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DEPARTMENT OF
GENERAL SERVICES

OFFICE OF THE DIRECTOR

CITY OF SACRAMENTO
CALIFORNIA
July 14, 1992
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DIVISIONS:

COMMUNICATIONS
FACILITY MANAGEMENT
FLEET MANAGEMENT
PROCUREMENT SERVICES

City Council
Sacramento, California

Honorable Members In Session:

SUBJECT: RECOMMENDATION FOR AWARD OF BID NO. 1566, RADIO PAGING SERVICES, IN A TOTAL AMOUNT OF \$107,655.02

LOCATION AND COUNCIL DISTRICT

City-wide - All Districts

SUMMARY

Attached is a tabulation of sealed proposals received by the City Clerk for furnishing services in accordance with specifications adopted by the City Council and recommendation of bid award for the following:

Radio Paging Services being purchased by the Communications Division for use by various City departments.

RECOMMENDATION

It is recommended that, in the City's best interest, the City Council accept the lowest responsible bid submitted per Chapter 57 of the Sacramento City Code, as follows:

<u>Bid</u>	<u>Bidder</u>	<u>Items Awarded</u>	<u>Contract Amount</u>
Radio Paging Service (Attachment #1)	Metromedia Paging Service 10461 Old Placerville Rd., #150 Sacramento, CA 95827	All - Option III	\$107,655.02

It is recommended that the City Manager be authorized to enter into an agreement with Metromedia for the purchase of new pagers and service as specified in Bid No. 1566, in the initial amount not to exceed \$107,655.02.



It is further recommended that the City Council authorize subsequent purchase(s) of identical units under the same terms and conditions during the term of this contract, providing such purchase(s) has/have been budgeted and approved by the City Council.

BACKGROUND

Specifications for Paging Services were adopted by the City Council on May 12, 1992 and bids were called for by the City Clerk on June 3, 1992. At that time the City of Sacramento owned 459 pagers (373 digital, 65 voice and 21 tone). With recent additions of seasonal personnel, the City now maintains 477 pagers (391 digital, 69 voice and 17 tone). The specifications called for an initial contract term of 3 years and provides for 3 additional one-year extensions at the City's/Vendor's option. The initial 3-year term allowed vendors to amortize the cost of new pagers over an extended period of time which resulted in bids favorable to the City. The paging specifications provided for three major options and allowed for variations to each option.

Currently, 82% of the City's pagers are digital and 14% of the pagers are voice. Digital pagers are less than half the cost of voice pagers when priced over a 3 year period (\$209.08 - \$490.73). The bid specifications allowed the City to add or reduce the pager inventory in any combination which represents its best interest. Therefore, after tabulating the bids, the Communications Division optimized the results by asking the 69 voice pager users in the City's departments if digital pagers would meet their needs. The process reduced voice pager users to 19.

Since alpha numeric pagers cost less than voice pagers, the savings effort continued by asking the remaining 19 voice pager users if the alpha numeric pagers would meet their needs. The second process resulted in 18 alpha numeric pagers and one voice pager being requested. The resulting effort with Council's approval, represents a significant savings to the City as noted in Option 3 below: (see Attachment II).

Option 1

Option 1 would use existing old paging equipment and continue existing service with Digital Mobile Communications. The City's existing digital pagers are from new to 3 years old. The tone and voice pagers are in most cases more than 3 years old. Since Option 1 is more expensive than Option 3 and uses old equipment, it is not recommended. Attachment II shows the Option 1 and Option 3 comparisons for 36 months and 72 months. The 72 month advantage of Option 3 over Option 1 is \$57,376.18 [\$227,581.20 - \$170,205.02].

Option 2

Option 2 would provide all new leased pagers and change service to Metromedia, however, since Option 2 costs \$50,654.98 more than Option 3, it is not recommended [\$220,860.00 - \$170,205.02] (see Attachment II).

Option 3

Option 3 would provide new City-owned pagers and change service to Metromedia. Option 3 offers the City the best pager service and coverage at the lowest price. The Metromedia bid shown in Table 1, Option 3 is the lowest and most responsive bid for the City. Option 3 shows a 36-month savings of \$43,732.16 [\$151,387.18 - \$107,655.02] and a 72-month savings of \$92,169.80 [\$262,374.82 - \$170,205.02], when compared to the next lowest responsible bid (see Attachment II).

