutual Termination") is made and entered into by and between Travis County, a political subdivision of the State of Texas ("County"), and Black Box Network Services, a corporation authorized to do and doing business in the State of Texas ("Contractor"). All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Contract, as such term is defined below.

#### **RECITALS**

County and Contractor entered into that certain contract for Cabling Installation Services effective November 13, 2012, a fixed-price time-and-materials contract awarded pursuant to Travis County Solicitation Number 1209-002-SW issued on October 3, 2012 (the "Contract"); and

After the Contract had been executed by both parties, but prior to commencement of the Contract services, Contractor and County determined that the Contract could not be completed as bid; and

County and Contractor agree that it is mutually desirable to terminate the Contract effective upon the date set forth below.

In consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

#### **AGREEMENT**

1.0 The Contract is terminated effective upon the execution of this Mutual Termination by both parties (the "Effective Termination Date").

2.0 The parties expressly acknowledge and agree that, to the best of the parties' knowledge, no condition exists that would constitute a default by either County or Contractor under the Contract, or this Mutual Termination, either with or without notice or lapse of time or both. County and Contractor release each other for any liability arising under the Contract.

Signed this \_\_\_\_ day of \_\_\_\_\_, 2012.

TRAVIS COUNTY, TEXAS

By: \_\_\_\_\_  
Samuel T. Biscoe  
County Judge

CONTRACTOR: BLACK BOX NETWORK SERVICES

By: \_\_\_\_\_

Title: \_\_\_\_\_