



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Scott P. Johnson

**SUBJECT:** SEE BELOW

**DATE:** June 2, 2008

Approved

*Christine J. Shippy*

Date

*6-11-08*

**SUBJECT: NORTEL OPERATIONS & MAINTENANCE (O&M) SERVICES FOR  
THE CONVERGED NETWORK AND TELPHONY SYSTEM**

## RECOMMENDATION

Adoption of a resolution authorizing the Director of Finance to:

1. Exercise the third of six options to renew the annual Operations and Maintenance (O&M) Services with Nortel Networks Corporation ("Nortel) for managed services of the converged network and telephone system in the amount of \$800,000.
2. Exercise the three remaining one-year options for ongoing support and maintenance subject to the appropriation of funds.

## OUTCOME

To provide continued support and maintenance of the converged data network and telephony system within City Hall

## BACKGROUND

As a result of a competitive Request for Proposal (RFP) solicitation, on March 15, 2005, the City Council approved agenda item 3.4 to execute an agreement with Nortel for the purchase of a converged network and telephony system including all hardware, software, security, installation and one year of operation and maintenance support for the new City Hall.

The Nortel agreement was for an initial one-year term with six one-year options to renew the O&M services, which includes managed services to facilitate knowledge transfer that would enable City IT staff to assume support of the system.

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On August 15, 2006 Council approved the first amendment to the contract to authorize the Director of Finance to renew the O&M services for the period August 15, 2006 through June 30, 2007 and to exercise an additional one-year option to renew the contract for the period of July 1, 2007 through June 30, 2008. The current request is to exercise the third year of the one-year options and receive authority to exercise the remaining three options in future years at the discretion of the Director of Finance.

In addition, since the inception of the contract, Council authorized the Director of Finance to amend the contract to enhance the City's phone system for the Customer Contact Center (Item 3.6, Council Meeting of October 17, 2006); reduce on-site Nortel staff as the on-site maintenance work is transitioned to City staff; and amend the agreement as required (Item 2.17, Council Meeting of June 26, 2007).

### **ANALYSIS**

As discussed, on June 26, 2007 staff reported to Council that Nortel's on-site staffing requirements were being reduced as City Information Technology Department (ITD) staff received the necessary training to assume the lead role in supporting the system. During this current year, the O&M was reduced by \$460,000 with the elimination of two out of three on-site Engineers.

The Nortel O&M contract provides critical support to the City's Voice over Internet Protocol (VoIP) network. The Nortel Network Operations Center provides 24x7 monitoring, alerting and resolution of issues that affect both the voice and data network. This includes engaging AT&T the City's current internet provider as needed to resolve issues on behalf of the City, reducing the City's need for night staff and/or overtime. In addition, Nortel provides single-point technical support, 4-hour parts replacement and other standard warranty functions associated with the hardware and software deployed as part of the City's converged network, limiting downtime and loss of productivity. Finally, the Nortel Security Engineer provides on-site assistance with design and configuration changes as a result of the Information Security Audit, and will design the security for the Police Department migration to VoIP. This migration needs careful attention due to the strict security requirements as mandated by the federal government.

Nortel continues to meet or exceed the service level requirements stipulated by the contract. Through continuation of the agreement, the City will maintain the highest levels of voice and data availability with improved response time to Public Safety during non-business hours. Staff recommends approval to exercise the remaining O&M options for the Nortel Network at City Hall and network monitoring of remote Data Centers.

### **EVALUATION & FOLLOW-UP**

Staff does not anticipate any follow-up at this time.

**POLICY ALTERNATIVES**

Not Applicable.

**PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this item does not meet any of the above criteria, this memorandum will be posted on the City's website for the June 24, 2008 Council Agenda.

**COORDINATION**

This memorandum has been coordinated with the Information Technology Department, the City Attorney's Office, and the City Manager's Budget Office.

**FISCAL POLICY ALIGNMENT**

This Council item is consistent with Council approved Budget Strategy Memo General Principle #2, "We must focus on protecting our vital core City services."

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2008-2009 Proposed Budget Page	Last Budget Action (Date, Ord. No.)
001	0432	Non-Personal/ Equipment	\$5,133,928	\$800,000	VIII-78	Ord No 28241, 2/12/08



HONORABLE MAYOR AND CITY COUNCIL

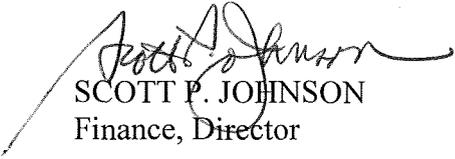
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**CEQA**

Not a Project.



SCOTT P. JOHNSON  
Finance, Director

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.