



**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:** General Services  
**Department No.:** 063  
**For Agenda Of:** October 15, 2013  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Department Matthew P. Pontes, 560-1011  
Director(s)  
Contact Info: Jennifer Slayman,  
Information & Communications Technology 568-2606

**SUBJECT:** Countywide Telephone System Upgrade, Award Contract

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve the project to upgrade the Countywide Telephone System;
- b) Award the contract in the amount of \$2,583,540 to NEC Corporation of America, 6536 N. State Highway 161, Irving, TX 75039; which includes a base contract amount of \$2,348,673 and a 10% contingency fund of \$234,867;
- c) Approve and authorize the Chair to execute the contract with NEC for the Countywide Telephone System Upgrade;
- d) Authorize the Director of General Services or designee to approve Change Orders in an amount not to exceed \$234,867 for the contract with NEC for the Countywide Telephone System Upgrade; and
- e) Determine that the proposed project is exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15301, as it involves the operation and maintenance of County equipment that will result in no or negligible expansion of existing use.

**Summary Text:**

General Services installed the NEC telephone system in 2002 and the voicemail system in 1998. The current system is at the end of its vendor supported life. On November 28, 2012, an RFP to upgrade the

telephone system was issued. Two proposals were received on February 21, 2013. A team of General Services and Social Services staff evaluated the bids and selected NEC, as the most qualified and lowest responsible bidder.

This is a two phase project. The first phase developed the telephone system design. This contract is for the second phase of the project, procurement and installation. The contract includes the upgrade of the Private Branch Exchanges (PBX), telephone switch processors, voice mail, audio conferencing, automatic call distribution and E911 systems. The funding for the system is derived from the telephone system replacement reserves. The total upgrade cost is not to exceed of \$2,583,540, which includes a base contract of \$2,348,673 and a 10% contingency of \$234,867.

**Background:** The Telephone System is comprised of the following systems: Private Branch Exchanges (PBX), Telephone Switching, Call Accounting, Voice Mail, E911, Voice Recognition, Automatic Call Distribution and Audio and Video Conferencing, in addition to a voice and data cable network. General Services installed the NEC telephone switches in 2002 and the voicemail system in 1998. The current system is at the end of the vendor supported life.

On November 1, 2011 the Board directed that Gartner Consulting be engaged to conduct a Telecommunications Technical Plan in preparation for upgrading the telephone system. The plan's recommendation included:

- Upgrade the end of life components of the NEC telephone switch system, transforming the system to a Voice over Internet Protocol (VoIP) communications server capable of transition to VoIP phones and networking that will lower operational costs.
- Replace the end of life Voice Mail with a Unified Messaging system capable of providing voice mail and email integration.
- Deploy Desktop Collaborations capabilities using the already paid for Microsoft Enterprise Client Access Licenses for instant messaging, audio, video and remote desktop sharing capabilities.

The project will upgrade the NEC PBXs to a hybrid system that supports VoIP and will consolidate sixteen PBXs down to ten. This approach extends the projected life of existing investments in the PBX by an additional seven years. The plan also avoids the unnecessary replacement of working desktop phones, while allowing for the move to VoIP phones where new functionality will be beneficial. This approach also provides the greatest leverage of existing investments in infrastructure, desktop computer applications and the data networks.

The upgraded system provides improved disaster recovery and business continuity benefits that include redundant systems where appropriate. It also includes enhancements to the Call Center capabilities to allow any department to set up a call center and for agents to be added virtually at any location in the County. The new telephone system's VoIP technologies are required to meet the Department of Social Services' call processing and enrollment work flow needs as required by the Affordable Care Act beginning January 1, 2014.

**Performance Measure:**

Percent of customers satisfied or highly satisfied with services provided by the department.  
(Target = > 85%)

**Fiscal and Facilities Impacts:**

Budgeted: Yes **Fiscal Analysis**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>FY 2014 -15 Costs</u></b>	<b><u>Total One-Time Contract Cost</u></b>
General Fund			
State			
Federal			
Fees			
Other: ISF (1919)	\$ 1,500,000.00	\$ 1,083,540.00	\$ 2,583,540.00
Total	\$ 1,500,000.00	\$ 1,083,540.00	\$ 2,583,540.00

**Narrative:**

The contract costs, including contingencies, amounts to \$2,583,540. The project is expected to span Fiscal Year 2013-14 to Fiscal Year 2014-15. General Services has collected annual depreciation costs for ten years to build a reserve fund for replacement of the telephone system at the end of its expected life and currently has enough collected to fund the entire project. Appropriations for this project are located in Fund 1919, Department 063, Program 3110, in the amount of \$1,500,000 which has been budgeted for in Fiscal Year 2013-14. The remaining amount of \$1,083,540 for this contract will be included in the recommended budget for Fiscal Year 2014-15. This project was included in the Capital Improvement Project Book. Starting again in Fiscal Year 2014-15 General Services/Telephone Services will collect annual depreciation for the replacement of the new telephone system at the end of its expected life.

The complete Telephone Upgrade Project is expected to cost approximately \$3,100,000. The major expenses include this NEC contract for \$2,583,540, and the following items: consulting fees of \$185,000, system design of \$82,000, project management \$75,000(approximate) and additional network hardware of \$134,000.

**Special Instructions:**

Please send one (1) duplicate original Contract to NEC Corporation of America. Please send contract and one (1) duplicate of the minute order to Jennifer Slayman, Information and Communications Technology Division, General Services Department.

**Attachments:**

Attachment A: One (1) Original and one (1) duplicate original Contract

Attachment B: Copy of the November 1, 2011 Legislative text authorizing Professional Services contract for the Telecommunications Technical Plan

Attachment C: Telecommunications Technical Plan

**Authored by:**

Jennifer Slayman, Assistant Director, 568-2606

**cc:**

Karen Cronk, General Services