

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
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Agenda Number:
Prepared on: 2/17/04
Department Name: General Services
Department No.: 063
Agenda Date: 3/16/04
Placement: Administrative
Estimate Time: N/A
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Ron Cortez
General Services Director

STAFF CONTACT: Douglas Haddon
X5590

SUBJECT: Telephone System Maintenance and Support Contract

Recommendation(s):

The Board of Supervisors:

1. Authorize the Chairperson to sign Telephone System Maintenance and Support contract with NEC BNS Inc., a local vendor, in the base amount of approximately \$1.8 million dollars, for a five-year agreement beginning FY 03/04 and ending FY 08/09, with options for five additional one-year extensions
2. Authorize the General Services Director to review and approve annual contract extensions for FY 09/10, FY 10/11, FY 11/12, FY 12/13 and FY13/14.

Alignment with Board Strategic Plan:

This recommendation is primarily aligned with Goal No. 1, an efficient Government able to anticipate and respond to the needs of the Community.

Executive Summary and Discussion:

BACKGROUND – The existing telephone system maintenance and support contract with NEC BNS Inc. terminates on March 31, 2004. The contract is required to maintain and support the county-wide telephone system which was upgraded in 2003. The telephone system is comprised of the Telephone Switching System, Call Accounting System, Voice Mail System, Voice and Data cable plant, and Video Conferencing Systems. An RFP (#303001) was developed, advertised, and distributed to five potential bidders in the fall of 2003. Proposals were received from two qualified vendors.

BID EVALUATION PROCESS – The two proposals were subjected to evaluations by a consultant, Telephone Services staff, and a committee comprised of representatives from a number of major County departments. The consulting firm of Scheinman Management Consulting Services was retained to assist the county in the proposal

evaluation process and to conduct the reference checks. This same consultant assisted in the original acquisition of our Telephone System in 1987 and a subsequent maintenance contract in 1998. The evaluation process consisted of three parts, a detailed, five-year maintenance and support analysis, customer reference checks, and an evaluation for compliance with the County's requirements.

A five-year cost analysis model based on historical and projected activity was used to assess the cost of basic Telephone System maintenance and support as well as customer driven growth and discretionary service requests. The consultant and county staff conducted a detailed review and evaluation of the two proposals for compliance with the county's requirements and the consultant conducted the reference interviews.

RECOMMENDATION - Both bids were very competitive in terms of cost and capabilities. NEC BNS Inc. was marginally lower in the five-year cost evaluation and was the only vendor to meet all the county requirements set forth in the RFP. As a result of the vendor responses to the RFP requirements, cost evaluations, vendor reference checks, and NEC's excellent history servicing the county, Telephone Services staff, the consultant and the Telephone Committee determined that NEC BNS Inc. will provide the best overall value and that it is in the best interest of the county to contract with NEC BNS Inc. It is therefore the recommendation of General Services that your Board approve the attached five year contract with NEC BNS Inc. with option for five additional one year extensions. The General Services Director will be required to approve each of the five one-year contract extensions.

Mandates and Service Levels:

No Change

Fiscal and Facilities Impacts: The Telephone System maintenance costs are included in the current-year Telephone budget and rates as well as the proposed budget and rates for FY 04/05.

Fiscal Year 03/04 Telephone System Maintenance expense will increase by \$1,907 to a total of \$ 318,377
Fiscal Year 04/05 Telephone System Maintenance expense will increase by \$5,722 for a total of \$324,099 plus cost of living adjustments for the 4th quarter of the fiscal year.

The projected 5-year maintenance and support portion of the contract will be approximately \$1.8 million dollars. The cost for optional years six through ten will be at the same cost basis as the initial 5-year segment of the contract. The cost increase in this agreement is for the additional maintenance requirements of video-conference equipment not available until the new switching equipment was in instated in 2003. The contract also provides for non-maintenance and support expenses for customer generated move, add, and change activity that is annually budgeted in customer department's Communications (Line Item 7050) accounts.

Telephone Maintenance and Support expenses are budgeted in Fund 1919, program 3110, Acct 7122.

Special Instructions: Send a signed copy of the contract to:

Brown Mail To:

NEC BNS, Inc.
16300 Roscoe Blvd., Suite 150
Van, Nuys, CA 91406
Attn: Zahid Masood

GS/Communications Services
Santa Barbara, CA 93110
Attn; Doug Haddon

Concurrence: N/A