



Agenda Item No. 3

To: Building and Operating Committee/Committee of the Whole  
Meeting of January 21, 2010

From: Kevin Raddatz, Electrical Superintendent  
Kary H. Witt, Deputy General Manager, Bridge Division  
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE EXECUTION OF THE FIRST AMENDMENT TO THE SERVICES AGREEMENT WITH VERIZON BUSINESS NETWORK SERVICES, INC., RELATIVE TO REQUEST FOR PROPOSALS NO. 2010-D-3, INSTALLATION SERVICES FOR NORTEL SWITCH UPGRADE, TO EXTEND THE TERM OF THE SERVICE WARRANTY**

### **Recommendation**

The Building and Operating Committee recommends that the Board of Directors approve actions relative to Request for Proposals (RFP) No. 2010-D-3, *Installation Services for Nortel Switch Upgrade*, as follows:

1. Authorize execution of the First Amendment to the Services Agreement with Verizon Select Services Inc., relative to RFP No. 2010-D-3, in the amount of \$54,768 for an additional three-year extended service warranty for the District's Nortel telephone equipment; and,
2. Authorize a budget transfer in the amount of \$54,768, from the FY 09/10 District's Capital Budget to the FY 09/10 District Division Operating Budget with the understanding that sufficient funds are available in the Telephone Switch Replacement project to fund this transfer, subject to the concurrence of the Finance-Auditing Committee at its meeting of January 21, 2010.

This matter will be presented to the Finance-Auditing Committee at its January 21, 2010, meeting for concurrence and to the Board of Directors at its January 22, 2010, meeting for appropriate action

### **Summary**

The District's Nortel telephone equipment was outdated and no longer supported by the manufacturer. To ensure continuity of services, the District determined that it was necessary to upgrade this equipment. Upgraded equipment also allows the District the option to utilize added functionality such as Auto Phone Attendant, Voice Over Internet Protocol (VOIP), and a number of other features, which are not currently available with the District's existing equipment. The District

budgeted \$1,200,000 in the FY 09/10 District Division Capital Budget to replace the telephone switch equipment, but Staff found that equivalent functionality could be achieved by upgrading the equipment at a much lower cost.

On August 13, 2009, the General Manager approved the Nortel Telephone Switch Upgrade project. The cost of this procurement was \$227,213. This included equipment, installation services, and a two-year maintenance agreement. Staff has recently learned that the manufacturer of Nortel equipment is undergoing new ownership and will soon no longer be offering extended service on the District's equipment. Given the critical nature of the telephone system to the District's daily business, it is important to ensure long-term availability of parts and service. Staff has therefore determined that it would be beneficial to the District to purchase a three-year extended warranty while it is still available from the manufacturer.

**Fiscal Impact**

The Telephone Switch Replacement project is included in the FY 09/10 District Division Capital Budget at a total cost of \$1,200,000. Sufficient funds in the amount of \$54,768 are available in the project budget to fund this transfer.