

CITY COUNCIL AGENDA: DECEMBER 16, 2014

SUBJECT: REQUEST FOR APPROVAL OF THE TELECOMMUNICATION AND NETWORK UPGRADE LEASE AGREEMENT WITH TELEPACIFIC AND THE SUPPORT CONTRACT WITH GLOBAL CTI

SOURCE: Finance Department – Information Technology (IT) Division

COMMENT: The City currently uses AT&T Centrex telecommunication services which was developed in the mid-1960s to replace the PBX switchboards of large customers. About two years ago, a ShoreTel Voice-Over IP (VOIP) phone system was established at the Transit Center. With this new system in place at the Transit Center, the City is able to expand the same system city-wide without new VOIP implementation cost, thus reducing the cost of upgrading the City's outdated phone network system. The IT Division is proposing to upgrade the City's telecommunications system to VOIP, which includes enhanced features such as visual voice mail, "find me" feature and automatic call distribution. The IT staff has evaluated several proposals and has identified a system that would be suitable to the City's needs.

TelePacific Communications is proposing a 60-month lease agreement for telecommunications voice line services at a monthly lease of \$5,181.08. The lease amount includes the cost of the ShoreTel IP equipment of \$153,466.50, priced under CMAS contract #3-08-70-2630A, and a \$1 buyout option at the end of the 60 months.

The switch from AT&T to TelePacific Communications will result in savings to the City. TelePacific is waiving the PRIs installation cost and is offering a promotional signing credit and lease promotion credit for a total savings of \$13,776.44 in the first year. Annual savings for the next 4 years will be \$7,789.20 and after the 60-day period, the savings will be \$3,800.15 per month.

With the installation of new telecommunications equipment, the IT Division also requests Council approval to enter into an agreement with Global CTI for a 1-year maintenance and support, renewable annually for up to 5 years. The total price for the 1-year support is \$5,992.

Additional appropriation is not required for this project. Funds from the termination of the AT&T services, which is currently appropriated within the departments' FY 2014-15 operating budgets will be the funding source.

Dir MB Approp/Funded ME CM f Item No. 4

RECOMMENDATION:

1. That the City Council approve the upgrade of the City's telecommunications system and award the 60-month lease agreement to TelePacific Communications;
2. That the City Council approve the 1-year support agreement with Global CTI renewable annually for up to 5 years;
3. Authorize the IT Manager to sign all related documents; and
4. Authorize the IT Manager to add or delete equipment and service to these agreements, as they are identified, without modifying the terms and conditions of the agreements.

ATTACHMENTS: TelePacific Communications proposal
ShoreTel Enterprise IP telephone system schedule
Global CTI support agreement

Proposal for: **City of Porterville**

Date: November 14, 2014



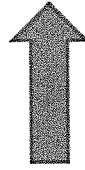
36 month Term

Current Provider(s)			
Service	Qty	Monthly	Install
Centrex Lines	296	\$ 4,510.08	
VoiceMail		\$ 656.97	
Long Distance Usage	4263	\$ 244.17	
PRI - Transit	1	\$ 418.96	
Total		\$ 5,830.18	\$ -
Services to Remain		\$ 624.99	
POTS Lines		\$ 2,465.45	
Misc Circuits			

Monthly Savings:

\$ 3,800.15

Monthly Savings
65%



Lease Option

(60 Month Term)

TelePacific Proposed			
Service	Qty	Monthly	Install
SmartVoice PRIs	3	\$ 1,970.03	\$ 1,500.00
Internet at each location (for backup)	1.5M	included	
Local Usage		unlimited	
Toll Usage		unlimited	
Long Distance	6000	included	
Administrative Service Fee (3%)	1	\$ 60.00	
Waive Installation on PRIs		\$	\$ (1,500.00)
Promotional Signing Credit		\$	\$ (1,500.00)
		\$ 2,030.03	\$ (1,500.00)

TelePacific Proposed with Lease			
Service	Qty	Monthly	Install
SmartVoice PRIs	3	\$ 1,970.03	\$ 1,500.00
Internet at each location (for backup)	1.5M	included	
Local Usage		unlimited	
Toll Usage		unlimited	
Long Distance	6000	included	
Administrative Service Fee (3%)	1	\$ 60.00	
Waive Installation on PRIs		\$	\$ (1,500.00)
Promotional Signing Credit		\$ 2,985.49	\$ (1,500.00)
TelePacific Lease Amt (\$143,533.13)		\$	\$
TelePacific Lease Pmt Taxes		\$ 165.56	\$ (4,487.24)
Lease Promotion			
		\$ 5,181.08	\$ (5,987.24)

\$ 649.10

Monthly Savings with Lease

\$ 13,776.44

1st Year Savings

\$ 7,789.20

Additional Year Savings (each year)

\$ 44,933.24

Savings for 60 Month Term

ROI in Month One.

City of Porterville

Schedule A - ShoreTel Enterprise IP Telephone System
ShoreTel CMAS Contract # 3-08-70-2630A

