

**CITY OF OAKLAND  
COUNCIL AGENDA REPORT**

OFFICE OF THE CITY CLERK  
OAKLAND

2004 MAR 11 PM 12:36

**TO: Office of the City Manager**  
**ATTN: Deborah Edgerly, City Manager**  
**FROM: Finance and Management Agency**  
**DATE: March 23, 2004**

**RE: A REPORT AND RESOLUTION AUTHORIZING THE CITY MANAGER OR HIS/HER DESIGNEE TO NEGOTIATE CONTRACTS FOR THE TECHNOLOGY COST SAVING MEASURES AND PROJECTS SPECIFIED WITHIN THIS RESOLUTION AND RETURN TO THE CITY COUNCIL THE NECESSARY RESOLUTIONS AND CONTRACTS FOR REVIEW AND APPROVAL.**

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**SUMMARY**

This report is a follow up to the Informational Status Report submitted to Committee on February 10, 2004. This report responds to the committee's questions and requests authorization to proceed with negotiations, per the committee's direction.

The Information Technology (IT) Division of the Finance and Management Agency has proposed a number of projects that will improve services and provide significant cost savings to the City. These projects are:

- Voice Over Internet Protocol (VOIP)**
- Network Upgrade**
- Miscellaneous Cabling**
- Radio Upgrade**
- Cellular Phone Services**
- Windows 2003 Upgrade (W2k3)**
- Integrated Public Safety System (IPSS)**
- Burglar/Fire Alarm**
- AS/400 Application Migration**
- SUN Technology Refresh**

The description of each project, Fiscal Impact, estimated timeframes and status are contained within *Attachment A*.

*Attachment B* contains a listing of all the questions articulated during the February 10<sup>th</sup>, committee meeting and provides answers for each one.

*Attachment C* contains a requested list of Cities, Counties and Corporations that have implemented the Voice over IP technology.

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**Attachment D** contains current costs, startup costs and yearly cost savings projected for each project.

**Attachment E** is a graphical representation of the data contained in Attachment D.

The intent of this document is to outline the actions of the Finance and Management Agency Information Technology Division in actively pursuing means to contain the overall costs of information technology. IT believes that these projects present a unique opportunity to enhance existing technological capabilities by upgrading/replacing obsolete equipment, software and hardware while cutting costs and increasing services to the Citizens of Oakland.

## **BACKGROUND**

An Informational Status report was submitted to the Finance and Management Committee on February 10, 2004. The result was a request for additional information, with the directive that the report be resubmitted as an Action Item Report on March 23, 2004.

It was also determined by the Committee that any contracts completed as a result of these projects are to be submitted to Council for review and final approval.

## **KEY ISSUES AND IMPACTS**

Key issues and impacts of all ongoing technology projects consist of the following:

**Aging equipment** – Costs to maintain aging equipment far surpass the cost of replacing the equipment. With newer equipment, standardizing can occur and maintenance and monitoring costs can be contained.

**Increased technology** – The replacement of old technology opens the door for new capabilities. In the case of the AS400, replacement of this system would allow applications to be web-enabled. Replacement of the telephone systems with VOIP will allow for enhanced 911 capability (where individuals can be pinpointed by emergency services personnel by the location of the phone), while the Windows 2003 Upgrade, Radio Upgrade and IPSS project will provide enhanced capability and interoperability between public safety agencies.

**Increased security** – Safeguarding City resources is critical. The technology being implemented in the VOIP, Radio Upgrade, Networking Upgrade, AS400, Windows 2003, IPSS and Burglar/Fire Alarm systems, all encompass security as a critical component. For example, replacement of the Radio Systems will ensure that conversations between police and fire remain confidential, while networking and Windows 2003 upgrades will ensure that outside hackers will be constrained from invading sensitive City data. The Sun Refresh project and IPSS will expand storage capabilities and place critical data in a location that can survive a natural disaster.

