



Legislation Text

File #: 19-1092, **Version:** 1

Recommendation to adopt resolution authorizing City Manager, or designee, to execute a Master Services Agreement, including any necessary amendments, with Telesoft, LLC, dba MDSL, of Phoenix, AZ, to provide maintenance, upgrade and support of the City's desk phone inventory, mobile device inventory, and billing management system, in an amount of \$56,231, plus a contingency of \$3,000 for additional services, for a total annual amount not to exceed \$59,231, for a period of two years, with the option to renew for three additional one-year periods, with annual increases up to 5 percent, at the discretion of the City Manager; authorize a one-time upgrade to current software version hosted on Telesoft's server, in an amount not to exceed \$15,000, for the first year; and

Increase appropriations in the General Services Fund Group in the Technology and Innovation Department (TID) by \$39,000, offset by funds available. (Citywide)

City Council approval is requested to enter into a contract with Telesoft, LLC, dba MDSL (Telesoft), for the subscription, maintenance and support, as well as a one-time upgrade, of the City's desk phone and mobile device inventory and billing management system.

Telesoft is the City of Long Beach's (City) provider of the desk phone and mobile device inventory system, and Telesoft is the Technology and Innovation Department's (TID) system of record for desk and mobile phone calls, and the mobile device billing management system (System). TID utilizes Telesoft records in the preparation of its annual Memorandum of Understanding (MOU). In previous years, TID had issued an annual Purchase Order with Telesoft for continued maintenance, upgrade, and technical support of the System, pursuant to the City's purchasing policy.

Telesoft informed the City that the System version currently in use will no longer be supported and an upgrade is necessary. TID conducted a hardware review and determined that the cost of upgrading the City's existing hardware to accommodate the Telesoft system upgrade would be greater than the cost associated with migrating to Telesoft's cloud-based system. By upgrading to Telesoft's cloud-based system, Telesoft will move the application and modules to a new hosted server environment. To upgrade the system and migrate to a hosted environment, Telesoft requires the City to execute a Master Services Agreement.

While City Charter Section 1801 requires that contracts for City purchases be awarded to the lowest responsible bidder after a competitive bid process, it allows for the award of a contract without a competitive bid process if accompanied by a Resolution adopted by the City Council. Telesoft is the sole maker, manufacturer, and distributor of the desk phone, mobile device inventory and billing management system. Therefore, no useful purpose would be

served by advertising for bids, and to do so would constitute an unnecessary use of staff time and expenditure of public funds.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley on October 18, 2019, Purchasing Agent Tara Yeats on October 15, 2019, and by Budget Management Officer Rhutu Amin Gharib on October 20, 2019.

City Council action is requested on November 5, 2019, to ensure the City can use the latest Telesoft software system to continue to manage and retain call records for desk phones and cell phones and continue to manage the billing process.

The contract cost of the Telesoft system upgrade and migration to a new hosted server environment is \$59,231, which consists of an annual licensing fee of \$24,000, an annual maintenance fee which is currently \$32,231, with a contingency of \$3,000 applied to the maintenance portion. The first year has a one-time upgrade fee in the amount of \$15,000 for a total year one cost of \$74,231. For years two through five, the annual contract cost is estimated to be \$59,231, which consists of the aforementioned contingency, licensing and maintenance fees, with annual increases of up to 5 percent. The current annual maintenance fee of \$32,231 is currently budgeted in the General Services Fund Group in the Technology and Innovation Department and is recovered from client departments via TID's MOU.

The one-time upgrade fee of \$15,000 and annual licensing fee of \$24,000 are unbudgeted in FY 20; therefore, an appropriation increase in the amount of \$39,000 in the General Services Fund Group in the Technology and Innovation Department is requested, offset by funds available. Funding for subsequent years for the annual licensing fee of \$24,000 will be requested through the annual budget process and will be charged out to user departments via the annual TID MOU. This recommendation has no staffing impact beyond the budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

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LEA D. ERIKSEN
DIRECTOR OF TECHNOLOGY AND INNOVATION

APPROVED:

THOMAS B. MODICA
ACTING CITY MANAGER

