



## City Council Staff Report

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: IT Department**

**Meeting Date: June 19, 2023**

Report #:2306-1612

### **TITLE**

Approval of Contract with VOX Network Solutions (C23187554) to Procure Services to Upgrade the City's Phone System and a Three-Year Support Term for a Total Amount Not-To-Exceed \$504,107; CEQA Status—not a project

### **RECOMMENDATION**

Staff recommends that Council approve and authorize the City Manager or designee to execute the following:

1. Execute Contract C23187554 with VOX Network Solutions to upgrade the City's current phone system in the amount of \$458,279 utilizing a National Cooperative Purchasing Alliance (NCPA) cooperative agreement, (Attachment A).
2. Authorize a 10% contingency in the amount of \$45,828 for the purchase of additional licensing and support for any unforeseen licensing needs.

### **BACKGROUND**

The City executed a contract with VOX to replace the previous phone system which had been in place for over two decades through an RFP that had been issued in 2012. This contract was previously approved by Council in June 2012<sup>1</sup>. The new phone system was fully implemented in October 2013. A maintenance contract was issued in October 2017 for three years (through October 2020) and then again in October 2020, a 3-year maintenance contract was issued to VOX for maintenance and support through October 2023.

Annual maintenance for VOX is approximately \$68,000. With this upgrade, we can expect to see about an \$20,000 increase annually for maintenance and support.

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<sup>1</sup> <https://www.cityofpaloalto.org/files/assets/public/from-archive/agendas-minutes-reports/reports/city-manager-reports-cmrs/2012/cmr-2760.pdf>

## ANALYSIS

The City of Palo Alto has an existing Avaya phone system and voicemail platform that is deployed in all city facilities with physical desk phones. The system has reached a critical milestone in the manufacturer's lifecycle which does not allow license expansion or additions. Additionally, some of the hardware has reached its end of life and requires replacement for the upgrade to the latest release. To mitigate risk and scale for growth, the city will be upgrading the phone system to the latest release of software, that offers a more secure communications platform and can provide additional functionality as well as being fully supported and expandable. Any legacy hardware will be migrated to newer, supported hardware. VOX will reuse licensing and existing hardware where possible. City staff will assist with firmware upgrades on hardware for cost savings to the city. Upgrading to the current version of the phone system software will provide significant benefits in terms of functionality, security, compatibility, reliability, cost savings, regulatory compliance, and support. City Staff did investigate cloud-based phone system options, however with city's specific needs with police, fire, library, community services and other departments staff recommend staying on on-premise phone system for security, cost and compliance reasons.

Following are some high-level Enterprise Phone System integrations/requirements that are specific to support City business need and not supported by basic cloud phone systems used by individuals and small businesses:

1. Integration with Public Safety 911 dispatch system.
2. Call Center real time reporting and historical reporting for Utilities and Planning and Development services.
3. Interactive Voice Response System integration to handle credit card payments by phone for utilities customers.
4. Integration with Citywide Outage Management System for Office of Emergency and Utilities.
5. Integration with the City's Call Accounting system to provide audit reports on all calls.
6. Local desk phone and soft phones on laptops to support remote staff with hybrid workforce.
7. Support for over 100 different auto attendants used by various departments with announcements and transferring requirements.

Below are the benefits of this proposed hardware and software upgrade:

1. Improved functionality: Upgrading to the current version of the software will provide access to new features and functionalities that were limited or not available in previous versions. These new features like number of users supported, conference bridge, call recording and reporting, skills-based phone routing, call center redundancy, paging, music on hold, reception console, etc. can improve the efficiency and productivity of the phone system.

2. Enhanced security: The current version of the software will have the latest security updates and patches, ensuring that the system is protected from new security threats and vulnerabilities.
3. Better compatibility: As new hardware and software applications are implemented for city departments; the current version of phone system software will be compatible with them. This can help to avoid issues with system performance and data compatibility. For example, the Outage Management System and 911 Dispatch System.
4. Improved reliability: With each new release, the vendor typically includes bug fixes and stability improvements that can help reduce downtime and system failures.
5. Cost savings: Upgrading to the current version of your software will help avoid costly maintenance and support fees for outdated versions of the software. For some of the equipment, no support at all. To switch to a brand-new phone system Cloud or On-Premise is estimated at twice the cost of the upgrade due to the existing investment in hardware and phone devices already in place.
6. Regulatory compliance: Upgrading the software to the current version will help to ensure that the city is meeting required compliance with specific laws and regulations. For example to meet the Ray Baum's Act that states that when a 911 call is placed, the call includes dispatchable location information and Kari's Law that requires that 911 are the only digits needed to contact public safety. To call 911, you must not have a dialing prefix, such as 9, and the call must go directly to the PSAP.
7. Support: The vendor's support team typically provides assistance and troubleshooting only for the current version of the software. Upgrading to the current version will make it easier to receive support and resolve issues in timely manner for city staff.

#### **FISCAL/RESOURCE IMPACT**

The funding for this contract is available in the Information Technology Fiscal Year 2023 Adopted Operating Budget. Funding for subsequent years of the contract will be subject to approval through the annual budget development process.

<b>One-Time Costs:</b>	\$190,538
<b>Year 1 Costs:</b>	\$86,348
<b>Year 2 Costs:</b>	\$86,348
<b>Year 3 Costs:</b>	\$86,348
<b>Total:</b>	\$449,583

#### **STAKEHOLDER ENGAGEMENT**

The services were coordinated with internal stakeholders and the service provider.

#### **ENVIRONMENTAL REVIEW**

Council action on this item is not a project as defined by CEQA because the purchase of phone system hardware and software licenses is a continuing administrative or maintenance activity. CEQA Guidelines section 15378(b)(2).

**ATTACHMENTS**

Attachment A: Contract with VOX, C23187554

**APPROVED BY:**

Darren Numoto, Chief Information Officer