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The repercussions of not implementing the above named projects will result in escalating costs throughout fiscal year 2003-2005. In order to avoid interrupting continuity of City business and provide secure revenue streams, we must ensure that a reliable, secure network is in place. These projects aim to accomplish this goal.

### **FISCAL IMPACT/ PROJECT DESCRIPTIONS/STATUS**

IT strives to cap technology costs and provide significant cost saving benefits, while maintaining the quality of service for the citizens of Oakland.

Cost savings are a direct result of decreased maintenance costs when replacing old equipment with newer, more efficient equipment. In addition, there will be decreased staff labor cost due to less overtime expenditures, increased productivity due to significant software upgrades and increased security to the entire City infrastructure.

Funds for the Voice over IP, Network Upgrade, Windows 2003 upgrade, IPSS, and the AS400 Migration have been appropriated from the CIP budget FY2003-2008. Additional projects such as the Radio Upgrade, Miscellaneous Cabling, Cellular Phone Services, and Burglar/Fire Alarm are charged back to each department and are within the existing budget.

A breakdown of the fiscal impact, project descriptions and status of all ongoing technology projects undertaken by IT is listed in Attachment A.

### **SUSTAINABLE OPPORTUNITIES**

Environmental - Old, hazardous equipment will be replaced with newer up to date and more environmentally friendly equipment. Enhanced communications will result in the elimination of transportation costs and pollution.

Economic - Local vendors will be utilized wherever possible, providing direct economic benefits to the City.

### **DISABILITY AND SENIOR CITIZEN ACCESS**

The AS400 transfer will enable applications to become Web capable, allowing disabled and senior citizens to more easily avail themselves of City services.

VOIP and Network Upgrade technology will allow text messaging to the telephone, facilitating communications for both senior and disabled individuals.

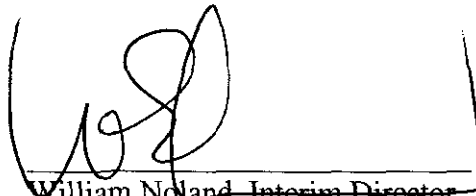
## RECOMMENDATIONS AND RATIONALE

The deployment of new technology will result not only in cost containment but also improved City services for the City of Oakland citizens. It is the recommendation of IT to authorize the City Manager or his/her designee to negotiate contracts for the technology cost saving measures and projects specified within this report and return to the City Council the necessary resolutions and contracts for review and approval.

## ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Finance and Management Committee approve and forward to the City Council this Action Item report and authorize the City Manager or his/her designee to negotiate contracts for the technology cost saving measures and projects specified within this report and return to the City Council the necessary resolutions and contracts for review and approval.

Respectfully submitted,



~~William Noland, Interim Director~~  
Finance and Management Agency

Prepared by:

Bob Glaze, Manager  
Damaris Sambajon, Project Manager II  
Jane Postiglione, Telecom Supervisor  
Terry Allen, Network Architect  
Dennis Doss, Electronics Supervisor  
Sam Thomas, Information Systems Supervisor  
Jim Mahoney, Project Manager I  
Randall Sacrison, Information Systems Supervisor

APPROVED AND FORWARDED TO THE FINANCE  
AND MANAGEMENT COMMITTEE

  
Office of the City Manager

Attachments:

- Attachment A – Project Description, Fiscal Impact, Status Table
- Attachment B - February 10, 2004 questions by Council members
- Attachment C - Existing Voice over IP Implementations by City, County and Corporation
- Attachment D - Cost Analysis
- Attachment E - Chart for Cost Analysis

**PROJECT DESCRIPTION, FISCAL IMPACT, STATUS TABLE**

**ATTACHMENT A**

PROJECT	DESCRIPTION	FISCAL IMPACT	STATUS
<b>VOIP</b>	Escalating costs due to an aging telephone system needed to be contained while improving telephone services. By integrating the data and telephone network, the City will cut costs, improve communications, upgrade the data network and replace aging telephone systems. The proposed combination of the telephone and data network into a converged system is called Voice over Internet Protocol (VOIP).	Through the deployment of Voice over IP equipment, the City will be able to reduce its SBC/MCI charges (currently \$2,400,000 per year) by almost \$1,000,000 per year. The resulting savings will cover the cost of this initiative along with that of the network equipment replacement covered below and provide on-going cost savings in future years.  This project has been funded by CIP funds for FY 2003-2008.	Requests for Information were due on September 17. Shoreline Communications was chosen as the final vendor on October 31. The Voice over Internet Protocol project has been presented to the Finance & Management committee on February 10, 2004. Currently, a scope of work has been submitted to the City for review and upon presentation and approval by Council, a contract will be negotiated. Installation and implementation is expected to take 6 months.
<b>NETWORK UPGRADE</b>	The data network is the structure upon which all information transfer takes place. The ability to provide a reliable and secure platform is essential for City functions. The proposed network upgrade will replace aging network equipment with a more robust, secure and reliable network, giving City of Oakland employees results that include increased speed, more uptime, and increased security. The Network Upgrade will place the network on a supported maintenance agreement and provide a solid platform upon which the VOIP implementation can reside.	The costs for this initiative will be funded by the near term cost saving benefits from the installation of the new technology (IP telephones). IP telephones utilize the same data network on which computers receive their information. This combination of voice and data (converged network) allows for the use of a single network in order to provide telephone and computer services and results in reduced maintenance costs. The \$1,000,000 savings obtained via the VOIP project will be utilized for network upgrade and cover the cost of this initiative.  Savings should be realized within 6 months of the Voice over IP implementation.	In the FY 2003-2005 budget, Council approved \$500,000.00 in Capital improvement funds, in order to bridge the period between cost realization and the cost incurred by the requested lease. Cisco Systems has been in contact with and will propose the use of Oakland vendors as part of this overall project. It is anticipated that with the City Council's approval, the upgrade of the network in Frank H. Ogawa Plaza, Municipal Service Center and Museum will be completed by December 2004.

**FINANCE & MANAGEMENT CMTE.**

**MAR 23 2004**

**PROJECT DESCRIPTION, FISCAL IMPACT, STATUS TABLE**

**ATTACHMENT A**

<b>PROJECT</b>	<b>DESCRIPTION</b>	<b>FISCAL IMPACT</b>	<b>STATUS</b>
<p><b>MISCELLANEOUS CABLING</b></p>	<p>This contract covers wiring for telephone and computer systems. The City will contract large cabling projects to a company who specializes in cabling. By contracting large cabling jobs, the City can shorten cabling project durations, reduce cabling project costs &amp; better utilize established staff.</p>	<p>Due to current staffing levels, cabling projects are handled on overtime - typically on Saturdays. Many of these projects experience delays due to the limited City resources to accomplish these projects. These overtime costs are currently charged back to the departments and agencies that request the work.</p> <p>The ability to cap cabling costs by hiring an outside contractor will result in efficiencies of time and reduction of City staff overtime. IT will continue to charge back the costs to the departments, albeit with considerable savings due to lower hourly costs. The result is a potential cost savings of \$102,000.00 over the 2003-2005 fiscal years. Indirect cost savings will include more efficient use of existing staff resources and increased productivity due to reduced overtime.</p>	<p>Tucker Technologies was chosen as a final vendor through an RFP process. The Cabling Contract is in the process of being negotiated. We propose to have completed negotiations by April, 2004.</p>
<p><b>RADIO UPGRADE</b></p>	<p>The radio systems currently in place are those used by the public safety employees to communicate. Over time, current radio equipment has become out of date and radio coverage has been compromised. By standardizing on new equipment the radio upgrade will improve coverage area (particularly in the Eastern Hills), reduce maintenance costs, improve safety communications, replace old technology, improve security, enhance data capabilities, and increase efficiency.</p>	<p>Current Radio expenses are covered through the budgeted Radio Fund. Upon approval, the replacement of old radio equipment with more efficient equipment will result in no fiscal impact for the first year of a 10 year lease. The second through the ninth year fiscal impact is expected to be covered by revenue generated by each department to the existing radio replacement fund. Yearly payments to the lease provider shall not exceed \$1.3 million. This expenditure will result in increased coverage in the Eastern Hills, reduced maintenance costs through standardization, increased over the air security, better response times and improvement in communications between public safety agencies.</p>	<p>The Radio upgrade will consist of a sole source provider. M/A-Com is the provider of choice and will be submitting a final cost proposal for the project. It is anticipated that a formal proposal will be obtained and authorization sought from Council by Summer 2004. The upgrade will be complete by December 2005.</p>

**PROJECT DESCRIPTION, FISCAL IMPACT, STATUS TABLE**

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<b>PROJECT</b>	<b>DESCRIPTION</b>	<b>FISCAL IMPACT</b>	<b>STATUS</b>
<b>CELLULAR COST REDUCTION</b>	<p>The need to reduce City expenditures resulted in a re-evaluation of cellular plans. Cellular phone costs are being reduced by switching from an individual minute plan to a consolidated "bucket plan" from which all cellular phones are serviced. The result is a decrease of over \$16,000 dollars per month and approximately \$196,000 per year.</p>	<p>City of Oakland has aggressively pursued cost containment of cellular services. Cost containment measures have resulted in a reduction of expenditures from AT&amp;T totaling \$71,000 per year and \$125,000 from Nextel, yielding an annualized total result of \$196,000 per year. Next steps in this process are the modifications of the existing Administrative Instruction (AI) for Cellular Services. In conjunction with this modification, Information Technology is drafting recommendations concerning the use of a technology allowance and fixed rate cellular phones. This recommendation will include some additional cost savings proposals for cellular Cost containment.</p>	<p>Phase 1, the consolidation of cellular plans into two providers under bucket plans, is complete. IT has seen a significant reduction in cellular expenses and will continue to monitor the bucket plans for additional cost savings. Additional recommendations will be presented by May 2004 for consideration.</p>
<b>WINDOWS 2003 MIGRATION</b>	<p>Most critical City services (including email) currently reside on NT 4.0, an operating system that is no longer supported by Microsoft. As the operating system ages, maintenance and software licensing costs will escalate and below-standard security could compromise critical City applications. The upgrade will diminish spam, increase security and decrease the use of staff resources due to centralized management.</p>	<p>The existing operating system upon which most City applications reside is no longer supported by Microsoft. Emerging solutions to email spam and pop-ups require that a supported operating system be utilized, which ensures better security and additional stability for any emerging application. This upgrade will include the contracting of a Professional Services group which will assist in the transition to the new operating system. The budgeted amount of \$616,450 was approved from CIP budget 2003-2008 and will include hardware purchases, professional services and maintenance agreements for this upgrade.</p>	<p>Currently, the Windows 2003 team has been assembled and the RFP was released to the public on January 21, 2004. RFP submissions were due February 23 and final vendor selections will be completed by March 23, 2004. The implementation is expected to take 8 months.</p>



