

Agenda Report

TO: CITY COUNCIL
Through: Finance Committee

DATE: January 22, 2007

FROM: CITY MANAGER

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH NORTEL NETWORKS, INC. FOR IMPLEMENTATION OF INTERACTIVE VOICE & WEB RESPONSE TECHNOLOGY AND AMENDMENT TO THE FISCAL YEAR 2007-2012 CAPITAL IMPROVEMENT PROGRAM BUDGET

RECOMMENDATION

It is recommended that the City Council:

1. Amend the fiscal year 2007-2012 Capital Improvement Program budget to include a new project, "IVR/IWR Replacement" (budget account 71207).
2. Approve a journal voucher recognizing and appropriating \$433,369 to project 71207 (IVR/IWR Replacement), \$183,986 from the unappropriated Computing and Communication Fund balance and \$249,383 from the unappropriated Building Services Fund balance; appropriating \$201,312 from the unappropriated Power Fund balance to project 3026 (Electric System IVR) and appropriating \$108,399 from the unappropriated Water Fund balance to project 1016 (Water System IVR).
3. Authorize the City Manager to enter into a contract without competitive bidding pursuant to City Charter Section 1002(F), contracts for professional or unique services, with Nortel Networks, Inc. for the purchase and implementation of an IVR/IWR system in an amount not to exceed \$800,780; which includes \$762,648 for the base scope of services and \$38,132 (or 5%) for any additional services the City may request.

COMMISSION RECOMMENDATION

On November 8, 2006, the Planning Commission found the IVR/IWR Replacement project to be consistent with the General Plan.

BACKGROUND

Interactive Voice Response (IVR) is an automated process that allows a person, using a telephone, to select an option from a voice menu and interface with a computer system. Generally, IVR plays pre-recorded voice prompts to which the caller presses a number on a telephone keypad to select the option chosen, or speaks simple answers such as "yes", "no", or numbers in response to the voice prompts. Interactive Web Response (IWR) is the Internet-based equivalent of IVR. Instead of the telephone, a secure Web page is used as the interface with a computer system, enabling a person to select menu options and to enter and receive data and instructions.

The City of Pasadena originally implemented an integrated IVR/IWR system for Planning & Development (IVR) and Pasadena Water & Power (IVR & IWR). An additional IVR application was developed for Human Services & Recreation.

Subsequent to addition of the Human Services & Recreation IVR application, three events occurred that altered the future for any further IVR and IWR development:

- 1) Key components of the system had reached the end of their anticipated life cycle. The operating system platform for all of the system's computers was deemed non-supported by Microsoft. This situation dictated that the computer operating system must be upgraded to a current version that would be fully supported by Microsoft.

A similar situation exists with the Automatic Call Distribution (ACD) and Private Branch Exchange (PBX) components of the City's telephone system that are utilized by IVR/IWR. Both ACD and PBX are non-supported and can't be upgraded until the IVR/IWR system is replaced. Additionally, the existing support contracts for ACD and PBX expire in July, 2007. The cost for renewing these contracts with non-supported components is considerably more expensive than standard contracts with supported components.
- 2) The City had continuously experienced problems with inadequate support from the current IVR/IWR vendor. This has at times created outages for the departments and citizens that rely on the IVR/IWR services provided by the City. Repeated consultations with the current IVR/IWR vendor had not led to satisfactory resolution of the support problems.
- 3) The current IVR/IWR vendor had communicated to the City that the applications were also reaching the end of their anticipated life cycles and must be replaced.

Consideration had been given to addressing each of these issues separately. Upon further analysis, however, it became clear to City staff that all of these issues were inter-related and the only effective solution was complete replacement of the City's IVR/IWR system.

A Request For Proposals was issued requesting proposals for replacement of the City's IVR/IWR system. This RFP included current functional requirements as well as desired new functionality.

One proposal was submitted in response to this RFP, which was deemed non-responsive.

Subsequently, staff conducted an expanded outreach to those vendors considered most capable of delivering an IVR/IWR solution. Three vendors were chosen based on their experience in the industry and knowledge of the City's technology and telecommunications environment:

- 1) Nortel Networks, Inc. – the City's current ACD provider
- 2) First Data Government Solutions, LP (Formerly Frank Solutions, Inc.) – the City's current IVR/IWR provider
- 3) NextiraOne, LLC – the City's current telephone provider

Each vendor was contacted and asked to provide a proposal to the City based on the required scope of work. The City received proposals from all of the vendors contacted and a panel consisting of staff members from ITSD reviewed the proposals. After each panel member scored the proposals, ratings were averaged to arrive at the final score for each proposal. Based on the final scores, the panel determined that Nortel Networks, Inc. was the vendor best suited to meet the City's needs (detail of the assigned ratings is provided in Attachment 1):

Proposer	Total Score (out of 100)
Nortel Networks, Inc. in Partnership with Chrysalis Software, Inc.	80.5
First Data Government Solutions, LP (FDGS)	34.5
NextiraOne, LLC in Partnership with Interoice, Inc.	31.7

It was determined during panel evaluation that Nortel Networks, Inc in partnership with Chrysalis Software, Inc. had a clear advantage over the other vendors in providing a one-stop solution for all of our current and future needs:

- 1) Seamless integration with the City's telecommunications technology (ACD and PBX)
- 2) A detailed, manageable process for updating and enhancing IVR, IWR and telephone applications

