

ITEM #: 8
DATE: 02-28-23
DEPT: Finance

COUNCIL ACTION FORM

SUBJECT: WAIVE COMPETITIVE BIDDING REQUIREMENTS AND AUTHORIZE UPGRADE TO UNIFY PHONE SYSTEM FOR THE CITY

BACKGROUND:

The City purchased a new Unify telephone system for \$417,407.67 in August 2016, launching this system in November 2016. This system was installed with version 8 of ATOS-SSP software. In April 2018, the City extended the support contract with Black Box Network Services for 45 months through December 2022. Since that time, the City has renewed the service agreement on an annual calendar year basis.

Recently the vendor notified staff that the ATOS-SSP version 8 has an end-of-life date of March 2023, after which no support from the original equipment manufacturer nor our managed-service provider will be available. Therefore, the staff recommends upgrading the phone system to ATOS-SSP Version 10. This process would include three elements: upgrading the hardware, purchasing the ATOS-SSP Version 10 software, and installing and configuring the new product.

The Unify phone system is solely available in Iowa through Black Box Network Services. Therefore, the staff recommends waiving the competitive bidding requirement and authorizing a single-source procurement. The table below outlines the cost of each item required to make the necessary upgrades:

<u>Description</u>	<u>Amount</u>
Hardware	\$16,959.56
Software and Licensing Fees	\$10,699.35
Recurring Support Fees	\$5.75
Professional Services	\$36,240.94
Total	\$63,905.60

The expected lifetime of the new phone system is approximately 5-8 years. The phone system technology replacement funds will be used to fund this purchase.

ALTERNATIVES:

1. A. Waive the Purchasing Policies and Procedures for competitive bidding requirements and award a single source procurement.
- B. Authorize City staff to enter into an agreement to upgrade the City's phone system to ATOS-SSP Version 10 with Black Box Network Services, Maple Grove, MN in the amount not to exceed \$63,905.60.
2. Do not authorize software upgrade and refer back to staff for further options.

CITY MANAGER'S RECOMMENDED ACTION:

Black Box Network Services is the sole provider of maintenance for Unify voice applications in Iowa. This upgrade will extend the lifetime of the City's mission-critical phone system. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1A & 1B.