



4325 W. Shaw Ave
Fresno, CA 93722
559.275.8500
888.275.4560
Fax 559.275.1911

www.signalcommunication.com

PHONE SYSTEMS-VOIP-COMPUTER NETWORKS-VOICE/DATA CABLING-LIC# 743890

Sales Agreement

We thank you for putting your confidence in us to deliver your new communication system. We will do everything possible to make this experience as simple and pleasant as possible. Please do not hesitate to contact me if any questions arise through the process.

1. The signature below from an authorized person representing this firm, signifies agreement to the following terms and conditions.
2. Approval is given for the purchase of the system and installation as described in the attached bid proposal.
3. Total Proposal Price: **\$54,416.18**
Full payment is due within 30 days of system installation.
4. SCS retains ownership of equipment until paid in full.
5. Any changes or modifications to the job described in the proposal will require a change order.
6. You are responsible for providing a dedicated power source and a proper ground to be located within six feet of the main system switch. Signal Communication Systems will not be held liable for any existing electrical deficiencies or electrical code insufficiencies. This bid assumes that all existing or customer-installed/provided wiring, conduit, raceways, and wall spaces that are intended for use with this system are in good condition and accessible. Any conduits or wall spaces to be used shall have a customer provided pull string in place. If repair, replacement, or installation of any of the above is necessary by SCS personnel, the projected completion date could change and the cost could increase due to additional time and material billing to provide the needed corrections. In the event of equipment failure, Signal Communication Systems will not be held liable for loss of revenue, employee production, or other expenses related to such service outage.
7. Installation includes all labor, miscellaneous materials, and cleanup of the work area. The equipment and major materials installed have a warranty of five years. Workmanship is warranted for two years. Your purchase also includes a thirty day system program modification period, a music on hold source, basic power surge protection, labeling of all phone instruments, and 60 day unlimited user training and support.

Signal Communication Systems

Authorized Representative

Date

City of Reedley

Company Name

A handwritten signature in blue ink that reads "Paul A. Melikian".

Digitally signed by Paul A. Melikian
DN: cn=Paul A. Melikian, o=City of Reedley, ou,
email=paul.melikian@reedley.ca.gov, c=US
Date: 2018.12.13 11:51:37 -08'00'

Authorized Representative

12/13/2018

Date



REEDLEY CITY COUNCIL

- ☒ Consent
- ☐ Regular Item
- ☐ Workshop
- ☐ Closed Session
- ☐ Public Hearing

DATE: December 11, 2018

ITEM NO: 14

TITLE: ADOPT BUDGET RESOLUTION NO. 2018-099 AMENDING THE FISCAL YEAR 2018-2019 ADOPTED BUDGET TO APPROPRIATE \$15,000 IN AVAILABLE GENERAL GOVERNMENT FACILITIES DEVELOPMENT IMPACT FEES TO FULLY FUND THE CITYWIDE PHONE SYSTEM UPGRADE PROJECT

SUBMITTED: Paul A. Melikian, Assistant City Manager

APPROVED: Nicole R. Zieba, City Manager

RECOMMENDATION

It is recommended that the City Council adopt resolution no. 2018-099 amending the fiscal year 2018-19 Adopted Budget to appropriate \$15,000 in available General Government Facilities Development Impact Fees to fully fund the citywide phone system upgrade project.

EXECUTIVE SUMMARY

The current analog phone system at the City Hall and Police Department is over 10 years old and has reached the end of its useful life. The system is exhibiting increased performance issues, requiring more staff time and service calls to address. Staff propose to replace this phone system and phones at other City locations with an upgraded digital Voice over Internet Protocol (VoIP) phone system that offers significant benefits to staff and a better customer service experience for Reedley citizens. A proposal from Signal Communication Systems, the City's current phone system provider, selected after soliciting proposals from various providers, would allow the City to purchase the entire system up front with minimal ongoing costs.

