



# CITY OF SAN MATEO

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## Agenda Report

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Agenda Number: 11

Section Name: {{section.name}}

Account Number: 10-2121

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**TO:** City Council

**FROM:** Alex Khojikian, City Manager

**PREPARED BY:** Information Technology Department

**MEETING DATE:** September 03, 2024

**SUBJECT:** Telephone System Replacement – Agreement

**RECOMMENDATION:**

Adopt a Resolution to approve an alternative purchasing procedure and approve an Agreement with CDW Government, LLC (CDWG) for a term of five years, for the purchase of telephone equipment, services and software subscription in an amount not-to-exceed \$517,633; and authorize the Director of Information Technology to execute the agreement in substantially the form presented.

**BACKGROUND:**

The City's current phone service is a Cisco Systems on-premises system comprised of servers, routers, telephones, a software subscription, and monthly carrier costs. After approximately sixteen (16) years of service, this system is due for replacement or upgrade. Staff performed a detailed cost analysis comparing the cost of an upgraded Cisco on-premises system to several cloud options, including Cisco Webex Calling, Microsoft Teams Calling, and Zoom Calling. This analysis determined significant savings would be realized with Zoom Calling. This option would also afford an opportunity to buy fewer telephone handsets in favor of cloud software-based calling and reduce or eliminate FAX machines.

Staff obtained a quotation for the proposed purchase through a purchasing cooperative known as Sourcewell. Sourcewell is a government agency that allows participants to pay less through competitively solicited, evaluated, and awarded contracts that leverage the cooperative buying power of local government agencies. CDWG is a participating vendor under Sourcewell contract #121923-CDW and is recommended because of the quality of its customer support and services. The proposed agreement from CDWG is provided as Attachment 2.

Municipal Code section 3.60.070(h)(3) provides that the City may use any purchasing procedures approved by the City Council if the City Council makes a finding concurrent with the award of the contract that the procedures are in the best interest of the City. The Sourcewell procurement service offers competitively priced contracts for goods and services, avoiding costs normally associated with the development of highly technical bid specifications, while assuring that competitive prices were received.

**BUDGET IMPACT:**

Funds have been accrued and are available through the Computer Replacement Fund for the first-year costs, an amount not to exceed \$212,462.52. Yearly operational costs are budgeted in the City IT Department's operational budget (Computer Software Subscriptions). The total amount of the purchase will be an amount not-to-exceed \$517,633 over five (5) years.

**ENVIRONMENTAL DETERMINATION:**

Approval of this agreement is not a project subject to CEQA, because it can be seen with certainty that there is no possibility that the purchase of telephone equipment, services and an associated software subscription will have a significant effect on the environment. (CEQA Guidelines Section 15061(b)(3).)

**NOTICE PROVIDED**

All meeting noticing requirements were met.

**ATTACHMENTS**

Att 1 - Proposed Resolution

Att 2 - CDWG Agreement

**STAFF CONTACT**

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