

COUNCIL ACTION FORM

SUBJECT: REQUEST TO WAIVE FORMAL BIDDING REQUIREMENTS AND AUTHORIZE PURCHASE OF BLACK BOX NETWORK SERVICES 45-MONTH COMPREHENSIVE SERVICE PLAN

BACKGROUND:

Black Box Network Services is the City's integrated voice applications vendor. The City contracts with Black Box Network Services on an annual basis for Unify hardware and software voice maintenance services. Black Box Network Services is the sole provider of maintenance for Unify voice applications in Iowa.

Included in this maintenance is 24-hour on site hardware support, software support, remote system monitoring, software upgrades, and phone system changes for the voice, voice messaging, automatic call distribution and automated attendant applications throughout the year.

Because, some voice equipment is still on the initial warranty, the contract term is shortened the first year to make the maintenance agreement terminate December 31st.

		2017/2018	2018/2019	2019/2020	2020/2021	
Term	21 Month Cost/Month	*1st Billing - 9 mo 4/1/18-12/31/18	2nd Billing - 1 Yr 1/1/19 - 12/31/19	3rd Billing - 1 Yr 1/1/20 - 12/31/20	4th Billing - 1 Yr 1/1/21 - 12/31/21	Total Contract Pricing:
21 Month Coverage	\$4,587.83	\$36,045.97	\$60,298.60	\$60,298.60*	\$60,298.60*	\$216,941.77
45 Month Coverage	\$4,147.39	\$32,298.12	\$54,797.20	\$54,797.20	\$54,797.20	\$196,689.72

*Subject to price increases

By entering into a 45-month agreement, the City will save \$9,249.24 the first 21 months (\$440.44/month) and at least \$20,252.05 over the full 45 month agreement term. City Council approval is required because the contract options cover more than one year.

The approved FY 2017/2018 budget includes \$33,385 for Black Box Network Services hardware and software voice maintenance.

ALTERNATIVES:

1. Waive formal bidding requirements and authorize City staff to enter into 45-month hardware and software voice maintenance agreement with Black Box Network Services at an estimated cost of \$196,689.72.
2. Waive formal bidding requirements and authorize City staff to enter into 21-month hardware and software voice maintenance agreement with Black Box Network Services at an estimated cost of \$96,344.57.

MANAGER'S RECOMMENDED ACTION:

Black Box Network Services is the sole provider of maintenance for Unify voice applications in Iowa. The agreement includes 24-hour on site hardware support, software support, remote system monitoring, software upgrades, and phone system changes for the voice, voice messaging, automatic call distribution and automated attendant applications throughout the year.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby waiving formal bidding requirements and authorizing City staff to enter into 45-month maintenance agreement with Black Box Network Services at a cost of \$196,689.72.