PROJECT DESCRIPTION, FISCAL IMPACT, STATUS TABLE

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PROJECT	DESCRIPTION	FISCAL IMPACT	STATUS
<p><b>IPSS</b></p>	<p>The ability to communicate effectively between public safety organizations is critical. The existing Public Safety system is outdated and incapable of providing the necessary support due to diminishing vendor support and antiquated equipment. <i>IT is updating and consolidating all public safety systems into a consolidated network, ensuring increased communication, better reliability and superior public service to the citizens of Oakland.</i></p>	<p><b>IPSS</b> – The Integrated Public Safety System (IPSS) project budget was approved from CIP budget 2003-2008 and consists of the following:</p> <ol style="list-style-type: none"> <li>1. A one time not to exceed amount of \$8,774,750 for Motorola’s IPSS solution, which is comprised of a Police and Fire Computer Aided Dispatch (CAD) System, Police and Fire Records Management System (RMS), Police Corrections Management System (CMS) and Police and Fire Mobile Data Communications Systems. This amount will be paid from FY 2002-03 through FY 2004-05.</li> <li>2. A five (5) year agreement with Motorola for maintenance, new software release commitment, and installation services for FY 2005-06 through FY 2009-10 for an amount not to exceed \$5,250,000.</li> <li>3. Additional supporting third party vendor agreements for non-recurring costs for products and services for an amount not to exceed \$3,097,000 and recurring costs for communications services, for an amount not to exceed \$760,000 for FY 2002-03 through FY 2004-05.</li> <li>4. A contingency amount not to exceed \$500,000 for FY 2002-03 through FY 2004-05.</li> </ol>	<p>Approved by Council on December, 2003. This Project is slated for completion by September 2004.</p>

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<b>PROJECT</b>	<b>DESCRIPTION</b>	<b>FISCAL IMPACT</b>	<b>STATUS</b>
<b>IPSS (cont'd)</b>		Indirect fiscal impacts include the increased presence of police officers on the street due to increased communication, a more efficient public safety services to the citizens, enhanced emergency services and increased operating efficiencies throughout the public service sector for Oakland.	
<b>BURGLAR/FIRE ALARM CONTRACT</b>	The City's current alarm system needs standardizing and upgrading in order to effectively protect City employees and assets. In order to provide better customer service, improve response times for maintenance and better utilize existing resources, the City will use a contractor to provide all alarm installation and maintenance services.	The City supports and maintains the majority of burglar and fire alarm systems for City owned buildings. Current costs for maintaining outdated burglar and fire alarm systems total over \$31,000 in material and vendor costs and over \$20,000 in internal labor costs for a total of \$51,000 per year. Initial costs for upgrading the systems will be determined upon responses from the RFP and will be funded by charge backs to the serviced departments. The result of this contract would be increased efficiency and response times for burglar and fire alarm installations and repairs.	The RFP is being drafted and will be complete on March 15, 2004. IT proposes to have a contractor selected by May 2004 and the work will be complete by September, 2004.
<b>AS/400 APPLICATION MIGRATION</b>	The AS/400 contains applications which are of a critical nature to the City. These applications (e.g. Automated Collections, Business Tax, Permit Tracking) track over \$100 million of annual revenues. The IBM/AS/400 has reached obsolescence. IBM no longer supports the system software. Hardware can only be maintained with salvaged and refurbished parts. In order to ensure continuity of City processes, it is necessary to transfer these applications to a supported system (SUN). Moving the AS/400 applications to the new SUN server will lower maintenance costs, provide enhanced application capabilities, and insure a more stable and inexpensive	The hardware maintenance cost of the IBM AS/400 is currently \$50,000 per year, and is due to start increasing by 18-25% per year. Over the next five years Oakland would need to budget between \$400,000 and \$450,000 for AS/400 replacement parts as well as hardware maintenance. The current maintenance contract will terminate in August 2004. This future escalating cost will be removed from the City's budget by July 2004, replacing it with a much lower and fixed cost on the SUN system.  Only professional services costs are required to move from the IBM/AS400 platform to the SUN platform. These costs are covered by	A Request for Information on the methodology that companies would use to convert the AS/400 programs to the SUN Microprocessor platform was completed on November 21, 2003. Over 80 vendors were contacted. Only 6 Vendors replied. The responding vendors have since been requested to respond to a Request for Quotation. The replies were due January 20, 2004. All responses were evaluated by January 30, 2003. Vendor selection will be complete by February 27, 2004. Project completion is planned 5 months after Council approval.

