



CITY OF LONG BEACH

R-19

DEPARTMENT OF TECHNOLOGY SERVICES

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

July 7, 2009

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Authorize the City Manager to execute a contract with Verizon Business Network Services, Inc. (Verizon), to provide local telephone and data communications services in an annual amount not to exceed \$1,470,700 for a period of three years, with options for two additional periods of one year each; and

Adopt a resolution to participate in State of California Integrated Information Network Agreement (CALNET II), Master Services Agreement # DTS 06E1392 and # DTS 06E1393 with Verizon. (Citywide)

DISCUSSION

In May 1999, the City of Long Beach entered into a three-year Agreement (No. 26276) with GTE California Incorporated (now Verizon California, Inc.) to provide local telephone service, which also includes data communications service and support service for line additions, changes, and deletions. This contract was amended and the term extended to June 30, 2004.

Prior to the expiration of the Verizon contract, the Department of Technology Services (TS) initiated a Request for Proposals (RFP) process for telecommunications services in 2004. City staff selected Verizon from the five proposals received to provide local phone and data communications services because it offered the lowest overall rates. The RFP process resulted in a 35 percent reduction in rates, which equated to savings of approximately \$800,000 annually. The contract was amended and the term extended through August 31, 2009.

In January 2009, TS again initiated an RFP process for telecommunications services, which included local and long distance phone, data communications, and Internet services. Eight proposals were received by the March 6, 2009 submittal date. Based on a thorough analysis of the proposals and interviews with a short list of vendors, Verizon was selected to provide local phone and data communications services.

Currently, the TS annual budget for Verizon services is approximately \$1.9 million. The new agreement with Verizon will reduce the rates paid by the City by over 20 percent, or \$429,300 per year, with no reduction in service.

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Section 1802 of the City Charter permits the City to participate in joint and cooperative purchasing agreements by adoption of a Resolution of the City Council authorizing purchases under contracts entered into by other governmental agencies, such as the California Integrated Information Network (CALNET II). This contract sets price caps on the equipment and services purchased thereunder, ensuring that City prices are based on the most competitive rates. The proposed Resolution allows purchases with Verizon under the CALNET II contract for as long as it is in effect. Verizon has agreed to provide the same rates offered by CALNET II. The City's participation in CALNET II may be terminated at any time with 30 days' prior written notice.

This matter was reviewed by Deputy City Attorney Gary Anderson on June 10, 2009 and Budget and Performance Management Bureau Manager David Wodynski on June 16, 2009.

TIMING CONSIDERATIONS

City Council action is requested on July 7, 2009, due to the expiration of the current contract on August 31, 2009, and to begin taking advantage of lower pricing offered under the CALNET II agreement as soon as possible.

FISCAL IMPACT

Annual expenditures will not exceed \$1,470,700, and will be passed to client departments via the Technology Services MOU. Sufficient funding has been budgeted in the General Services Fund (IS 385) in the Technology Services Department (TS) to support this expenditure as well as user department budgets to cover MOU charges.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CURTIS TANI
DIRECTOR OF TECHNOLOGY SERVICES

CT:ST:jf

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 TELEPHONE AND DATA COMMUNICATION 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 telephone and data communication services from Verizon Network Business Services; and

WHEREAS, the State of California ("State") has a contract for the purchase of Verizon Network Business Services known as Price Agreement Nos. 5-06-58-20 (DTS06E1392) AND 5-06-58-21 (DTS 06E1393) ("Price Contracts"); and

WHEREAS, City's participation in the Price Contracts will facilitate acquisition of local telephone and data communication 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.

Section 2. The City Manager of the City of Long Beach is hereby

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

1 authorized to enter into an agreement with Verizon Business Network Services for the
2 purchase of local telephone and data communication services as ordered by the City of
3 Long Beach, pursuant to the Price Contracts. The purchase by the City of Long Beach
4 shall be on the same terms and conditions afforded to the State, in an amount not to
5 exceed One Million Four Hundred Seventy Thousand Seven Hundred Dollars
6 (\$1,470,700.00) for a period of three (3) years with options for two (2) additional periods
7 of one (1) year each.

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

10 I hereby certify that the foregoing resolution was adopted by the City
11 Council of the City of Long Beach at its meeting on _____, 2009
12 by the following vote:

13 Ayes: Councilmembers: _____

14 _____

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16 _____

17 Noes: Councilmembers: _____

18 _____

19 Absent: Councilmembers: _____

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21 _____
22 City Clerk

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