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**INFORMATION TECHNOLOGY
DEPARTMENT**

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**CITY OF SACRAMENTO
CALIFORNIA**

May 2, 2005

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City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: APPROVAL TO PURCHASE CELLULAR PHONE SERVICES FOR
FISCAL YEARS 2005/2006**

LOCATION AND COUNCIL DISTRICT: Citywide – All Districts

RECOMMENDATION:

This report recommends that the City Council adopt the attached resolution:

- Suspending competitive bidding to allow for the purchase of cellular phone services from AT&T/Cingular, Nextel, and Verizon under the provisions of the Western States Contracting Alliance (WSCA) Agreement (requires 2/3 vote); and
- Authorizing the increase of spending for the City Manager to purchase cellular phone services from AT&T/Cingular, Nextel, and Verizon in an amount not-to-exceed \$400,000 for Fiscal Year 2005; and
- Authorizing the City Manager to purchase cellular phone services from AT&T/Cingular, Nextel, and Verizon in an amount not to exceed \$1,500,000 for Fiscal Year 2006.

CONTACT PERSON: Stephen Ferguson, Chief Information Officer, 808-8600
Karl Rosander, Information Technology Manager, 808-8262

FOR COUNCIL MEETING OF: May 17, 2005

SUMMARY:

The City completed a Mobile Communications Study in June 2003 and based upon that Study's Recommendations, the City Council suspended competitive bidding and authorized the purchase of cellular services in the amount of \$700,000 for Fiscal Year 2004 and for up to four (4) additional years from AT&T/Cingular, Nextel, and Verizon under the WSCA Agreement (Resolution No. 2003-440).

On June 22, 2004, the City Council approved a second year under this WSCA Agreement to suspend competitive bidding and purchase cellular services from AT&T/Cingular, Nextel, and Verizon in an amount not-to-exceed \$700,000 (Resolution No. 2004-485).

This report recommends that the City Council authorize an increase in the spending authority to purchase cellular services from AT&T/Cingular, Nextel, and Verizon for an amount not-to-exceed \$400,000 for Fiscal Year 2005. This will bring the total spending for cellular services to \$1,100,000 for Fiscal Year 2005. The factors leading to the necessity for this increase in spending are due to:

- The number of cellular phone services added to City Employees.
- The number and increase in cost of cellular phone equipment purchased by City Employees.
- Departments electing to switch cellular service providers in the middle of Fiscal Year 2005, which necessitates a purchase of new cellular equipment compatible with the new cellular service provider.

This report also recommends that the City Council suspend competitive bidding in the best interests of the City and authorize the City Manager to continue to utilize the WSCA Agreement for the purchase of cellular phone services from AT&T/Cingular, Nextel, and Verizon in an amount not to exceed \$1,500,000 for Fiscal Year 2006. The projects and business needs in this spending include:

- Continued use of cellular phone services as implemented following the Mobile Communications Study in 2003. \$1,000,000
- Added services and accounts for additional or new employees electing to have City provided cellular phone services. \$300,000
- Study and possible implementation of cellular wireless synchronization from City GroupWise to mobile device – such as a Blackberry phone or other Personal Digital Assistant (PDA). \$200,000

COMMITTEE/COMMISSION ACTION: None Required

BACKGROUND INFORMATION:

In June 2003 a Mobile Communications Study Final Report was completed. Based upon the recommendations of that Study, the City negotiated revised pricing structures with the existing cellular phone carriers (AT&T, Nextel, and Verizon). By implementing the Study's recommendations, it was anticipated that the City's annual phone costs would not exceed \$700,000.

In June 2003, the City Council approved the suspension of competitive bidding and authorized the purchase of cellular phone services in an amount not-to-exceed \$700,000 in FY04, and up to four (4) additional years with AT&T, Nextel, and Verizon under the WSCA agreement. The WSCA agreement is a governmental cooperative purchasing agreement that was established by an open and competitive process by other governmental agencies. WSCA membership consists of a consortium of western states (Alaska, Arizona, California, Colorado, Hawaii, Idaho, New Mexico, Oregon, and Washington) that have joined together efforts to implement multi-state contracting to achieve cost-effective and efficient acquisition of quality products and services through cooperative contracting. Provisions in the WSCA allow for use by local governments as well.

