



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: Information Technology  
Department No.: 066  
For Agenda Of: October 21, 2008  
Placement: Administrative  
Estimated Tme:  
Continued Item: Yes  
If Yes, date from: Original Contract File  
Numbers: 04-00255 &  
06-01112  
Vote Required: Majority

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**TO:** Board of Supervisors  
**FROM:** Department Sally W. Nagy, CIO  
Director(s)  
Contact Info: Daniel Milei, IT Director (568-2671)  
Mitch Evans, Network & Communications Manager (681-5590)  
**SUBJECT: Amendment to Telephone System Maintenance and Support Contract BC04167**

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** N/A

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

Authorize an increase in the spending limit of the existing Telephone System Maintenance and Support contract with NEC Unified Solutions, Inc. ("NEC") (a local vendor), formerly, NEC Business Network Solutions, Inc. by \$400,000 for a total five-year estimated amount of up to \$4,100,000.

**Summary Text:**

When the NEC contract was originally brought to the Board for approval in 2004, the recommendation included \$1.8 million dollars to cover telephone system maintenance. It did not include an amount for estimated spending for telephone system support or data wiring installation and support. In December 2006, the spending amount was increased by \$1.9 million to cover estimates for this additional work, which is billed by task or project, and is over and above the base fee for telephone system maintenance.

As departmental needs will exceed the estimated amount needed for non-routine maintenance, the contract is now insufficient to cover routine maintenance costs. The current total of \$3.7 million has been consumed with current expenditures at \$3,697,268.86. This was due to the purchase of additional telephone equipment totaling \$197,000 and capital project costs of \$144,000. This request is for an increase of \$400,000 to continue provision of routine telephone systems maintenance and support through March 31, 2009, when the initial five-year contract period ends.

**Background:** On March 16, 2004, the Board approved BC 04-167, a five-year Telephone System Maintenance and Support contract with NEC. In addition to routine maintenance, this contract included as-needed non-maintenance activities such as system additions and rearrangements (moves, adds and changes) to meet countywide and/or departmental needs. These additional services were to be provided at a fixed cost for each requested installation. When the NEC contract was originally brought to the Board for approval in 2004, it included \$1.8 million to cover routine Telephone System Maintenance (Exhibit A 1.2). It did not include an amount for the non-maintenance Telephone System Support (Exhibit A 1.3) or Data Wiring Installation and Support (Exhibit A 1.4).

On December 5, 2006, the Board approved an increase of \$1.9 million to add estimated non-maintenance costs for the five-year contract term. As departmental needs have exceeded the estimated amount needed for non-routine maintenance, the contract is now insufficient to cover routine maintenance costs. A \$400,000 increase in the spending limit is now needed to cover routine system maintenance through the end of the contract term on March 31, 2009.

**Performance Measure: Fiscal and Facilities Impacts:**

Budgeted: Yes Narrative:

The telephone move, add, change, and new installation activities are included in departments' annual budgets for services that are delivered. The base telephone system maintenance and support fees are included in the annual communications fund budget.

**Staffing Impacts: None**

**Legal Positions:**

0

**FTEs:**

0

**Special Instructions:** Send minute order to:

Robin Wilkins

Fiscal Officer, Information Technology Department

**Attachments:**

BC 04-167 Amendment 1

Contract Summary

**Authored by: Robin Wilkins, ext 2629**

**CC:**

Susan Paul, Assistant CEO/Human Resources Director

Nicole Koon, CEO Analyst