FINANCIAL CONSIDERATIONS

Funds for these purchases will be made available in various using Departments budgets as recommended to and approved by Council during the term of this contract. The initial contract amount shall not exceed \$107,655.02 (see Bid Tabulation sheets - Attachments I and II).

Approval is also being requested to purchase additional paging services as required during the term of this agreement, which will be included in various department budgets and approved by Council.

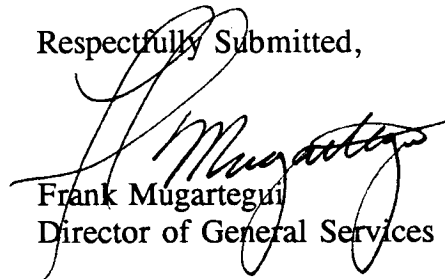
POLICY CONSIDERATIONS

These recommendations are consistent with the requirements for competitive bidding as detailed in Chapter 57 of the Sacramento City Code.

MBE/WBE

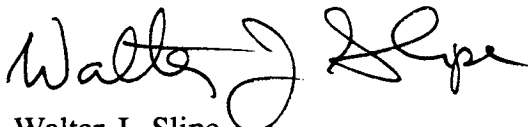
Requests for bid were sent to fourteen vendors, one of whom is a Minority or Woman Owned Business. No responses were received from M/WBE vendors.

Respectfully Submitted,



Frank Mugartegui
Director of General Services

Recommendation Approved:



Walter J. Slipe
City Manager

1 Attachment

Contact For More Information:
Dennis Kerhulas, Senior Buyer, 433-6240

For Council Agenda of:
July 14, 1992

SUMMARY

**BID TABULATION SHEET FOR
BID NO. 1566 - RADIO PAGING SERVICES**

<u>Bidder</u>	<u>Total Option #3</u>	<u>City Tax Preference</u>	<u>Payment Discount</u>	<u>Net Bid</u>
Metromedia Paging Service	<u>\$107,655.02</u>	No	No	<u>\$107,655.02</u>
Metrocall	Voice pagers not offered by vendor	N/A	N/A	
Digital Mobile Communications	\$151,765.63	1%	No	\$151,387.18

Total Award of Contract To: Metromedia Paging Service
 10461 Old Placerville Rd., #150
 Sacramento, CA 95827

Original Estimated Cost: \$125,000.00

Total Bid Amount: \$107,655.02

Total Amount of Contract: \$107,655.02

Using Department: Communications Division for various City departments

Due Date: June 3, 1992

Total No. of Bids Solicited	No. of M/WBE Bids Solicited	No. of M/WBE Responses	Award to M/WBE Vendor?
14	1	0	No

BID TABULATION

OPTION ONE: Continue existing service for 477 existing, used pagers (391 digital, 69 voice, and 17 tone):

<u>Bidder</u>	<u>36 months</u>	<u>72 months</u>
Metromedia Paging Service	No bid	No bid
Metrocall Paging	No bid	No bid
Digital Mobile Communications	\$113,790.60	\$227,581.20

OPTION TWO: Lease 477 new pagers (441 digital, 1 voice, 17 tone and 18 alpha/numeric):

<u>Bidder</u>	<u>36 months</u>	<u>72 months</u>
Metromedia Paging Service	\$110,430.00	\$220,860.00
Metrocall Paging	Voice pagers not offered	
Digital Mobile Communications	\$119,269.44	\$238,538.88

OPTION THREE: Purchase 477 new pagers (441 digital, 1 voice, 17 tone and 18 alpha/numeric):

<u>Bidder</u>	<u>36 months</u>	<u>72 months</u>
Metromedia Paging Service	\$107,655.02	\$170,205.02
Metrocall Paging	Voice pagers not offered	
Digital Mobile Communications	\$151,387.18	\$262,374.82

SUMMARY OF OPTIONS

<u>Opt</u>	<u>Low Bidder</u>	<u>36 months</u>	<u>72 months</u>
1	Digital Mobile Communications	\$113,790.60	\$227,581.20
2	Metromedia Paging Service	\$110,430.00	\$220,860.00
3	Metromedia Paging Service	\$107,655.02	\$170,205.02

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