The attached budget resolution for \$15,000 would complete the necessary funding to fully fund this project. Initially, staff placed \$50,000 in the FY 2018-19 Adopted Budget as a placeholder; however this was before competing proposals could be sought and vetted. The proposal from Signal Communication Systems represents the lowest overall cost option to the City, for a total system price of \$54,416.18. The total project budget of \$65,000 is comprised of the subject cost proposal, new computer switches for approximately \$5,400, and an approximate 10% project contingency of \$5,184 for unforeseen implementation issues.

BACKGROUND

Voice over Internet Protocol (VoIP), is a technology that allows the user to place and receive voice calls using a broadband Internet connection instead of a regular (or analog) phone line. A VoIP system offers tremendous benefits over a traditional analog phone system, including, but not limited to:

- All city locations on one phone system – calls can be routed and transferred much easier

- The City will now have caller ID and conference call capability
- Off-premise “reach-me” allows callers to connect with staff whether on site or not
- Mobile messaging – a copy of voicemails are sent via email directly to smartphones
- Interface software allows the phone to be controlled through the computer
- Vendor remote access to system – saves money on service calls by allowing vendor to remotely connect to system and make changes/updates
- Elimination of free standing fax machines as fax lines can be converted to ‘Efax’ and delivered to an email inbox
- System is expandable/upgradable as needs change down the road
- Monthly savings from discontinuing service on a majority of the City’s analog phone lines

In March 2018, staff solicited proposals from three companies for a new citywide phone system. Two of the proposals were from firms that proposed a system that would be ‘owned’ by the City, and the third proposal was for a ‘hosted’ solution that the City would essentially rent from the provider on an ongoing basis. Owned systems carry a higher cost initially because all necessary equipment is being purchased up front, however the ongoing costs are typically minimal. This is in contrast to a hosted system, in which the up front cost is essentially zero, with the City paying a monthly service fee to the provider to rent each phone.

After reviewing the three proposals, it was clear to staff that the proposal from the City’s current phone system vendor, Signal Communication Systems, provided the best value. The second provider for the ‘owned’ system offered similar benefits and features to Signal’s, however at a 45% higher acquisition cost and an annual maintenance contract for \$7500. The representative from Signal Communication Systems has conveyed to staff that after the initial implementation and setup, annual maintenance requirements are minimal. This is because the new system has an interface that allows some routine tasks to be performed by City staff, and other more complex tasks able to be remotely completed by technicians, with no annual maintenance fee. The final proposal was for the hosted (rented) system, would cost the City approximately \$42,000 per year; and although this system carried with it some enhanced functionality, it was simply too far outside the City’s budget to be seriously considered.

FISCAL IMPACT

The total project cost is not anticipated to exceed \$65,000, and is available and eligible to be covered by the General Government Facilities Development Impact Fee. A VoIP phone system will allow the City to cancel services on a number of existing analog phone lines, resulting in approximate monthly savings of \$335, or \$4,020 per year. In addition, staff is expecting to reduce the amount of annual service calls to the vendor for the new system, as some routine tasks can be easily done by City staff acting as the system administrator, and other more complex tasks able to be completed remotely by the vendor, saving travel time, and resulting billing.

ATTACHMENTS

Signal Communication Systems Sales Agreement & Project Proposal
Budget Resolution 2018-099



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Signal Communication Systems

City of Reedley _____
Company Name

Authorized Representative

Authorized Representative

Date

Date



4325 W. Shaw Ave #101 • Fresno CA 93722 • www.signalcommunication.com • 559-275-8500

**Phone Systems • Security Cameras • Voice & Data Cabling
Nurse Call • Two-Way Radio • GPS Tracking**

City of Reedley
845 G Street
Reedley, CA 93654

Attn: Paul Melikian and Lori Oken

Thanks for meeting with me to discuss the options for a new phone solution. The following is the updated quote.

As we discussed, this is site-based IP solution that you will own and control, NOT a hosted system that you will be just using space on and renting forever.

