



Legislation Text

File #: 11-0613, **Version:** 1

Recommendation to authorize City Manager to execute agreements with PAETEC to provide local and long distance telephone services in an annual amount not to exceed \$230,000 for a period of three years. (Citywide)

The Technology Services Department (TSD) is in the process of modernizing the City's telephone and voice mail systems to Voice over Internet Protocol (VoIP) technology. Currently, TSD supports 2,700 VoIP devices and 3,300 devices that use traditional phone technology. Transitioning the City's entire phone system to VoIP enables the migration from our legacy telephone services to lower cost SIP services. SIP, or Session Initiation Protocol, is an Internet protocol commonly used with VoIP telephone systems.

At its May 17, 2011 meeting, the City Council authorized the City Manager to acquire the equipment required to modernize the City's telecommunications infrastructure to enable Internet-based local and long distance calling services. This request is to enter into an agreement with PAETEC to provide these services.

In April 2010, a Request for Proposals (RFP) for the Cisco unified communications system upgrade and SIP services was advertised on the City website, notifying 169 potential businesses to secure the most favorable pricing for this acquisition. Of those, 31 downloaded the RFP via the electronic bid system. The RFP document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing <<http://www.longbeach.gov/purchasing>>. An RFP announcement was also included in the Purchasing Division's weekly update on Open Bid Opportunities, which is sent to 30 local, minority and women's business groups. In response, two proposals were received. Of the two proposals, none were Minority-owned Business Enterprises (MBEs), none were Woman-owned Business Enterprises (WBEs), none were Small Business Enterprises (SBEs), and none were Long Beach Businesses (Local).

Based on a thorough evaluation of the proposals, staff recommends the lowest cost proposal from PAETEC for SIP services. Currently, the City's cost for local and long distance telephone services is approximately \$396,000 per year. PAETEC's proposed annual cost for SIP services is \$228,000 or \$168,000 lower than current expenditures.

This matter was reviewed by Deputy City Attorney Gary Anderson on May 31, 2011 and by Budget Management Officer Victoria Bell on June 3, 2011.

City Council action is requested on June 21, 2011 to allow the timely transition to SIP services and enable the City to achieve the benefits as soon as possible.

Annual expenditures will not exceed \$230,000, and will be allocated to client departments via the Technology Services MOU, with approximately 58 percent allocated to the General Fund. From the

total savings, it is anticipated that there will be a savings of \$95,000 to the General Fund. 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. There is no local job impact associated with this recommendation.

Approve recommendation.

CURTIS TANI
DIRECTOR OF TECHNOLOGY SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER