



## Legislation Details (With Text)

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|-----------------------|--|----------------------|-----------|------------------------|---|
| <b>File #:</b>        | 17-422   | <b>Version:</b>      | 1         | <b>Name:</b>           | Staff Report for Cisco Telephony System Upgrade |
| <b>Type:</b>          | Staff Report   | <b>Status:</b>       | Filed     | <b>In control:</b>     | City Council                                    |
| <b>On agenda:</b>     | 7/17/2017  | <b>Final action:</b> | 7/17/2017 | <b>Enactment date:</b> | <b>Enactment #:</b>                             |
| <b>Title:</b>         | Staff Report for a Resolution Approving a Consulting Services Agreement with Strategic Products and Services, LLC for Cisco Telephony System Upgrade for an Amount Not to Exceed \$295,853.61, and City Council Approval to Appropriate \$295,853.61 from the Information Technology Fund Balance to the 2017-18 Operating Expenditure |                      |           |                        |   |
| <b>Sponsors:</b>      | Jeff Kay   |                      |           |                        |   |
| <b>Indexes:</b>       |  |                      |           |                        |   |
| <b>Code sections:</b> |  |                      |           |                        |   |
| <b>Attachments:</b>   |  |                      |           |                        |   |

| Date      | Ver. | Action By    | Action             | Result |
|-----------|------|--------------|--------------------|--------|
| 7/17/2017 | 1    | City Council | Received and Filed | Pass   |

Staff Report for a Resolution Approving a Consulting Services Agreement with Strategic Products and Services, LLC for Cisco Telephony System Upgrade for an Amount Not to Exceed \$295,853.61, and City Council Approval to Appropriate \$295,853.61 from the Information Technology Fund Balance to the 2017-18 Operating Expenditure

## SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council approve a resolution authorizing the City Manager to execute an agreement with Strategic Products and Services, LLC to install and configure upgraded telephony infrastructure and software. The contract is for a not to exceed amount of \$295,853.61. Staff also recommends City Council approval to appropriate \$295,853.61 from the Information Technology fund balance to the 2017-18 operating expenditure 688-13-121-7410.

## BACKGROUND

The City of San Leandro's telephony infrastructure reached "end-of-life" status from the manufacturer, Cisco Systems, meaning it will no longer be updated or protected under warranty. This project will install a new telephony system from Cisco Systems that is under manufacturer support.

## Analysis

While modern cloud computing products have firmly established themselves as superior alternatives for many IT applications, telephony systems remain strong candidates to remain on-premise. This is because while the capital costs of enterprise-level telephony systems are high, the useful life of the equipment is ten years or more, meaning those capital costs are spread over a longer period, which yields higher cost to value.

The City's current telephony system is Cisco's flagship telephony system, Unified Communications Manager, running software version 7.1.5 on 7800 MCS servers, manufactured by Cisco Systems. It was originally procured and installed in 2007 under an agreement with ExtraTeam, LLC (which was acquired by Strategic Products and Services in 2015). Cisco's last day of support for this software version was June 30, 2015 (see announcement here:

[http://www.cisco.com/c/en/us/products/collateral/unified-communications/unified-communications-manager-callmanager/end\\_of\\_life\\_notice\\_c51-695269.html](http://www.cisco.com/c/en/us/products/collateral/unified-communications/unified-communications-manager-callmanager/end_of_life_notice_c51-695269.html)). Meanwhile, the Cisco 7800 MCS servers will not be supported after October 31, 2017 (see announcement here: [http://www.cisco.com/c/en/us/products/collateral/unified-communications/unity/end\\_of\\_life\\_notice\\_c51-705667.html](http://www.cisco.com/c/en/us/products/collateral/unified-communications/unity/end_of_life_notice_c51-705667.html)).

Running a mission-critical system such as telephony on an unsupported system poses a high risk to the City. In the event of hardware and/or software failure that could potentially take the phone system offline, the City would receive no assistance from the manufacturer in remedying the situation. Thus, as part of its normal replacement schedule, the Information Technology Division has been preparing to upgrade the system with a newer model that is manufacturer supported.

In May 2017, the City issued a Request for Proposals (RFP) to upgrade to Cisco Unified Communications Manager, version 11.5, its latest model. In addition to core telephony services, this upgrade will include: enhanced call reporting software; new handsets (i.e., desk phones) for City staff; continued integration with Office 365 for voicemail and auto attendant lines; extension mobility (i.e., the ability for users to log in to different handsets if they change physical locations); and the upgrade will prepare the City for a future upgrade from Primary Rate Interface (PRI) voice circuits to Session Initiation Protocol (SIP), which will allow the City to utilize its broadband internet connection to transmit voice calls (i.e., Voice Over IP).

The City received highly qualified proposals from two companies and selected Strategic Products and Services based on its extensive and proven track record of success, highly detailed network design, and flexibility in customizing a solution to the City's exact requirements.

### **Previous City Council Actions**

- On June 5, 2007, the City Council approved a Consultant Services Agreement with ExtraTeam, Inc. for the design, implementation, integration, and purchase of required hardware for a joint Microsoft and Cisco Unified Communications solution for \$479,146.08.

### **Legal Analysis**

The City Attorney's office reviewed and approved the purchase agreements.

### **Fiscal Impacts**

The total one-time cost to install the system is a not to exceed \$295,853.61. This includes a combination of hardware costs and software configuration and design services.

The ongoing hardware maintenance, which includes 24/7/365 support from the manufacturer, Cisco Systems, will be \$25,882.95 per year. This cost will be partially offset by equipment currently under maintenance that will be replaced as part of this project.

### **Budget Authority**

The Finance Director determined there are sufficient funds in the Information Technology 688 Fund Balance for this one-time cost. Staff recommends City Council approval to appropriate \$295,853.61 from the 688 fund balance to 688-13-121-7410 for fiscal year 2017-18. Future maintenance will be paid from Account 688-13-001-5310.

### **Attachment(s) to Resolution**

- Consulting Services Agreement between the City of San Leandro and Strategic Products and Services, LLC.
- RFP No. 56242 - Cisco Call Manager Upgrade-Final

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