Since 1986, family owned Signal Communication Systems has provided valley businesses with a full range of telecom equipment and cabling solutions, as well as carrier services. This unique package of products and services has made Signal a premier provider of complete office solutions.

Signal, a California C-7 licensed contractor and BBB Accredited member, has a staff of dedicated installation and service professionals who take great pride in delivering a reliable Business Management Tool in the form of the ESI telecommunication product line.

Step One: Monthly Savings

There are some monthly savings to be had with upgrading to a new IP phone solution:

- Phone Carrier fees. Using the report you generated from your recent phone line study, there are currently 27 analog lines that could be converted to a digital PRI circuit. A PRI circuit is a newer type of phone line that can carry multiple phone numbers on a single set of cable. We will keep 4 of those analog lines as back-ups in case of a PRI failure, so you'll have savings on 23 analog lines. Right now you are paying \$651.36 per month for these 23 analog lines. A PRI cost estimate through Comcast would be \$400 a month, providing **a monthly savings of \$251.36**. PLUS, with a PRI circuit you would gain the ability to have Direct Dial Numbers for selected city employees AND outbound Caller ID control on a station-by-station basis.
- Fax lines. Using the same report, there are currently 6 fax lines that could be converted to ESI's Efax service. Incoming faxes would be automatically converted to a PDF and forwarded to the appropriate pre-assigned email address (i.e. City Manager faxes would go to the City Manager or assigned assistant, etc). For outgoing faxes, documents would need to be scanned and then emailed out. You may want to keep 1 fax line/machine for items that cannot be scanned/emailed. So if you converted 5 of these lines, that would save you **\$43.65 per month**.
- Fax machines. Eliminating the 5 fax lines would also allow you to eliminate the 5 fax machines. This would save you toner and paper costs. Some online research estimates

the monthly cost of toner and paper for an average fax machine to be about \$8. Times 5 machines, that would save you **\$40 per month**. This doesn't include electricity cost savings, nor does it take into account maintenance or replacement costs.

- Efficiencies. Always hard to quantify, but there should be significant efficiency savings by: having a copy of a user's voicemails sent directly to their Smartphone (particularly for Police Officers), being able to transfer calls to off-site departments, being able to intercom off-site departments, sharing voicemails, etc.

Taking just the hard dollars listed above, you could have **monthly savings of \$335**.

Step Two: Cabling Configuration

We would plug the phone directly into the Cat 5 connection in the wall and then daisy-chain the computer through the phone. This eliminates the cost of installing new cabling. Unity IT will provide the POE switches and we will work with them on any switch programming needed. Visually it will be:

WALL → PHONE → COMPUTER

Step Three: New Phone System – City Hall/Police Department

ESI Advantages:

- Five Year Hardware & Software Warranty **Included**
- Local IP phones for much easier moves around the office
- Maximum of 127 stations – plenty of room to grow
- 8 channels of voicemail, 70 hours of message storage
- Talking HELP menu
- Enhanced Caller ID allows one-touch call return from IP phones
- Up to 64 conference callers (maximum of 16 persons per conference)
- Meet Me Conferencing – you can host a conference by having outside parties call in to a specific number
- Integrated music-on-hold (3 pre-recorded, 9 customizable)
- Off-premise “reach-me” allows callers to find a user whether on site or not
- ESI-Dex scrolling speed dial allows users to quickly store and retrieve commonly called numbers (one button store)
- VIP7 – phone/computer interface software gives you call controls through your PC
- Emergency Alert – if 911 is dialed from any extension, the operator's main phone is notified immediately with what extension dialed 911
- Mobile Messaging – have a copy of your voicemails sent directly to your Smartphone
- Remote Access to System – saves money on service calls by allowing us to remotely connect to system and make many changes/updates

City Hall/Police Department

Your current configuration would give you capacity for a PRI circuit, up to 4 analog lines, up to 64 IP stations, and up to 4 analog ports. Forty-nine (49) IP phones, two (2) Polycom IP Conference phones, an 8 channel, 500 mailbox, 70 hour voicemail, 50 seats of VIP7 software are included below.

