



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

25

2. Council Meeting Date:

September 24, 2009

TO: MAYOR & COUNCIL

3. Date Prepared: September 1, 2009

THROUGH: CITY MANAGER

4. Requesting Department: City Manager

5. SUBJECT: Approve purchase of mobile communication equipment and airtime from Sprint/Nextel utilizing the State of Arizona and Western States Contracting Alliance (WSCA) contract (EPS070070) in an amount not to exceed \$177,000.

6. RECOMMENDATION: Request approval to purchase mobile communication equipment and airtime from Sprint/Nextel utilizing the State of Arizona and Western States Contracting Alliance (WSCA) contract (EPS070070) in an amount not to exceed \$177,000.

7. HISTORICAL BACKGROUND/DISCUSSION: Most departments are using mobile communication equipment (cell phone, blackberry, push to talk device, or data card) and cellular service. The City has approximately 650 devices under 50+ different service plans with Verizon Wireless and Sprint/Nextel. Back in June, 2009, Council approved funding for extending agreements with both carriers for 3 months of service while work was done on a citywide consolidation of mobile communication services. For the past several months, city staff members have been researching ways to reduce city expenditures in this area. This research has identified that out of the number of minutes the city purchases each month, it only uses approximately 60% of those minutes purchased. Staff have identified that a 24% savings in annual costs can be achieved by consolidating cellular services citywide with a single provider and pooling all minutes purchased so they will be shared between the cellular service users. City staff has developed an electronic process/application for managing this pooled solution and have changed City policy to save ongoing funds. The transition to the new carrier and reduction in costs is projected to be completed by October 1, 2009, resulting in savings for 9 months in the 09/10 fiscal year. In fiscal year 09/10 the city budgeted \$350,000 on cellular services. With this consolidation, the annual ongoing savings will be \$63,000 in 09/10 with an additional \$30,000 in one-time savings and \$84,000 savings in each following year, based on the current number of cellular users.

8. EVALUATION PROCESS: The Arizona State Procurement Office adopted the WSCA contract for their use through the signing of an addendum, thus making it a cooperative contract for other public entities statewide to utilize services with Sprint/Nextel. A purchase order will be used as the contract to purchase these services. Council has approved the form of the purchase order as well as an intergovernmental agreement with the State of Arizona. Meetings were held with the primary cellular service providers in the area (Verizon/Alltel, AT&T and Sprint/Nextel) to share the City's requirements for consolidation and pooling. Vendors were asked to provide a quotation to provide cellular services for all current users based on the WSCA state contract pricing. Sprint/Nextel provided the most cost effective solution yielding the greatest savings, provided the best match to the City's requirements and had the best overall plan.

9. FINANCIAL IMPLICATIONS: Funds for mobile communication equipment and airtime will come from various departments' communication telephone service accounts.

10. PROPOSED MOTION: Move to approve the purchase of mobile communication equipment and airtime from Sprint/Nextel utilizing the State of Arizona and Western States Contracting Alliance (WSCA) contract in an amount not to exceed \$177,000.

APPROVALS

11. Requesting Department


Sheneka Coleman, IT Services Manager

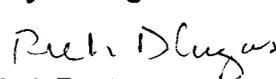
12. Department Head


Steve Philbrick, Chief Information Officer

13. Procurement Officer


Kristy Garcia, CPPB

14. City Manager


W. Mark Pentz