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**DEPARTMENT OF
ADMINISTRATIVE SERVICES**

SALLY W. NAGY
CHIEF INFORMATION OFFICER

**CITY OF SACRAMENTO
CALIFORNIA**

December 4, 2001

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City Council
Sacramento, CA

Honorable Members in Session:

AG 2001-230

SUBJECT: NEW CITYWIDE VOICE-MAIL SYSTEM

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

This report recommends that the City Council approve the attached resolution that approves the suspension of competitive bidding and authorizes the purchase of a citywide premise-based voice-mail system from Voice Systems Research, Inc.

CONTACT PERSON: Sally Nagy, Chief Information Officer, 264-8600

FOR COUNCIL MEETING OF: December 18, 2001

SUMMARY:

This report recommends that the City Council approve the attached resolution authorizing the City Manager and City Clerk to execute an agreement with Voice Systems Research, Inc. (VSR) for a premise-based voice mail-system, in a total amount not-to-exceed \$160,000 over the potential five-year term of the agreement.

COMMITTEE/COMMISSION ACTION: None

BACKGROUND:

The need for a new voice-mail system is driven by the fact that the City's contract with Pacific Bell for the provision of voice-mail services has expired, and Pacific Bell is now providing voice-mail services on a more costly month-to-month basis. Also, the existing system from Pacific Bell does not integrate with either the new telephone system currently in use at two sites in the City or the City's Badge Mail system. In addition, a new telephony system is needed for

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the Interim City Hall location at 900 – 8th Street. It is anticipated that this new telephony system for the Interim City Hall will serve as the prototype for a future citywide telephony system. Therefore, it is important that the new voice-mail system integrate with the new phone system.

Because both updated voice-mail and telephony systems are needed, because they must be fully compatible in order to integrate properly, and due to the many complexities of integrating the two types of systems, staff recently recommended, and the City Council approved, the suspension of formal competitive bidding for both of these systems. On November 20, 2001 the City Council authorized the City Manager to informally competitively bid and/or negotiate contracts for the purchase of citywide integrated voice-mail and telephony systems.

The use of this informal competitive process has allowed staff to work with interested vendors to determine the voice-mail system(s) that offered the greatest value to the City and would integrate with both the current and expected future telephony systems, as well as to negotiate the best possible and most cost-effective contract.

During this time staff has also had the opportunity to re-evaluate the original VSR bid and to analyze the quality of the software code itself. Staff has been live testing VSR's voice-mail program using 70 digital phones since July of this year and has found it to successfully integrate with the City's current Centrex and Cisco systems. Because VSR is a small company, the proposed agreement with VSR will require that the software source code be put into escrow in order to protect the City's interest in case of non-fulfillment of this agreement by the vendor.

It is anticipated that the City will be able to cutover to the new voice-mail system by January 22, 2002. Based upon this projected timetable, training for City employees is already being developed and will be provided on-site by the vendor in coordination with the City University during the weeks of January 7 and January 14, 2002.

FINANCIAL CONSIDERATIONS:

Funding for a new citywide voice-mail system to be implemented during FY 2001-2002 was included in the Information Technology Department budget. Based upon the proposed contract with VSR, no additional funding for FY 2001-2002 will be required. The total cost for the initial two-year contract, including installation and maintenance, will not exceed \$125,000. In the event that the contract is extended for program maintenance, each additional one-year term (not to exceed three additional years) will not exceed \$11,666.66 per year. Therefore, over the potential five-year term of the agreement, the total not-to-exceed amount would be \$160,000.

ENVIRONMENTAL CONSIDERATIONS: None

Ongoing administrative and maintenance activities, such as purchases of supplies, equipment or materials 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, Sections 15061 (b)(1), 15378 (b)(3).

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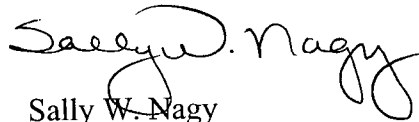
POLICY CONSIDERATIONS:

This recommendation is in conformance with the goals, objectives, initiatives and operating principles of the City's newly adopted Information Technology Strategic Plan. In particular, this recommendation is in accordance with the Technical Architecture Initiative, Goal #1b, "Create a Citywide technology architecture that is based on City business needs." One of the Key Milestones for this Goal is related to Networks and Telecommunications.

ESBD CONSIDERATIONS:

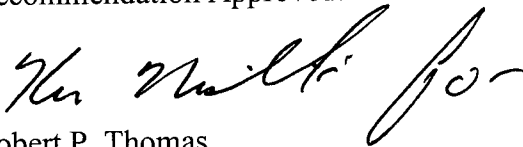
Voice Systems Research, Inc. is a City of Sacramento certified small business firm.

Respectfully submitted,



Sally W. Nagy
Chief Information Officer

Recommendation Approved:



Robert P. Thomas
City Manager

RESOLUTION NO. 2001-840

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION AUTHORIZING THE CITY MANAGER AND CITY CLERK
TO EXECUTE AN AGREEMENT WITH VOICE SYSTEMS RESEARCH, INC.
TO PROVIDE A CITYWIDE PREMISE-BASED VOICE-MAIL SYSTEM
IN AN AMOUNT NOT-TO-EXCEED \$160,000 OVER THE POTENTIAL
FIVE-YEAR TERM OF THE AGREEMENT**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. In the best interest of the City of Sacramento, competitive bidding is hereby suspended for the purchase of a Citywide Premise-based Voice-Mail System from Voice Systems Research, Inc.
2. The City Manager and City Clerk are hereby authorized to execute an agreement with Voice Systems Research, Inc., to provide a Citywide Premise-Based Voice-Mail System in an amount not-to-exceed \$160,000 over the potential five-year term of the agreement.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____