

## Agenda Report

TO:

CITY COUNCIL

**DATE: March 15, 2004** 

FROM:

**CITY MANAGER** 

SUBJECT:

**AUTHORIZATION TO ISSUE A PURCHASE ORDER CONTRACT TO** 

**NEXTIRAONE IN AN AMOUNT NOT TO EXCEED \$362,292.** 

## **RECOMMENDATION:**

It is recommended that City Council authorize a purchase order contract with NextiraOne, LLC for the acquisition and installation of telephone infrastructure required to support employee relocation during the renovation of City Hall for an amount not to exceed \$362,292. Competitive bidding is not required pursuant to City Charter Section 1002[C], contracts for labor, materials, supplies or services available from only one vendor.

## **BACKGROUND:**

On September 30, 2002 the City Council approved a project implementation plan for the seismic retrofit of City Hall. The renovation will require departments with office facilities in City Hall to be temporarily moved to offsite leased buildings, city-owned and modular office facilities in May of 2004. Approximately 375 employees will be re-occupying City Hall upon the completion of building renovations expected in June of 2007. The City's data center, extended telephone system and the staff of the Information Technology Services Division (ITSD) will remain in leased facilities after the completion of City Hall.

The retrofit project has required a re-design of the City's telecommunications infrastructure to support voice services by extending dial tone to retain the existing published telephone-numbering plan to all of the interim and permanent staff locations to be used during and after the renovation of City Hall. ITSD Telecom Services recently completed this re-design and identified the equipment required to extend telephone service to the lease.

On May 12, 2003, the City Council approved the extension of a contract with NextiraOne, LLC for maintenance and repair of the City-Owned Telephone Systems and the option to extend the contract for up to 3 additional one-year periods. The contract extension included pricing for services such as equipment purchases, labor for moves, adds and changes to the telephone system at a labor rate of \$66.30 per hour, increasing by only 4% or \$68.95 per hour in July 2004 per the contract which is less than their published rate of \$115/hour.

Furnishing, Delivery and Installation of Telephone Equipment Page 2

Pursuant to the maintenance contract between the City and NextiraOne, LLC third party contractors are not to perform work on the City's telephone system without NextiraOne authorization. The reason for this is that whatever equipment is added to the system NextiraOne becomes responsible for its maintenance. Moreover, as the telecommunications system is critical to the functioning of the City, it is in the City's interest to maintain system integrity by limiting access to one vendor. For these reasons, NextiraOne is in effect, a sole source provider for the equipment and services necessary to provide, install and relocate the telecommunications equipment during the seismic retrofit project.

## **FISCAL IMPACT:**

Sufficient funds are available in the following budget accounts: \$30,165 in the Computing and Communications Fund 501; and \$ 332,096 in the City Hall Retrofit account 301-767100-71904. These funds were anticipated as a part of the City Hall Project budget.

Respectfully submitted,

YNTHIA J KURTZ

City Manager

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