

STAFF REPORT
City of Lancaster

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10/25/11
MVB

Date: October 25, 2011

To: Mayor Parris and Council Members

From: Barbara Boswell, Finance Director

Subject: **Award of Contract for Phone System, Infrastructure Upgrade, and Internet Service**

Recommendation:

Award contract to Intelesys One for a ShoreTel phone system and infrastructure upgrade in the amount of \$314,781.00 plus an annual hardware/software support fee in the amount of \$14,000.00 (which becomes effective 12 months after installation); award contract for internet service to TW Telecom; award contract for telephone service to TelePacific Communications; and authorize City Manager, or his designee, to execute the contract. Appropriate \$81,340.00 from Technology Infrastructure Reserve to account number 109-4315-751; approve transfer in the amount of \$158,000.00 from 109-4315-291 to account 109-4315-751.

Fiscal Impact:

With appropriation and transfer requested there are sufficient funds available for this project. There are no one-time installation charges for the Internet or telephone services. Recurring monthly service fees will be paid to the new provider instead of the old provider with an estimated monthly savings of \$1,300.00 for telephone service and an estimated monthly savings of \$2,800.00 for Internet service.

Background:

Due to the age, instability, lack of redundancy and inability to upgrade our existing phone system, infrastructure, and Internet service, a need to upgrade has been identified.

The new ShoreTel phone system will allow all departments within our organization to increase efficiencies and effectiveness by streamlining and improving communications with internal and external customers. The ease of use streamlines communication management and its plug-and-play simplicity decreases management resources needed for the phone system. Redundant service established between City Hall and the Maintenance Yard will prevent service interruptions and provide the peace of mind of knowing that normal phone services will exist for all city facilities. Infrastructure upgrades and new internet service are included in this project to ensure the phone system is stable, redundant, and functions as expected. The new internet service connection will provide stability to many locations throughout the city that have remained unstable for several years with our current provider.

For several months, staff has worked with multiple vendors to determine the best solution available to serve the City's needs, including contacting local contractors. Our process included contacting local companies to determine if they were able to provide the necessary services to

complete the system upgrade. We were unable to identify a local vendor that had the necessary experience or resources to do so. The ShoreTel system is the recommended solution and under their current California Multiple Award Schedule (CMAS) contract, the Request for Proposal process is not required.

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