



STAFF REPORT

DATE: June 23, 2020

TO: Kent Cagle, City Manager

FROM: Willie Resto, Executive Director of Information Technology

SUBJECT: Authorize the Purchase of Cisco Unified Communications Manager and Flex Support Plan

BACKGROUND AND FINDINGS:

The City of Killeen's telephone system is operated from a Cisco Unified Communications (UC) VoIP system which is used to provide reliable and secure phone and voicemail service. The City purchased its current phone system (Cisco Call Manager) in 2004. The last upgrade took place in 2015. The current system is nearing its end of life and will no longer be supported for critical security patches and upgrades or hardware replacements.

The benefits of proceeding with this upgrade include increased functionality and stability of our phone system, ensuring compatibility with our email system and the cost savings of a limited time migration cost from Cisco. Cisco Unified Communications Flex Plan (Flex) provides multiple calling features and licensing for telephone and voicemail services, which includes video conferencing and other services. Flex is a subscription-based plan that provides more value at a lower cost when compared to traditional support. This plan provides all necessary licensing, security updates, fixes and software downloads and hardware replacement. Flex support provides escalated assistance, emergency support, and software installs and updates for Cisco Unified Communications.

The cost of the hardware equipment upgrade is \$95,797.95 and is a one-time expense. The Flex Support Plan will cost \$92,210.25 over a three-year period.

THE ALTERNATIVES CONSIDERED:

1. Purchase Cisco Unified Communications Manager and Flex Support Plan.
2. Do not purchase Cisco Unified Communications Manager and Flex Support Plan.

Which alternative is recommended? Why?

Cisco Unified Communications Manager and Flex Support Plan are designed to maintain the most effective and reliable network. Without the Unified Communications Manager and Flex Support Plan, the City would pay 100% of replacement costs for any of the Cisco hardware devices that fail and forgo assistance. Additionally, costs for any security patches, upgrades, or changes in software or firmware would also be the responsibility of the City. Option one is the recommended option.

CONFORMITY TO CITY POLICY:

Quotes were obtained from three vendors, all of which are preferred Cisco product resellers on the Texas Directory of Information Resources (DIR) TSO 4167 contract. Purchases made through a cooperative contract are exempt from the competitive bidding process as stated in Texas Local Government Code (TLGC) section 271.102, subchapter F; a local government that purchases goods or services under this subchapter satisfies any state law requiring the local government to seek competitive bids for the purchase of goods or services.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The cost of the hardware equipment upgrade is \$95,797.95 and is a one-time expense. The Flex Plan will cost \$92,210.25 over a three-year period (\$30,736.75 each year). The cost per fiscal year will be:

FY20: \$126,534.70
FY21: \$30,736.75
FY22: \$30,736.75

Is this a one-time or recurring expenditure?

The hardware equipment upgrade is a one-time expenditure. The maintenance and licensing are annual recurring expenditures.

Is this expenditure budgeted?

Yes, funding in FY 2020 for this project is available in the Computer Equipment/Software account 627-2705-419-6140 in the amount of \$126,534.70.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes

RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager to execute the Statement of Work for the purchase of Cisco Unified Communications Manager and the Software as a Service Agreement for the purchase of a Flex Support Plan from Netsync Network Solutions, and that the City Manager or designee be expressly authorized to execute any and all change orders within the amounts set by state and local law.

DEPARTMENTAL CLEARANCES:

Finance

Legal

ATTACHED SUPPORTING DOCUMENTS:

Agreements

Certificate of Interested Parties