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CITY ADMINISTRATOR'S OFFICE MEMO

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To: Mayor and City Council

From: City Administrator, Kim Downs

Date: July 12, 2017

RE: 2017-All Facility Phone Replacement RFP

Description of Agenda Item:
Replace and upgrade phone system for all city facilities to a VOIP system utilizing city fiber.

Background-
Our city facility phone system is in need of replacement due to aging and unrepairable phone functionality. City facility phones are 9-18 years old and are no longer manufactured. Issues range from unusable voicemail to not being able to transfer a call from one office to another.

The current phone system consists of several smaller systems with a total of 76 digitize phones and four (4) cordless devices, as well as analog devices at each location. The City's dial tone services are provided by ImOn and include 16 copper analog lines as well as one PRI line terminated at City Hall.

The replacement of the phone system has been within the CIP for 5-years with funding available:

- Local Option Sales and Service Tax dollars= $61,000
- City Hall Phone Equipment Reserve Funds= $30,000

In April, council directed staff to proceed with Phone RFP's replacing the old system with a VoIP system connecting all city facilities. Those RFP's have been reviewed. We received a total of six (6) RFP's. Bid's ranged from $78,437.50 to $32,338.46. Of those we interviewed two (2) responsive, responsible vendors. The lowest bid response was considered unresponsive. The vendor did not provide the detail needed to meet the requirements within the RFP.

In review the two (2) lowest, responsive and responsible vendors whose bids fell in the middle of the line are shown below with bid details:

- Technicom - $43,301.50 including a 5-year warranty and software upgrades
- MARCO - $48,081.77 including a 5-year warranty and software upgrades

Re-occurring cost after 5-years consists of:

- Technicom - $1,400
- MARCO - $2,350

Labor Rates consists of :

- Technicom - $94 M-F; $141 after hours nights and weekends
- MARCO - $145 M-F; 11/2 after hours nights and weekends

Recommendation-
Technicom is the lowest responsive responsible bidder in the amount of $43,301.50 with a reoccurring cost after 5-years to be $1,400. Their hourly rates are also lower in comparison to the next lowest responsive responsible bid.

MARCO is the second lowest responsive responsible bidder in the amount of $48,081.77 with a reoccurring cost after 5-years to be $2,350.

Both Technicom and MARCO will both provide a quality phone system that provides an All in one package. Both phone systems bid; Mitel and NEC systems will accommodate for business growth and longevity.

Both of these companies are well respected companies with a quality product that will provide a phone system that will last several years to come. Their customer service is equally as good and both are located within minutes of city hall. Technicom is located in Cedar Rapids and MARCO is located in Hiawatha.

Staff's recommendation would be to award Technicom the phone system bid due to being the lowest responsive and responsible bidder in the amount of $43,301.50 along with providing the most cost effective reoccurring cost after 5-years with the lowest hourly rate before and after 7:00 PM. However, Council can choose local preference (MARCO is a Hiawatha business) with the second lowest responsive responsible bid with a cost variance of $4,780.27 more then Technicom. MARCO's reoccurring cost is higher by $950 annually.

We additionally asked for (4) wireless headsets for the front line team members:

- Techicom-$1,280
- MARCO-$1,680

To complete this project we will be installing two 10G switches to accommodate the phone system in an amount to not exceed $20,000. Inteconnex will provide the labor installation under our monthly technology IT contract.

Total project cost= $63,301.50 + headsets totaling $1,280.

Thank you for your consideration to a much needed replacement of our phone system. Feel free to contact me with any questions you may have.

Kim

2017 ALL CITY FACILIATIES PHONE RFP's

Phone RFP Summary-2017

Company	ACCESS SYSTEMS	CEC	MARCO	TECHNICOM	PRAIRIE VALLEY	DERBY
FORMAT RESPONSIVE	no	yes	yes	yes	yes	yes
PRODUCT USE	Avaya-13.6%	Shortel-1%	Mitel-8.7%	NEC-14.2%	NEC-14.2%	Allworks- considered
Cost	$ 32,338.46	$ 51,999.73 (2)Added into the cost	$ 48,081.77 (6) IP PBX	$ 43,301.50 (6) IP PBX	$ 69,888.00	$ 78,437.50 equip. & labor cost is very high
5-year warranty included	non responsive	yes	yes	yes	yes	yes
Re-Occuring Cost after 5-years	refer.-total phone care 1st year-$1,120 2nd year-thereafter-$720	non responsive	$2,350.00	$1,400.00	$5,012.16 Is this after 5-years	non responsive
Labor Rates	1.5X's hourly rate after hours weekend; 2x's holiday	non responsive	$145 M-F 1 1/5 rates after hours	$94 M-F $141 After-hours	non responsive	$125.00 1st hour $100 thereafter; added subcontractor rates make their bid higher
Other notes-			Wireless heads sets $1,680	Wireless head sets $1,280		

DRAFT

RESOLUTION NO. 17-
City Council

RESOLUTION AUTHORIZING CITY WIDE PHONE SYSTEM REPLACEMENT INCLUDING NECESSARY SWITCH UPGRADES

WHEREAS, City staff has the need to replace the phone system at all city facilities due to aging and un-repairable phone functionality, and

WHEREAS, City staff solicited bids and after receiving and reviewing bids received from six (6) qualified companies, hereby recommends the responsive responsible bid as follows:

Company	Project	Total Cost
Technicom Communication Systems of Cedar Rapids, Iowa	City Wide Phone System Replacement Four (4) wireless headsets **Total Cost:**	$63,301.50 $1,280.00 **$64,581.50**

, and

WHEREAS, the replacement of the phone system at all at city facilities requires the installation of two (2) 10G switches in an amount not to exceed $20,000.00, bringing the total cost of the project to a total amount not to exceed $84,581.50, and

WHEREAS, funding for the replacement of the phone system at all city facilities including the purchase of headsets and installation of 10G switches was previously budgeted in the Capital Improvement Plan (CIP) utilizing $61,000.00 in Local Option Sales and Service Tax (LOSST) Dollars and $30,000.00 in Equipment Reserve Funds, and

WHEREAS, City Council deems it necessary to provide a quality phone system for all city facilities as a vital element to business communication, including upgrades to switches as required, and authorize the release of committed funds in an amount not to exceed $30,000.00 in the Equipment Reserve Fund to apply towards this project, and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIAWATHA, IOWA, to authorize the replacement of the phone system at all city facilities, purchase of wireless headsets and installation of 10G switches at a total cost not to exceed $84,581.50, with phone replacement project contract awarded to Technicom Communication Systems of Cedar Rapids, Iowa, utilizing available funding in Capital Improvement Plan (CIP) in Local Option Sales and Service Tax Dollars (LOSST) and Equipment Reserve Funds as outlined in this resolution.

AYES:
NAYS:
ABSENT:

PASSED AND APPROVED this 19th day of July, 2017.

DRAFT

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Bill Bennett, Mayor

ATTEST:

_____
Kelly Kornegor, City Clerk