



CITY COUNCIL STAFF REPORT

DATE: December 4, 2013

CONSENT CALDNDAR

SUBJECT: VERIZON ISDN PRI CIRCUIT AGREEMENT

FROM: David H. Ready, City Manager

BY: Information Technology Department

SUMMARY

As part of multiple services, Verizon currently provides Flexgrow circuits for the City Hall and Police Department telephone systems to bring (4) 24-channel inbound and outbound phone service. Verizon is phasing out Flexgrow circuits and we need to move to ISDN PRI (Integrated Services Digital Network, Primary Rate Interface) circuits.

RECOMMENDATION:

1. Waive the competitive bidding requirement of the Palm Springs Municipal Code section 7.04.020.
2. Enter into a new agreement for ISDN PRI telecommunication services from Verizon 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 Manager to execute the documents necessary for this purpose.

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 diversity of the City, Verizon is the sole source for these services and, in accordance with the City Charter and Palm Springs Municiple Code section 7.04.020 the City may acquire these services without competitive procedures.

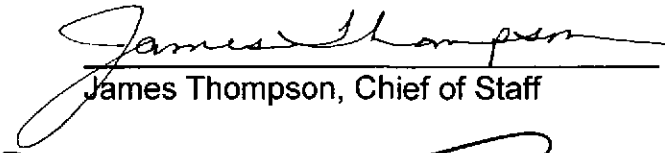
It should be noted that staff has conducted due diligence and reached out to other providers, however there has never been any interest or response based on the size of the account and market conditions.

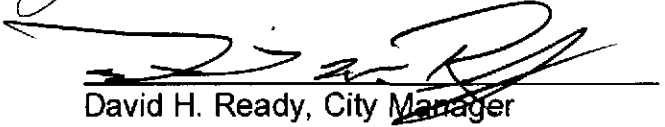
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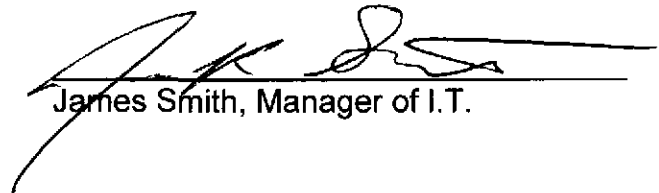
FISCAL IMPACT:

The ISDN PRI circuits will be \$408.26 for each circuit per month, which is \$1633.04 per month for all 4 circuits. Annual cost for all 4 circuits is \$19,596 per year or \$58,789.44 for the three year period. This represents an increase from the outgoing Flexgrow product. The increase is \$41.26 per month per circuit, or \$165.04 per month for all 4 circuits, which is an annual increase of \$1980.48.

Funds have been budgeted for this expense in account 001-1120-42015.


James Thompson, Chief of Staff


David H. Ready, City Manager


James Smith, Manager of I.T.