Line #	Part #	Qty.	Description	Total	Unit	List
1			ShoreTel Software Licenses			
2	30040	27	Mailbox-only License	1,530.90	56.70	90.00
3	29152	1	ShoreTel 14.2 Software (General Release)	0.00	0.00	0.00
4	21020	1	Distributed Voice Services License	626.85	626.85	995.00
5	30044	6	Additional Site License	1,871.10	311.85	495.00
6	60157	1	SBE or SBE-100 Upgrade to Enterprise Edition (available 120 days after SBE software license acti	2,831.85	2,831.85	4,495.00
7	40005	217	Personal Access License	0.00	0.00	125.00
8			ShoreGear Switches			
9	10320	1	ShoreGear 30 - 1U 1/2 width - Max, 30 IP phones, 2 Analog exts, 2 LS trunks	1,004.85	1,004.85	1,595.00
10	10260	2	ShoreGear 90 - 1U 1/2 width - Max, 90 IP phones, 4 Analog exts, 8 LS trunks	3,773.70	1,886.85	2,995.00
11	10322	2	ShoreGear T1K - 1U 1/2 width - Max, 1 T1, ISDN/T1 Digital trunk support only.	4,403.70	2,201.85	3,495.00
12	10321	1	ShoreGear 24A - 1U width - Max. - 24 Analog ports, or 24 "make-me" conference ports	1,886.85	1,886.85	2,995.00
13	10324	7	ShoreGear 50V - 1U 1/2 width. 50 IP phones, 2 Analog exts, 4 LS trunks, 50 mailboxes, 22 hrs of	11,002.95	1,571.85	2,495.00
14	10325	1	ShoreGear 90V - 1U 1/2 width. 90 IP phones, 4 Analog exts, 8 LS trunks, 90 mailboxes, 56 hrs of	2,327.85	2,327.85	3,695.00
15			ShoreTel IP Telephones - CMAS			
16	10512	21	BUNDLE, GSA: IP PHONE IP420 EXTENSION AND MAILBOX LICENSE	5,146.47	245.07	389.00
17	10515	196	BUNDLE, GSA: IP PHONE IP485G EXTENSION AND MAILBOX LICENSE	77,668.92	396.27	629.00
18			Wall Mount Kits & Miscellaneous Items - Non-discountable			
19	10223	10	ShoreGear Rack Mount Tray 1U for Half width switches	650.00	65.00	65.00
20			Installation Equipment			
21			Switch Cable & Hardware (NSP)			
22	MISC	12	Installation Hardware (Cables, Blocks, Connectors & Patch Cords) for ShoreGear switches	1,541.14	128.43	128.43
23						

Equipment Material Total	\$116,267.13
Equipment Handling	\$596.00
Subtotal / Taxable Amount	\$116,863.13
Sales Tax at 8.500%	\$9,933.37
1 Year ShoreCare Support for ShoreGear Switches & Software Pro-Rated	\$0.00
Other Vendor Product Support/Maintenance Total	\$0.00
Installation / Pro-Services	\$26,670.00
Total Price	\$153,466.50

Proposal Date: December 4, 2014.

This price includes material, installation labor, with 1 year parts warranty

This quote will remain valid until December 29, 2014.

Client Name: Ted Williams

Client Signature: X _____

Normal system shipping is 10 business days from time of contract signature. Additional shipping fees will apply for expedite orders.

Account Manager: Greg Tripoli

Date: December 4, 2014.

This quote does not include cabling for IDFs, MDFs, or Structured Cabling.

Client to provide Windows 2012 Server OS or VMware for ShoreWare Applications. (RAID 1 Recommended)

This proposal does NOT include PoE data switches required to power ShoreTel IP Phones.

This design assumes QoS WAN links will be in place by the time of project phase implementation.



City of Porterville

Global CTI Support Agreement - Equipment Covered

Line #	Part #	Qty.	Schedule M - List of Components
1			ShoreTel Software Licenses
2	Covered	27	Mailbox-only License
3	Covered	1	ShoreTel 14.2 Software (General Release)
4	Covered	1	Distributed Voice Services License
5	Covered	6	Additional Site License
6	Covered	1	SBE or SBE-100 Upgrade to Enterprise Edition (available 120 days after SBE software license activation)
7	Covered	217	Personal Access License
8			ShoreGear Switches
9	Covered	1	ShoreGear 30 - 1U 1/2 width - Max, 30 IP phones, 2 Analog exts, 2 LS trunks
10	Covered	2	ShoreGear 90 - 1U 1/2 width - Max, 90 IP phones, 4 Analog exts, 8 LS trunks
11	Covered	2	ShoreGear T1K - 1U 1/2 width - Max, 1 T1, ISDN/T1 Digital trunk support only.
12	Covered	1	ShoreGear 24A - 1U width - Max. - 24 Analog ports, or 24 "make-me" conference ports
13	Covered	7	ShoreGear 50V - 1U 1/2 width. 50 IP phones, 2 Analog exts, 4 LS trunks, 50 mailboxes, 22 hrs of storage
14	Covered	1	ShoreGear 90V - 1U 1/2 width. 90 IP phones, 4 Analog exts, 8 LS trunks, 90 mailboxes, 56 hrs of storage
15			ShoreTel IP Telephones - CMAS
16	Not Covered	21	BUNDLE, GSA: IP PHONE IP420 EXTENSION AND MAILBOX LICENSE
17	Not Covered	196	BUNDLE, GSA: IP PHONE IP485G EXTENSION AND MAILBOX LICENSE
18			

1 Year ShoreCare Support for ShoreGear Switches & Software Pro-Rated \$5,992.00
 **Other Vendor Product Support/Maintenance Total \$0.00
Total Price \$5,992.00

Proposal Date: December 8, 2014.

Gold Support Plan Pro-Rated - - August 11, 2015
This quote will remain valid until January 7, 2015.

I understand that only the products and equipment listed with the status of "Covered" will be supported by ShoreTel, and Global CTI.
Any items omitted or listed with the status of "Not Covered" is not covered under this Service Agreement.

Client Name: Ted Williams

Client Signature: X _____

Account Manager: Greg Tripoli

Date: December 8, 2014.

* Note: ShoreTel charges a 20% surcharge on year 1 support fees for all reinstated ShoreCare agreements, or for agreements renewed after their expiration date.
Special Note: Silver IP telephones are no longer manufactured by ShoreTel, Black IP telephones are the only replacements.