1	ESI IP900 Package:	22,000.00	
	Configured: 1 - PRI circuit, 4 co lines, 64 IP stations, 4 analog ports		
	Voicemail & Auto Attendant		
	Mobile Messaging		
	Meet-Me Conferencing		
	49 – ESI 55IP Backlit Full Duplex Speakerphones		
	49 – VIP7 Software		
2	Polycom IP6000 Conference Phone	490.00	980.00
1	Cellphone Booster Kit, 2,000 sq feet, City Hall		450.00
1	Installation Kit (patch cords, surge protector, etc)		<u>1,150.00</u>
	Materials Total		24,580.00
	Tax		2,083.16
	Installation and Programming		<u>11,975.00</u>
	City Hall/Police Department System		\$38,638.16

Step Four: Connecting the rest of the City Departments

For the other City departments located at other sites (Fire, Community Center, WWTP, Corp Yard), we would install IP phones connected remotely to the main system at City Hall/Police Department. These phones would function just like any other phone on the system. You can intercom, transfer calls, share voicemails, etc. If their internet connection failed, then these remote phones would not work. The phones at City Hall/Police Department would continue to function normally.

Fire Department		
8	ESI 55IP Backlit Full Duplex Speakerphones	255.00 2,040.00
8	ESI IP Licenses	85.00 680.00
8	ESI VIP7 Software	50.00 400.00
	Tax	284.76
	Installation and Programming	800.00
Community Center		
10	ESI 55IP Backlit Full Duplex Speakerphones	255.00 2,550.00
10	ESI IP Licenses	85.00 850.00
10	ESI VIP7 Software	50.00 500.00
	Tax	355.95
	Installation and Programming	1,000.00
WWTP		
8	ESI 55IP Backlit Full Duplex Speakerphones	255.00 2,040.00
8	ESI IP Licenses	85.00 680.00
8	ESI VIP7 Software	50.00 400.00
	Tax	284.76
	Installation and Programming	800.00
Corp Yard		
4	ESI 55IP Backlit Full Duplex Speakerphones	255.00 1,020.00
4	ESI IP Licenses	85.00 340.00
4	ESI VIP7 Software	50.00 200.00
	Tax	152.55
	Installation and Programming	<u>400.00</u>
	Total Remote Phones for 4 Locations	\$15,778.02

Summary:

City Hall/Police Department System	38,638.16
Remote Phones for 4 Locations	<u>15,778.02</u>
Summary Total	\$54,416.18

If you have any questions, or would like to meet to discuss the solutions in more detail, please contact me at 275-8500 ext 220.

Thank you,

Bryan Awbrey
10/26/18

**BUDGET AMENDMENT
RESOLUTION 2018-099**

The City Council of the City of Reedley does hereby amend the 2018-19 Budget as follows:

Section I - Additions:

FUND-DEPT.OBJECT		AMOUNT
110-4280-6299	VoIP Phone System Citywide	\$15,000

Purpose: The replacement of the various existing phone systems utilized by city departments with a citywide VoIP phone system was included in the FY 2018-19 Adopted Budget at an estimated cost of \$50,000. After soliciting multiple proposals, the vendor with the lowest cost will exceed the budgeted amount. In addition, the City will need to purchase and install some additional IT equipment to provide the necessary infrastructure. Total additional funds requested is \$15,000, which includes an approximate 10% contingency.

Section II – Source of Funding:

FUND BALANCE		AMOUNT
110-2710	DIF General Government Facilities	\$15,000

Impact: Sufficient fund balance is available for this allocation and does not impact any other project that utilizes this funding source.

Reviewed:



Assistant City Manager

Recommended:



City Manager

The foregoing resolution was approved by the City Council of the City of Reedley on December 11, 2018 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

Anita Betancourt, Mayor

ATTEST:

Sylvia Plata, City Clerk