- 3) Staff that is certified in the products and services utilized by the City
- 4) An excellent understanding of the City's technology environment
- 5) A shared appreciation for the importance of system security and its effective application
- 6) A solid partnership with Chrysalis Software, Inc. (over 12 years)
- 7) A fully developed, proactive support structure that provides highly trained personnel 24 hours a day, 7 days a week
- 8) Comprehensive customer training and documentation
- 9) An architecture that will allow for efficient expansion of the City's IVR/IWR capabilities as well as provide other telephone services

The proposed contract is in the amount of \$800,780 and will include the following services:

- Replacement of current IVR/IWR functionality for Pasadena Water & Power, Planning and Development and Human Services & Recreation.
- Development and installation of new IVR/IWR functionality for the Fire Department, as well as the existing departments.
- Provision of hardware and software support.

Delivery will occur approximately 28 weeks from the start of service.

The contract to provide these information technology services fully complies with the Competitive Bidding and Purchasing Ordinance.

FISCAL IMPACT

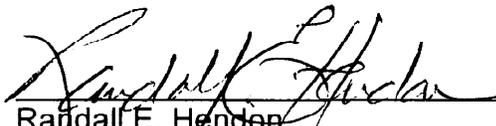
Approval of the staff recommendation will create CIP project 71207 (IVR/IWR Replacement) with appropriations of \$433,369, increase appropriations in CIP project 3026 (Electric System IVR) to \$417,912 and increase appropriations in CIP project 1016 (Water System IVR) to \$315,899 for total IVR/IWR project appropriations totaling \$1,167,180.

Maintenance agreement costs for hardware and software are estimated to be \$119,771 annually for 5 years. Hardware and software maintenance costs will be shared by all departments using the IVR/IWR system, based on call volumes and functional use of the IVR/IWR system. This cost will be included in the recommended operating budget for FY 2008.

Respectfully submitted,


CYNTHIA J. KURTZ
City Manager

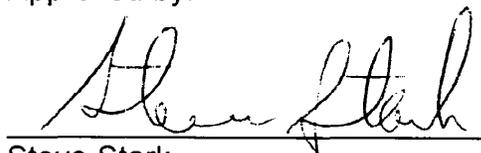
Prepared by:


Randall E. Henden
IT Analyst III, Project Manager
ITSD, Finance Department

Reviewed by:


John R. Pratt
Chief Information Technology Officer
ITSD, Finance Department

Approved by:


Steve Stark
Director
Finance Department

ATTACHMENT 1

**IVR/IWR TECHNOLOGY - PROPOSAL SCORES
(AVERAGE OF INDIVIDUAL PANELIST RATINGS)**

Proposer	Technical Project Approach (Platform, Hardware and Software) (20 points possible)	Administrative Project Approach (Project Management) (20 points)	System Service and Maintenance (20 points)	Related Project Experience (20 points)	Price (15 points)	Local Pasadena Business (5 points)	Small or Micro-Business (5 points)	Total Score
Nortel/Chrysalis	19.5	17.5	20.0	11.5	12.0	0.0	0.0	80.5
First Data Government Solutions (FDGS)	8.0	6.3	7.2	0.5	12.5	0.0	0.0	34.5
NexiraOne/InterVoice	9.3	7.7	6.0	3.7	5.0	0.0	0.0	31.7

ATTACHMENT 2
TAXPAYER PROTECTION DISCLOSURE

Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment of 2000
Pasadena City Charter, Article XVII

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than a 10% equity, participation, or revenue interest in Contractor/Organization, as follows:
(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name:

NORTEL NETWORKS INC. A DELAWARE CORPORATION ("NNT")

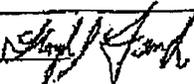
2. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

PLEASE SEE ATTACHMENT A HERETO FOR A COMPLETE LIST
OF NNT DIRECTORS AND OFFICERS.

3. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

NORTEL NETWORKS INC, A DELAWARE CORPORATION IS OWNED
BY NORTEL NETWORKS LIMITED, A CANADIAN CORPORATION.

Prepared by: LLOYD J. FERRARO, JR.
Senior Director
Contracts Administration



Title: _____

Date: 12 SEPTEMBER 2006

For office use only:
Contract/Transaction No. _____

If not a contract, type of transaction: _____

Nortel Networks Inc.
September 12, 2006

CURRENT DIRECTORS

Name	Elected	Citizenship	Residence
Sledge, Karen Elizabeth	2006-01-23	USA	USA
Stevenson, Katharine Berghuis	2002-01-18	Canada/USA	Canada

CURRENT OFFICERS

Title	Name	Appointed
President	Sledge, Karen Elizabeth	2006-01-24
Vice-President, Tax	Krebs, Laurie Ann	2002-11-04
Vice-President, Finance	Scott, Allen Keith	2002-11-04
Secretary	LaSalle, William Joseph	2002-11-04
Treasurer	Poc, Kimberly P.	2006-01-24
Assistant Secretary	Davies, Gordon Allan	2005-01-14
Assistant Secretary	Bgan, Lynn C.	1996-10-23
Assistant Secretary	Gigliotti, Thomas Andrew	2002-03-22
Assistant Secretary	Higginbotham, Ernest Ryan	2002-03-22
Assistant Secretary	Knudsen, Paul T.	2000-05-24
Assistant Secretary	Moriah, Claudio	2006-05-02

L. J. Ford 09/12/2006