

COUNCIL ACTION FORM

**SUBJECT: WAIVER OF PURCHASING POLICIES FOR SINGLE-SOURCE
PURCHASE OF UNIFY PHONE SYSTEM UPGRADE
AND AWARD OF CONTRACT**

BACKGROUND:

The City's existing digital phone system is outdated and can no longer be fully supported by Unify (formally Siemens). The current handsets are 26 years old and the system itself is 19 years old and is becoming difficult to support. The last upgrade of the system was ten years ago, and software enhancements can no longer be made to the system.

The proposed upgrade is for a network phone system which allows voice phone calls over the data network instead of traditional phone lines. During the last two years, \$132,814 has been invested in Unify network phone technology when providing new phone service to the Library, E911 call handling, City Hall basement, and the Water and Pollution Control Plant. This investment has allowed integration of the old and new phone technology simultaneously. City staff was also able to transition to new technology in remodeled work areas, add new phone functionality, and replace obsolete phone equipment.

The staff recommendation is to upgrade our existing Siemens digital phone system to a Unify network phone system provided by Black Box Network Services in the amount of \$417,408. Upon completion of this project, the City will be using state of the art network phone technology, all users will have new telephone sets, and the remote City locations will use the City fiber optic network for voice as well as data services. Through the budgeting process, \$473,376 has been accumulated in technology replacement funds for this digital phone system replacement.

Staff is requesting a single-source purchase from Black Box Network Services to complete the Unify network phone system upgrade, as \$132,814 has already been invested in the system at new locations and integration with our existing digital phone system. This initial investment would be lost if the City did not continue on the Unify network phone system path. Black Box Network Services is the single local source for the Unify network phone system upgrade. In addition, Black Box Network Services maintains the City's existing digital and network phone system at the Library, E911 call taking, City Hall basement, and the Water and Pollution Control Plant. To date, the City's experience with the functionality and reliability of the recent Unify network phone installations has been very good.

The upgrade to the Unify network phone system will begin in early September and be completed by late December of 2016.

The City of Ames Purchasing Policy states that single-source purchases of \$50,000 or more must be approved by City Council.

ALTERNATIVES:

1. Waive the City's Purchasing Policies and approve the single-source purchase of a Unify network phone system upgrade, awarding a contract to Black Box Network Services in the amount of \$417,408.
2. Reject the request to waive purchasing policies and direct staff to seek alternative methods for the procurement of the telephone system upgrade.

MANAGER'S RECOMMENDED ACTION:

Upgrading the existing Siemens digital phone system to a Unify network phone system will keep the existing \$132,814 investment, give the City state of the art phone technology, provide City departments with new telephone sets, and give remote City locations use of the City fiber optic network for voice and data services.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.