



CITY OF LONG BEACH

R-20

DEPARTMENT OF TECHNOLOGY SERVICES

333 WEST OCEAN BOULEVARD • LONG BEACH, CA 90802 • (562) 570-6455 • FAX (562) 570-5270

July 23, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution authorizing the City Manager to execute contracts with Verizon Business Network Services, Inc., and authorize the City Manager to execute contracts with Time Warner Cable, and Verizon Wireless to provide local and long distance telephone, data communications, and Internet services in an annual aggregate amount not to exceed \$1,670,000 for a period of three years with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

In May 1999, the City of Long Beach entered into a three-year Agreement with GTE California, Incorporated (now Verizon California, Inc.) to provide local telephone service, which also included data communications service and support service for line additions, changes, and deletions. This contract was amended and the term extended to June 30, 2004.

Since 2004, the Technology Services Department (TSD) has undertaken competitive Request for Proposal (RFP) processes for telecommunications services with the goal of reducing City costs. TSD's efforts have resulted in substantial savings over the period, taking advantage of increased competition and technological advancements in the industry.

In keeping with this practice, TSD issued an RFP in August 2012 for telecommunications network services, including local and long distance telephone, data communications, and Internet services. Four proposals were received by the submittal date. Based on a thorough analysis and evaluation of the proposals, interviews were conducted with a short list of vendors and Verizon Business Network Services and Time Warner Cable were selected to provide the requested services. Verizon Wireless was also selected to provide cellular broadband services under the City's prior agreement approved by City Council on January 17, 2012.

TSD's current annual expenses for local and long distance telephone, data communications, and Internet services with existing vendors is approximately \$2.1 million. Once the services are fully transitioned to the recommended vendors, total annual expenditures will be approximately \$1.7 million, providing an estimated \$400,000 in savings per year. The savings will be realized by moving to lower cost broadband and cellular technologies where appropriate. City departments will benefit as the savings will be passed through in future MOU allocations.

This matter was reviewed by Deputy City Attorney Gary Anderson on July 3, 2013 and by Budget Management Officer Victoria Bell on July 5, 2013.

TIMING CONSIDERATIONS

City Council action is requested on July 23, 2013, due to the expiration of the current contract on August 31, 2013.

FISCAL IMPACT

Annual expenditures will not exceed \$1,670,000. Sufficient funding is budgeted annually in the General Services Fund (IS 385) in the Technology Services Department (TS). Costs are recovered from client departments and are budgeted in the annual Department of Technology Services (TS) MOU. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CURTIS TANI
DIRECTOR OF TECHNOLOGY SERVICES



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY TO EXECUTE AN AGREEMENT TO PURCHASE LOCAL AND LONG DISTANCE TELEPHONE, DATA COMMUNICATION AND INTERNET SERVICES THROUGH THE CONTRACTS BETWEEN VERIZON NETWORK BUSINESS SERVICES AND THE STATE OF CALIFORNIA

WHEREAS, the Charter of the City of Long Beach, Section 1802, permits the City to participate in joint cooperative purchasing of services, supplies, materials, equipment, and labor with other government agencies by purchasing under their contracts on a voluntary and selective basis when authorized by resolution; and

WHEREAS, the City of Long Beach desires to purchase local and long distance telephone, data communication and internet services from Verizon Network Business Services; and

WHEREAS, the State of California has contracts for the purchase of Verizon Network Business Services known as Price Agreement Nos. 5-06-58-20 (DTS 06E1392) AND 05-06-58-21 (DTS 06E1393) ("Price Contracts"); and

WHEREAS, City's participation in the Price Contracts will facilitate acquisition of local and long distance telephone, data communication and internet services, as well as provide considerable cost benefits to the City; and

WHEREAS, if the City had to go to formal bid rather than participate in the Price Contracts considerably more funds would be required;

NOW, THEREFORE, the City of Long Beach resolves as follows:

Section 1. The above recitals are true and correct and are incorporated herein by this reference.

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Section 2. The City Manager of the City of Long Beach is hereby authorized to enter into an agreement with Verizon Business Network Services for the purchase of local and long distance telephone, data communication and internet services as ordered by the City of Long Beach, pursuant to the Price Contracts. The purchase by the City of Long Beach shall be on the same terms and conditions afforded to the State, in an amount not to exceed One Million Four Hundred Seventy Thousand Seven Hundred Dollars (\$1,470,700.00) for a period of three (3) years with options for two (2) additional periods of one (1) year each.

Section 3. This resolution shall take effect immediately on its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 20__ by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk