



# CITY COUNCIL STAFF REPORT



July 13, 2021

## ITEM TITLE

City Telephone System: Approve the Purchase of Various Telephone Hardware and Software Items from NIC Partners and a Related Professional Services Agreement

**Report Number:** 21-0099

**Location:** No specific geographic location

**Department:** Information Technology Services

**Environmental Notice:** The Project qualifies for a Categorical Exemption pursuant to the California Environmental Quality Act State Guidelines Section 15301 Class 1 (Existing Facilities) and Section 15303 class 3 (New Construction or Conversion of Small Structures).

## Recommended Action

Adopt a resolution approving a professional services agreement and the purchase of various telephone hardware/software items from NIC Partners, Inc.

## SUMMARY

The City needs to replace its old analogue phone system as the current telephone system is well over 20 years old and lacks the technology and features of a modern enterprise telephone system. This action will approve the purchase of a modern enterprise phone system from NIC Partners, INC which will unify the City's voice communications options. This action will also approve a professional services contract with NIC Partners, INC to install and maintain the new phone system.

## ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project qualifies for a Categorical Exemption pursuant to State CEQA Guidelines Section 15301 Class 1 (Existing Facilities) and Section 15303 class 3 (New Construction or Conversion of Small Structures), because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. Thus, no further environmental review is required.

## BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not Applicable.

## DISCUSSION

In 2017, the City Council approved funding for a complete overhaul of the City's computer network. As part of the overall network design, a new telephone system was contemplated as the current telephone system for the City is well over 20 years old and lacks the technology and features of a modern enterprise telephone system. Further, all of the equipment that is used to operate this antiquated system is no longer manufactured, meaning that if a part fails, IT staff needs to find used parts in order to affect repairs. As time goes on, the availability of spare parts becomes increasingly difficult and puts our voice communication tool in serious risk of failing altogether.

Modern enterprise telephone systems deploy onto computer networks to add significant functionality and ease of operations and maintenance (using Voice Over IP – VOIP). These enhancements will allow workers to have greater connectivity to information even if they are away from their desk. Features such as transcribed voicemail, voicemail to email, teleconferencing, caller ID, group/team calling, presence, advanced call forwarding, and call transport (where an employee can seamlessly move a call from their desk phone to a cell phone mid-call without call interruption) are just a few of the features that will enhance voice connectivity.

Staff is recommending purchasing a Cisco enterprise phone system. Cisco is one of the leaders in enterprise phone systems with a long track record of deploying enterprise phone systems in businesses ranging from small businesses to large multi-national corporations. Because our entire network has been designed and implemented using Cisco hardware and software, installation of a Cisco phone system on top of the network will be seamless as the network was designed to efficiently install the new Cisco phone system. This also allows staff to only work with one vendor on any phone system issues. Because this phone system uses the network as the means of carrying the phone traffic, this avoids the issue of different vendors blaming the other for any issues with the system (which is very common). The Cisco network and phone system were designed to easily integrate without extensive networking changes. Our network has been preemptively configured to install the Cisco phone system.

Staff is also recommending awarding a professional services contract to NIC Partners, INC to install the phone system, as well as provide managed services for the system post installation for a 5-year period. The City currently contracts with NIC Partners, INC to provide managed services for our network. Given the issues outlined in the previous paragraph, NIC Partners, INC is intimately familiar with our network (they also installed the network) and our unique network setup. This will allow the project to move forward at a rapid pace for installation and avoid any issues should networking issues be identified during the installation.

Staff is seeking to award contracts for this project utilizing various competitively bid contracts. Municipal Code § 2.56.140 allows the City to purchase supplies, equipment, and services utilizing cooperatively bid contracts. The ITS Department has identified three competitively bid contracts which meet the requirements of Municipal Code § 2.56.140. City staff is recommending utilizing these contract vehicles for the equipment/software purchase and professional services contract.

The telephone equipment and software will be purchased via a competitively bid contract from NASPO ValuePoint. NASPO ValuePoint is the nation's largest public cooperative contracting organization. All of the cooperative contracts are led by one of the 50 states on behalf of the other states. ValuePoint is a non-profit subsidiary of the National Association of State Procurement Officials to provide states, local governments, public educational entities, etc. with best value contracts to support their important missions. The collaborative software portion of the project will be purchased via another competitively bid contract from Los Angeles Community College District (LACCD). The LACCD Master Agreement services the entire LACCD's nine campuses. The Professional Services (configuration, testing, installation of the network equipment, and 5-year service agreement) contract will be purchased via a California Multiple Award Schedule (CMAS) contract vehicle. CMAS offers a wide variety of commodities, non-IT services and information technology

products and services at prices which have been assessed to be fair, reasonable and competitive. Since the total value of this contract is \$2,300,226, Chula Vista Municipal Code §2.56.140 requires that any “contract, agreement, or arrangement exceeds \$2,000,000, then City Council approval is required.”

All purchases will be through NIC Partners, INC as Cisco does not sell directly to customers. All sales must go through a qualified vendor. NIC Partners, INC is a Premium Partner with Cisco and is an authorized reseller of Cisco equipment and software.

By utilizing these competitively bid contracts, coupled with even deeper discounts from Cisco than the cooperative bids offer, the City will be saving approximately \$ 574,154 on the equipment and installation cost, and approximately \$714,905 on the software/licensing portion of the project. This amounts to a total savings of \$1,289,059 from the competitively bid contracts.

**DECISION-MAKER CONFLICT**

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

**CURRENT-YEAR FISCAL IMPACT**

Funds for this project were included in the Fiscal Year 2021/22 budget, therefor no appropriations are needed. The total cost for this project including hardware, software licensing, installation, and 5 years professional services contract is \$ 2,300,226. A breakdown of the full costs are as follows:

CISCO COST BREAKDOWN BY CATEGORY	
CATEGORY	COST
Phone Equipment	\$ 769,499.21
Software/Licensing	\$ 1,245,726.70
Professional Services Agreement	\$ 285,000.00
<b>TOTAL COST</b>	<b>\$2,300,225.91</b>

The costs enumerated above include all labor to install, test and verify the phone system is fully operational.

**ONGOING FISCAL IMPACT**

There is no fiscal impact to the General Fund for the first 5 years as funds have been appropriated from the available balance of the Measure P Sales Tax Fund. In Fiscal Year 2028, alternative funding will need to be identified to carry on the software licensing and professional services portions of the project.

For long term financial forecasting, the estimated on-going annual costs starting in Fiscal Year 2028 are estimated at \$300,000 for software licensing and \$60,000 for ongoing professional services agreement. These costs should be considered variable due to the inability to accurately estimate costs beyond the five-year agreement contemplated in this action.

**ATTACHMENTS**

- 1. Master Services Agreement

2. Telephone Hardware and Software Quote NICP
3. Managed Services Contract Quote NICP
4. Collaboration and Security Software Quote NICP
5. Statement of Work NICP

*Staff Contact: Edward Chew, Director of Information and Technology Services*