



INNOVATION TECHNOLOGY

CITY HALL

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CITY COUNCIL STAFF REPORT

Meeting: June 19, 2018

Subject

Cooperative purchasing agreement with Packet Fusion, Inc. for the technology refresh of the City's telephone system.

Recommended Action

Authorize the City Manager to negotiate and enter into a cooperative purchasing agreement with Packet Fusion for Voice over Internet Protocol (VoIP) equipment, technical services, training and five years of maintenance for a total amount of \$204,009.

Description

Staff recommends entering into agreement for the City's telephone system technology refresh with Packet Fusion, Inc. The agreement includes VoIP switches, handsets, unified communications software, related accessories, installation, technical services, project management and five years of premium maintenance of all hardware and software. The proposed VoIP solution will provide a leading-edge unified communication platform.

Discussion

Over twenty years ago the City entered into an agreement with AT&T to provide telephone services to City staff. The agreement included "Centrex" services and hardware. Today the City has roughly 270 Centrex lines at an approximate cost of \$21.00/month/line for a total annual cost of \$68,040. The proposed solution including additional telecom services would result in a savings over five years of \$92,646 as defined below:

	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Current Solution</i>					
Annual Charges	\$ 68,040.00	\$ 68,040.00	\$ 68,040.00	\$ 68,040.00	\$ 68,040.00
<i>Proposed Solution</i>					
Onetime Capital Cost	\$ 160,582.00				
Annual Maintenance Fee	\$ -	\$ 6,743.00	\$ 6,743.00	\$ 6,743.00	\$ 6,743.00
Telecom Fees	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
	\$ 172,582.00	\$ 18,743.00	\$ 18,743.00	\$ 18,743.00	\$ 18,743.00
Annual Savings	\$ (104,542.00)	\$ 49,297.00	\$ 49,297.00	\$ 49,297.00	\$ 49,297.00
Cumulative Savings	\$ (104,542.00)	\$ (55,245.00)	\$ (5,948.00)	\$ 43,349.00	\$ 92,646.00

Innovation & Technology (IT) reviewed options to our current agreement and determined the City was best served by the implementation of a VoIP solution. VoIP would provide the following benefits:

- Cost Savings - as defined above
- Improved Operational Efficiency
- Mobile Device (Laptop, Smartphone & Tablet) Integration
- One Network for Voice and Data
- Day-to-Day Administration by IT Staff

VoIP is the standard for today's business phone system. VoIP provides reduced cost, ease of technical management, enhanced productivity and mobility.

IT reviewed several VoIP offerings and selected Mitel's (formerly ShoreTel) unified communication phone system based on the following:

- Total Cost of Ownership as defined by Aberdeen Research
- Simple to install, manage, use, and grow. Based on reference checks with neighboring cities
- Improved operational efficiency. Again, based on reference checks.

Once the VoIP solution was determined, IT began researching various vendors with the technical skillset to assist staff with the installation on ongoing maintenance.

Packet Fusion, Inc. was selected due to the following:

- NASPO participating Mitel partner for California
- Large California city customer base
- Competitive pricing
- Mitel Platinum Partner
- 24/7/365 Network Operations Center
- 4 hour onsite emergency response

Mitel hardware and licensing as well as Packet Fusion services will be procured under the National Association of State Procurement Officials (NASPO) master price agreement AR627. Contract Amount is \$194,294 with a 5% contingency for a total of \$204,009.

Sustainability Impact

The VoIP software is anticipated to reduce the volume of paper currently used for printed phone directories, conserving natural resources and reducing greenhouse gases generated during the production and disposal of paper.

Fiscal Impact

Existing VoIP funding is allocated in the Innovation & Technology Department to fully fund the implementation and five years of maintenance as outlined in the recommended agreement

Prepared by: Bill Mitchell

Approved for Submission by: David Brandt, City Manager

Attachments:

A – Draft Contract