

Agenda Report

November 16, 2015

TO: Honorable Mayor and City Council

FROM: Department of Information Technology

SUBJECT: AUTHORIZATION TO ENTER INTO MASTER CONTRACTS WITH VERIZON WIRELESS AND SPRINT SOLUTIONS, INC. TO PROVIDE WIRELESS VOICE AND BROADBAND SERVICES AND EQUIPMENT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed contracts are exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b) (3);
2. Authorize the City Manager to enter into a master contract with Verizon Wireless to provide wireless voice and broadband services and equipment (smartphones, cell phones, tablets, netbooks, hotspots, and accessories) in an amount not to exceed \$255,000 per fiscal year for four years through June 30, 2019 for a grand total not to exceed of \$1,020,000. The proposed contract is exempt from the competitive bidding requirements pursuant to Charter section 1002(H), contracts with other governmental entities or their contractors for labor, material, supplies, or services;
3. Authorize the City Manager to enter into a master contract with Sprint Solutions, Inc. to provide wireless voice and broadband services and equipment (smartphones, cell phones, tablets, netbooks, hotspots, and accessories) in an amount not to exceed \$60,500 per fiscal year for four years through June 30, 2019 for a grand total not to exceed of \$242,000. The proposed contract is exempt from the competitive bidding requirements pursuant to Charter section 1002(H), contracts with other governmental entities or their contractors for labor, material, supplies, or services; and
4. Grant the proposed contracts an exemption from the competitive selection process pursuant to PMC section 4.08.049 (B), contracts for which the City's best interests are served.

BACKGROUND:

Historically, City departments have individually engaged various wireless providers for voice and broadband services, as well as equipment and accessories. These wireless services support dedicated business equipment in the field and office for several City departments per Attachment A, which is a representative sample of the levels and types of services by department. This includes air card services for mobile data computers in Police vehicles, code enforcement inspectors, parking enforcement support and communications, and utility meter reading operations among others. Monthly payments for the majority of these services have been made using City Purchasing Cards issued to staff at various levels across multiple departments. While automatic monthly payment via a Purchasing Card may be convenient, it doesn't provide an optimum means to track approvals, usage and cost for these services on a citywide basis.

Given the aforementioned, in May of this year, an internal policy was drafted revising what activities Purchasing Cards could be utilized for. The policy prohibited use to pay for recurring monthly services like wireless, while allowing uses for other things such as preauthorized travel expenses, annual membership dues for approved professional associations, preapproved training courses, periodic subscription installments for professional printed or electronic materials, and payment of advertising and notices. Because of this, a new payment vehicle is required to continue to utilize these services.

Subsequently, a citywide analysis of wireless service providers was conducted to gauge what providers were being used, and to what extent. This analysis also provided an opportunity for departments to audit the services they were receiving, eliminate those that no longer made practical business sense, and evaluate any new service options that may assist their operations better. Through this analysis, the overwhelming wireless provider of choice currently is Verizon Wireless with an annual cost of \$255,000 per the summary below.

Department	AT&T	Sprint	Verizon
City Manager			2,000
Fire		3,500	27,000
Housing			2,000
Human Services & Recreation	7,500		
Information Technology	3,500	57,000	21,000
Libraries & Information Services	3,000		1,000
Planning & Community Development			11,000
Police			40,000
Public Health			9,000
Public Works			13,000
Transportation			24,000
Water & Power			105,000
Annualized Total:	14,000	60,500	255,000
Estimated Total - 4 Years thru 6/30/19	56,000	242,000	1,020,000

Since the master contracts will be for four years through June 30, 2019, the annual cost does include an inflationary growth factor to account for changes in services, pricing, fees and taxes over time. Staff is recommending authorization for the City Manager to enter into master contracts with Verizon Wireless and Sprint Solutions, Inc. for \$1,020,000 and \$242,000 respectively for four years ending June 30, 2019. Because the wireless services currently provided by AT&T do not exceed \$74,999 in aggregate citywide over the four-year term of the contract, City Council approval is not needed at this time.

Moving forward, the purchase of wireless voice and broadband services and equipment including smartphones, cell phones, tablets, netbooks, hotspots, and accessories for Verizon Wireless and Sprint Solutions, Inc. will be made through National Association of State Procurement Officials (NASPO) ValuePoint Contracts: #7-10-70-16 for Verizon Wireless and #7-10-70-15 for Sprint Solutions, Inc, formerly known as Western States Contracting Alliance (WSCA-NASPO) master service contract #1907. NASPO ValuePoint contracts are nationally solicited, evaluated and awarded through a competitive bidding process and are available for use by all state agencies and California political subdivisions and local governments including cities, counties, and public schools and universities. The contract term runs through June 30, 2019. Using the NASPO ValuePoint contracts provides the City with the most cost-effective and efficient acquisition of services, superior terms and conditions and volume pricing discounts.

With approval of these master contracts with Verizon Wireless and Sprint Solutions, Inc., departments who currently utilize these services will open up individual purchase orders that reference these master contracts, inclusive of any terms and conditions therein. Proper approvals will be obtained and spending thresholds monitored through the financial system.

COUNCIL POLICY CONSIDERATION:

These master contracts support the City Council's strategic goal to maintain fiscal responsibility and stability.

ENVIRONMENTAL IMPACT:

These master contracts are exempt from CEQA per section 15061(b) (3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed action will not result in any new development or physical changes.

FISCAL IMPACT:

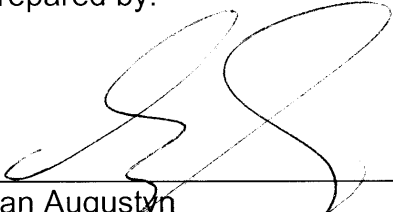
The cost of this action is estimated at \$315,500 annually combined for these master contracts. Funding for this action will be addressed by the utilization of existing budgeted appropriations in various services and supplies accounts from the departments previously listed in this report.

Respectfully submitted,



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Chief Information Officer

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Approved by:



MICHAEL J. BECK
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Attachments: (3)

Attachment A – Summary of Wireless Services by Department

Attachment B – Taxpayer Protection Amendment – Verizon Wireless

Attachment C – Taxpayer Protection Amendment – Sprint Solutions, Inc.