



CITY COUNCIL STAFF REPORT

DATE: May 1, 2013

CONSENT CALENDAR

SUBJECT: AGREEMENTS WITH VERIZON FOR VARIOUS CITY FACILITIES AND THE AIRPORT FOR TELECOMMUNICATION SERVICES FOR A THREE-YEAR PERIOD

FROM: David H. Ready, City Manager

BY: Information Technology Department

SUMMARY

The City Council will consider waiving the competitive bidding requirement pursuant to Municipal Code Section 7.04.020; approving two agreements with Verizon, as the sole source provider, for telecommunication services at various city facilities and the airport for a three-year period.

RECOMMENDATION:

1. Waive the competitive bidding requirement pursuant to Municipal Code Section 7.04.020.
2. Approve two agreements with Verizon, as a sole source provider, for basic telephone dial tone services at various city facilities and Integrated Services Digital Network, Primary Rate Interface, (ISDN PRI) at the airport, for a 3-year period at the rates approved by and on file with the California Public Utilities Commission in a form acceptable to the City Attorney.
3. Authorize the City Manger to execute all necessary documents.

STAFF ANALYSIS:

Verizon is the local exchange carrier that provides telephone dial tone to the City of Palm Springs. Verizon is also the provider of local-toll and long-distance toll as well as the provider of circuits and CentraNet and Multi Location CentraNet services which allow diverse City locations to be tied together on a local network. For an account the size and diverse as the City, Verizon is the sole source provider for these services, and in accordance with the City Charter and Palm Springs Municipal Code Section 7.04.020 the City may acquire these services without competitive procedures.

Item No. 2.1.

It should be noted that staff has conducted due diligence and reached out to other providers; however, there has never been any interest or response based on the size and complexity of the account and market conditions.

Verizon currently provides 51 lines of basic telephone dial tone service to various City locations that do not require Multi Location CentraNet or other specialized features, and ISDN PRI circuits for the Airport's telephone system to bring 24-channel inbound and outbound phone service.

The City traditionally has entered into three-year agreements with Verizon to qualify for the discounted rates.

FISCAL IMPACT:

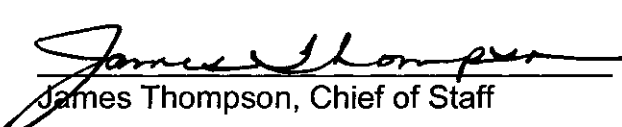
1. City Facilities:

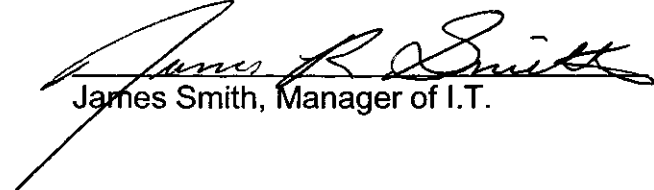
Without an agreement, tariff rates of \$770.00 per circuit per month would apply. The three-year contractual agreement rates are \$320.00 per circuit per month. The fiscal impact is a savings of \$450.00 per circuit per month. There are two circuits servicing city facilities; therefore, the annual savings will be \$10,800.00, or \$32,400.00 for the three year period.

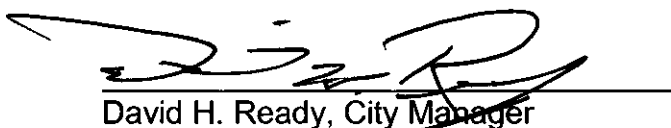
2. Airport:

Without an agreement, tariff rates of \$27.95 per line per month per line would apply. The three-year contractual agreement rates are \$19.00 per line per month. The fiscal impact is a savings of \$8.95 per line per month. There are 51 lines at the airport; therefore, the annual savings will be of \$456.45, or \$1,369.35 for the three year period.

The total annual savings will be \$11,256.45, or \$33,769.35 for the three-year period. Funds have been budgeted for this expense in account 001-1120-42015.


James Thompson, Chief of Staff


James Smith, Manager of I.T.


David H. Ready, City Manager