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<b>PROJECT</b>	<b>DESCRIPTION</b>	<b>FISCAL IMPACT</b>	<b>STATUS</b>
<p><b>AS/400 APPLICATION MIGRATION (cont'd)</b></p>	<p>platform for mission critical City applications.</p>	<p>money originally allocated for sun technology refresh by CEDA.</p>	
<p><b>SUN REFRESH</b></p>	<p>The SUN server supports mission critical applications such as the payroll, finance, and budgeting systems. In order to maintain functionality of these mission critical systems, the City included in the Council Approved Lease Agreement with GE Capital a clause allowing them to refresh technology mid-way during the lease. This technology refresh will result in more storage capacity and processing power for the increasing demands of City applications <i>without increasing lease amounts.</i></p>	<p>The technology refresh is a part of the existing lease agreement with GE Capital. Due to the lease extension, there are no upfront costs required for the SUN Technology refresh. The \$300,000 allocated from the CEDA PERTS project will be used by the AS400 Migration project. No additional funds are required for the AS400 Migration project.</p>	<p>A recommendation will be presented to Council on March 23, 2004. Upon Council approval, implementation is tentatively scheduled for March of 2004.</p>

**COUNCILMEMBER QUESTIONS BY PROJECT:**

<b>VOIP</b>	
<b>De la Fuente:</b>	<p><b>VOIP – SBC/MCI 2.4 MILLION TO 1 MILLION REDUCTIONS – Are these actual numbers or approximate numbers?</b></p> <p>Numbers for the reports are accurate and were arrived at by a combination of internal analysis (review of all SBC bills), an outside contractor who reviewed existing telephone services and an outside vendor report. Actual number is closer to \$800,000 in hard cash. The additional \$200,000 will be achieved in cost savings from elimination of higher cost lines (fire department mileage fee) and elimination of differing and higher cost telephone equipment.</p>
<b>Wan:</b>	<p><b>What is the difference between Voice over IP and the current Centrex telephone system?</b></p> <p>Current Centrex lines require that for every telephone that exists within the City of Oakland, a line be established. Thus, 5000 phones require 5000 lines. Voice over IP eliminates these lines and replaces them with high capacity lines that already exist within our network. For external long distance calls, lines are consolidated and replaced with a few high capacity lines. This results in significant cost savings for the City.</p> <p><b>What will Voice over IP do for us?</b></p> <p>Voice over IP will replace an aging telecom infrastructure, reduce costs by converging a data and voice network, and update the telecom system so that E911 capabilities are available.</p> <p><b>Does Voice over IP do voice over servers? Is that correct?</b></p> <p>Voice over IP merges data and telephone onto one line. Telephones become minicomputers, and transmit voice over network. Servers may be utilized to bring additional features into play; however, voice is not dependent on a server for functionality.</p> <p><b>Will this system work with an electrical outage?</b></p> <p>Backup equipment is included within the Voice over IP proposal.</p> <p><b>Is this a proven technology?</b></p> <p>Yes, this is a proven technology that has matured enough to be used by large corporations. A proof of concept demo was tested by the OIT department, thoroughly testing all aspects of Voice over IP within City of Oakland parameters.</p> <p><b>Any Cities/Corporations use this right now? Please provide list.</b></p> <p>List is included as Attachment C to this document.</p>

