



City of Norman, OK

Municipal Building Council
Chambers
201 West Gray Street
Norman, OK 73069

Master

File Number: K-1314-63

File ID: K-1314-63

Type: Contract

Status: Consent Item

Version: 1

Reference: Item No. 22

In Control: City Council

Department: Finance Department

Cost: \$795,000.00

File Created: 09/26/2013

File Name: Voice Over Project

Final Action:

Title: CONTRACT NO. K-1314-63: A FINANCING AGREEMENT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND DE LAGE LANDEN PUBLIC FINANCE, L.L.C., IN THE AMOUNT OF \$265,000 PER YEAR TO PROVIDE FOR A PERIOD OF THREE YEARS FOR THE CITY OF NORMAN VOICE OVER INTERNET PROTOCOL PHONE SYSTEM PROJECT AND BUDGET TRANSFERS.

Notes: ACTION NEEDED: Motion to approve or reject Contract No. K-1314-63 with De Lage Landen Public Finance, L.L.C., in the amount of \$265,000 per year for a period of three years; and, if approved, authorize execution thereof and transfer \$44,000 from Project EF1001, Smalley Center Renovations (050-9540-419.61-01); \$11,200 from Project No. FT0002, Fire Station No. 8, Construction (050-9377-419.61-01); and \$6,370 from Project FT0003, Fire Station No. 9, Construction (050-9377-419.61-01) to Project No. BG0040, City Phone System Replacement, Construction (050-9365-419.61-01).

ACTION TAKEN: _____

Agenda Date: 10/08/2013

Agenda Number: 22

Attachments: K-1314-63

Project Manager: Kari Madden, Network Manager

Entered by: kari.madden@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File K-1314-63

Body

BACKGROUND: The City of Norman's FYE 2014 budget included an item to implement a Citywide Voice-Over Internet Protocol (VoIP) phone system at the City's Municipal Complex and 27 remote facilities (recreation centers, fire stations, water and water reclamation facilities, etc.) over a three-year period. The VoIP phone system will replace the existing analog Private Branch Exchange (PBX) telephone and voice mail systems with digital systems that will be compatible with computer networking systems, enabling enhanced communications capabilities in the future. The approved budget amount for the project is \$795,000 to be paid out over 3 years, in payments of \$265,000 per year (subject to future budget appropriations). The project is being presented on

a three (3) year, no interest lease proposal through De Lage Landen Public Finance, LLC. The Information Technology Division (IT) researched solutions, contacted other agencies employing similar equipment, and participated in on-site evaluations of the two leading vendors for this solution, Cisco Systems and Avaya.

DESCRIPTION: The City's present campus phone system is a PBX system that is 35 years old and does not have many of the capabilities of VoIP systems. The proposed VoIP system is a network-based solution that will standardize IT support requirements, as recommended in the recently-completed IT Simplification Assessment. The recommended Voice-Over Internet Protocol (VoIP) solution includes equipment purchases and vendor installation of hardware and software, and training of IT staff to support the systems. The project also includes the replacement of all phones, necessary cabling, end-user training on the new phones, a three-year maintenance agreement, redundant file server capabilities, video and on-line conferencing capability, integrated electronic mail and voice mail capabilities, smartphone and/or mobile device synchronization capability, enhanced reporting capability, on-hold announcement, customer queuing and music capability, and other features. Some applications of the VoIP technology in use in other agencies or that have been discussed include video conference capabilities to support future video job applicant interviewing, remote briefings from headquarters to satellite locations for the Police and Fire Departments, remote training sessions, enhanced vendor conferencing and on-line training capabilities.

The full deployment of the VoIP telephone system will enable integrated ("4-digit") dialing capabilities for all City facilities, resulting in the reduction of the number of required telephone lines and significant savings in ongoing telephone costs. Initial savings on monthly recurring fees of \$36,000 annually from remote sites have already been identified. Additional analysis will be done as the project progresses and it is expected that further savings will be identified.

The fiscal year FYE 2013 Public Safety Sales Tax Fund budget included funding to renovate the Joe Smalley Center for City of Norman use as the Police and Fire Investigations Facility. This location is planned to be deployed with the VoIP system. During the installation of VoIP phone systems at Fire Station 9 it became evident that we will be required to implement the core servers for the VoIP project at the City campus before we can provide voice mail capability to the Police and Fire Investigations Facility or to Fire Station #9. This will be critical for operations at the Investigations Facility, and has created a priority to begin implementation of this project to prevent delays in occupying the new Investigations Facility.

The first phases of the VoIP phone system were installed as a part of the construction of Fire Station #9. It is currently operating as a stand-alone system until the file server support solution is operational. A base system for a remote office or small deployment and 15 phones were installed at Fire Station 9. Once the stand-alone system at Fire Station 9 is connected to the campus system, the Station will have voice mail, video and telephone conferencing capability, integrated dialing capability with all City of Norman facilities, as well as all other features afforded by the VoIP solution.

All of the recommended VoIP equipment and maintenance, as well as installation and professional services are available on State Contract ITSW1006C. The Norman City Code, Section 8-204.b(3) exempts purchases on approved state contract from competitive bidding requirements. Chickasaw Telecom, Inc. is approved under the above referenced state contract as a Cisco vendor and for installation and maintenance services. De Lage Landen Public Finance processes the lease for these services. Payments for the services included in this project will not commence until after the equipment has been purchased and installed by Chickasaw Telecom to the City's satisfaction. Additionally, the equipment will be protected by a three year maintenance agreement. This project has three related components: an authorization to purchase Cisco equipment from the reference State Contract; Resolution No. R-1314-51 granting tax-exempt status to Chickasaw Telecom for the purchase of equipment for this project, and Contract No. K-1314-63 with De Lage Landen Public Finance for the lease payments.

RECOMMENDATION: It is recommended that the City Council approve the authorization to purchase Cisco equipment from State Contract ITSW1006C, Resolution No. R-1314-51 granting tax-exempt status to Chickasaw Telecom, Inc. of Norman, Oklahoma and Contract No. K-1314-63 for lease payments.. The contract in the amount of \$795,000 is proposed for approval, with the first payment of \$265,000 to be paid out of budgeted FYE 14 allocations, and future payments to be made subject to annual budget appropriations.

FYE 2014 funds for the project are available in the following Capital Fund accounts, with appropriate cost shares to be transferred and/or paid from the Police/Fire Investigations Facility and Fire Station projects:

Buildings and Grounds (account 050-9365-419.61-01; project BG0040): \$203,430

Smalley Center Renovations (account 050-9540-419.61-01; project EF1001): \$44,000

Fire Station No. 8, Construction (account 050-9377-419.61-01; project FT0002): \$ 11,200;

Fire Station No. 9, Construction (account 050-9377-419.61-01; project FT0003): \$6,370.