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APPROVED  
BY THE CITY COUNCIL

JUL 21 1998

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DEPARTMENT OF  
FINANCE

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

July 21, 1998

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City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: EXTENSION OF CONTRACTS FOR TELEPHONE EQUIPMENT AND  
MAINTENANCE SERVICES**

**LOCATION AND COUNCIL DISTRICT:** City-wide; All districts

**RECOMMENDATION:**

Staff recommends that the City Council authorize the extension of two telephone and maintenance services contracts with Telelink Business Telephone Systems resulting from Bids 1571 and 1596 through January 31, 1999, or until such time new specifications can be developed and the services competitively bid.

**CONTACT PERSONS:**

Richard Daniels, Telecommunications Manager, 264-8512  
Dennis Kerhulas, Senior Buyer, 433-6242

**FOR COUNCIL MEETING OF:** July 21, 1998

**SUMMARY:**

Two contracts for telephone equipment and maintenance services expired on June 30, 1998 (reference formal competitive Bid Nos. 1571 and 1596, respectively). Staff requests that these contracts be extended through January 31, 1999, or until such time new specifications can be developed and the services competitively bid. The contractor has agreed to continue providing equipment and services under the current terms, conditions and pricing.

**BACKGROUND:**

In August 1992 and in March 1993, formal competitive bids were solicited resulting in the City Council authorizing the City Manager to enter into a six year Telephone Equipment and Services contract (Bid 1571) and a five year Telephone Maintenance Services contract (Bid 1596). The City Council awarded both contracts to Telelink and both contracts were scheduled to end June 30, 1998.

The specifications for both bids are extensive. Before new bids are requested, the specifications must be carefully reviewed and customer input requested. In addition, records of complaints and other experiences

will be reviewed and used to upgrade the specifications. This is a time consuming process and this year it arrived at a time when budget and reorganization issues were a priority. The result was a delay in assembling information needed to complete revisions to the contract specifications. The requested extensions will allow staff sufficient time to properly develop revised specifications and to solicit formal competitive bids. In addition, the new contract(s) will have starting and ending dates that will no longer coincide with the change of the fiscal year, allowing a smoother contract transition in the future. Telelink has agreed to continue providing equipment and services under the current terms, conditions and pricing for both contract extensions.

**FINANCIAL CONSIDERATIONS:**

Expenditures on the average have been about \$25,000.00 per month for telephone equipment and maintenance services. Total expenditures during the contract extension period are anticipated not to exceed \$200,000.00. Funds are included in departmental budgets for the equipment and maintenance services and no budget augmentations are requested.

**ENVIRONMENTAL CONSIDERATIONS:**

Ongoing administrative and maintenance activities, such as purchases of maintenance services, which are not made for purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Section 15061(b)(1), 15378(b)(3).

**POLICY CONSIDERATIONS:**

This recommendation is consistent with the requirements for competitive bidding as detailed in Title 57 of the Sacramento City Code.

**MBE/WBE EFFORTS:**

M/WBE participation was solicited in both bids. Of the total responses received one M/WBE firm responded in each bid. When requests for bids for the new contracts are issued, all M/WBE firms known or identified in the City Bid Directory that provide these services will be solicited.

Respectfully submitted,



Robert B. Holbrook  
Procurement Services Manager

**RECOMMENDATION APPROVED:**



WILLIAM H. EDGAR  
City Manager