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City Manager's Report

April 11, 2023 City Council Meeting

Prepared by: Cleve Morris, City Manager

Item #: 7.6

Subject: Ratify an agreement with Cal.net for a Voice Over Internet Protocol Phone System for City Hall, Town Hall and the Water Reclamation Facility.

Recommendation: Adopt a resolution ratifying an agreement with Cal.net for a Voice Over Internet Protocol Phone System for City Hall, Town Hall and the Water Reclamation Facility (CIP #42306) with a one-time cost of \$16,259.83 and a monthly cost of \$752.99.

Purpose: To procure and provide installation of a new Voice Over Internet Protocol (VOIP) Phone System for City Hall, Town Hall and the Water Reclamation Facility.

Strategic Plan Strategy: Infrastructure

3. Strategy – Updated Technology

Background:

Included in the 2022-2023 budget is a CIP Project to replace the phone system for City Hall, Town Hall and the Water Reclamation Facility. Over the past 3-4 years, the City has consistently experienced problems with our existing phone system. The Police department procured a new VOIP System for the Police Department in the 2017-2018 Fiscal year through Cal.net and have been happy with the system.

Discussion:

The Project will provide equipment, configuration, installation and training for the new VOIP System. The attached proposal outlines the costs for the new system. The City originally received a proposal in January of 2022. Since then, we have refined the system requirements and received a new proposal based on cost increases and required changes to the system. The original proposal was for \$14,385.09 with a monthly cost of \$1,151.02. The current proposal is for \$16,259.83 with a monthly cost of \$752.99. Although the upfront cost increased by \$1,874.74, the monthly cost decreased by \$398.03 or \$4,776.36 per year. Therefore, the cost savings from the monthly cost will easily cover the increased up front cost.

In order to keep this project moving and not incur additional costs due to delay, staff signed the attached agreement for the new phone system for \$16,259.83, which is within the City Manager's \$25,000 purchasing authority.

Environmental:

This program does not qualify as a project under the California Environmental Quality Act (CEQA), and therefore no Environmental Statement is necessary.

Cost: As outlined above, the total cost for equipment, configuration, installation and training for the new VOIP Phone System is \$16,259.83. Ongoing costs for the new system is \$752.99 per month.

Budget Impact: The City Council adopted the Fiscal Year 2022/2023 Capital Improvement Program Budget, which appropriated \$14,385 for the City Hall and Town Hall Phone System Replacement project (CIP #42306). The total one-time cost of the new system with Cal.net including installation and configuration, is \$16,259.83 or \$1,874.83 more than the project budget. However, the annual service cost decreased from \$13,812.24 to \$9,035.88. The \$4,776.36 savings in annual service costs will cover the \$1,874.83 additional cost for purchasing the system.



M. Cleve Morris, City Manager

Attachments:

- A. Resolution
- B. Proposal
- C. Agreement