Since the WSCA agreement was competitively bid, Government Code Section 14931 provides authorization for all public agencies, which accept the Terms and Conditions, to procure services through this Agreement. In addition, City Code Section 3.56.240, Cooperative Purchasing Agreements, allows for the purchase of supplies and non-professional services through legal contracts of other governmental jurisdictions or public agencies without separate competitive bidding by the City. The use of the WSCA Agreement allows the City to achieve fair and equitable pricing from vendors who have already competitively bid through the Cooperative Purchasing process. This large-scale competitive bidding, done on a multi-state basis, achieves larger quantity discounts that can typically be obtained by smaller governmental jurisdictions. In addition, it also provides for the effective and efficient use of City processing and staff time. It typically requires at least a 10-12 week processing time to: develop bid requests; advertise bid requests; hold pre-bid conference(s); accept and review of bids; develop, review, approve, and award of contract to low bidder; and, if contract is for over \$100,000, obtain approval by the City Council. The time and effort savings achieved by using a Cooperative Purchasing Agreement is a substantial benefit to the City.

It is recommended that the City Council approve the increase of spending for Fiscal Year 2005 and 2006 for the cellular services program by adopting the attached Resolution. This Resolution suspends competitive bidding and authorizes the purchase of cellular phone services from AT&T/Cingular, Nextel, and Verizon under the provisions of the WSCA Agreement to increase spending in Fiscal Year 2005 by \$400,000 and approve a total of \$1,500,000 of spending for Fiscal Year 2006.

FINANCIAL CONSIDERATIONS:

No additional funding is requested. The funding for additional spending for cellular phone services and equipment in the amount of \$400,000 for Fiscal Year 2005 will come from each City Department's Fiscal Year 2005 operating budgets. The funding for cellular phone services, equipment and the mobile device synchronization project in the amount of \$1,500,000 will come from each City Department's Fiscal Year 2006 proposed budgets.

The purchase of cellular phone services with AT&T/Cingular, Nextel, and Verizon, covered under the WSCA Agreement and in accordance with City Code Section 3.56.240, Cooperative Purchasing Agreements, will be under the WSCA Price Agreements as follows:

- a. AT&T/Cingular – WSCA Master Price Agreement No. 10-00115;
- b. Nextel – WSCA Master Price Agreement No. 12-00115; and
- c. Verizon – WSCA Master Price Agreement No. 11-00115.

ENVIRONMENTAL CONSIDERATIONS:

Ongoing administrative and maintenance activities, such as purchases of supplies, equipment or material 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) according to CEQA Guidelines, Section 15061(b)(1), 153778(b)(3).

POLICY CONSIDERATIONS:

This recommendation is in support of the City's Information Technology Strategic Plan and is specifically related to Goal #3: Leveraging Technology.

In addition, the requested action is consistent with existing policy concerning Cooperative Purchasing Agreements in Chapter 3.56.240 of the Sacramento City Code.

ESBD CONSIDERATIONS:

AT&T/Cingular, Nextel, and Verizon are not City-certified ESBD firms.

Respectfully submitted,



Stephen Ferguson
Chief Information Officer

RECOMMENDATION APPROVED:



Robert P. Thomas
City Manager

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RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION SUSPENDING COMPETITIVE BIDDING AND AUTHORIZING THE PURCHASE OF CELLULAR PHONE SERVICES FROM AT&T/CINGULAR, NEXTEL, AND VERIZON IN ACCORDANCE WITH THE WESTERN STATES CONTRACTING ALLIANCE

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

1. In the best interests of the City, competitive bidding is hereby suspended to allow for the purchase of cellular phone services from AT&T/Cingular, Nextel, and Verizon under the Western States Contracting Alliance (WSCA); and
2. In accordance with City Code Section 3.56.240, Cooperative Purchasing Agreements, the purchase of cellular phone services from AT&T/Cingular, Nextel, and Verizon. An increase of \$400,000 for Fiscal Year 2005 and an amount-not-to exceed \$1,500,000 for Fiscal Year 2006 under the following Western States Contracting Alliance agreements is hereby authorized:
 - a. AT&T/Cingular (WSCA Master Price Agreement No. 10-00115);
 - b. Nextel (WSCA Master Price Agreement No. 12-00115); and
 - c. Verizon (WSCA Master Price Agreement No. 11-00115).

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____