	<p><b>Is the company stable enough to supply the technology for 7 years?</b>                  The survivability of the technology was evaluated by Oakland staff. Some criteria were:</p> <ul style="list-style-type: none"> <li>• Can the city maintain the equipment?</li> <li>• Does it have a lifespan that will take us through the required time period?</li> <li>• Can it be repaired outside this company?</li> <li>• Are the phones non proprietary? (Polycot, AT&amp;T)</li> </ul> <p>Based on these criteria, it was found that this company can provide the technology indicated without compromising City of Oakland survivability.</p> <p><b>Is the technology proven or is this company the only one that can provide this technology?</b>                  The technology can be provided by a number of companies. Each company provides different methods of delivering and deploying the product. These differing methods and how they would accommodate City of Oakland requirements played a large part in the decision making process. Some of the criteria used to evaluate and choose this company were:</p> <ul style="list-style-type: none"> <li>• Method of deployment</li> <li>• Cost</li> <li>• Maintenance cost</li> <li>• Ease of installation</li> <li>• Ability of City staff or outside vendor to properly maintain the product</li> <li>• Upgrade and software facility</li> <li>• Survivability</li> </ul> <p>It was found that Shoreline best met those requirements the city needed.</p>
<p><b>Brunner:</b></p>	<p><b>What is broken? What is not broken?</b>                  Current systems are over 15 years old. The life span of most of the telecom equipment is rated for only 7 years. Most of the equipment is at end of their life cycles. Outages are occurring periodically on existing equipment – i.e. building permits, CEDA, etc. The new system would replace old failing equipment with newer, more efficient and cost effective equipment.</p>

	<p><b>Where is Shoreline located? Are there any local companies that can provide this product?</b>                  Shoreline is located in Sunnyvale. An Oakland company will be partnered with Shoreline for installation, maintenance and support.</p>
<p><b>NETWORK UPGRADE</b></p>	
<p><b>Brunner:</b></p>	<p><b>Networking – What is the cost?</b>                  \$2.520 million for 7 year lease agreement.</p> <p><b>Why do we need the network upgrade?</b>                  Much of the current equipment from Cabletron is failing and is no longer manufactured. In addition, many of the hubs and switches from Cabletron do not meet minimum security standards for the City of Oakland.</p> <p>Upgrading the network will consolidate two differing types of network equipment and result in cost savings in network training and maintenance.</p>
<p><b>MISCELLANEOUS CABLING CONTRACT</b></p>	
<p><b>De La Fuente:</b></p> <p><b>Brunner:</b></p>	<p><b>What is the need for a wiring contract? Why should we provide \$400,000 for convenience?</b>                  The cabling contract is a “not to exceed \$400,000” contract. Due to staff constraints, cabling is accomplished when staff is available (causing delays) and by utilizing overtime hours. This contract would eliminate some of the overtime in cabling projects, and eliminate delays.</p> <p><b>Miscellaneous Cabling – Are you sure there are going to be no personnel cutbacks?</b>                  No. Current staff will continue to be utilized for any projects necessary, including cabling during regular work hours. The Cabling contract is a “not to exceed” contract. This will allow us to utilize the contractor when there is a need to expedite cabling projects without costing the City additional monies.</p>

<b>CELLULAR PHONES</b>	
<b>Wan:</b>	<p><b>What are our current cellular procedures? What is a bucket plan?</b>                  Our current cellular procedures consist of issuing cell phones per manager approval. A bucket plan is a plan where all the minutes are consolidated. All cell phones draw from this “bucket” of minutes, eliminating overage charges on overtime minutes.</p>
<b>SUN REFRESH</b>	
<b>Brunner:</b>	<p><b>SUN REFRESH - What is it? What is the total cost?</b>                  Sun refresh involves replacing the hardware platform that currently holds the payroll systems. This refresh will expand the “box” where all the data resides, allowing additional growth of data from all the applications that personnel and payroll use.</p>
<b>AS400</b>	
<b>Brunner:</b>	<p><b>AS400 Application – Please explain what this is.</b>                  The AS400 is a legacy system that supports our business license tax, permit tracking, legacy personnel files and loan servicing agencies. We are asking to decommission the old system and convert data over to the sun server. This will cost \$500,000.</p>
<b>RADIO UPGRADE</b>	
<b>Brunner:</b>	<p><b>What is the yearly cost for the radio upgrade?</b>                  \$1.3 million a year.</p> <p><b>How are we going to get the departments to pay the radio cost internally?</b>                  We will be requiring that all monies for the radio costs be appropriated correctly as part of the department budgets. Payment will be made from Radio Fund (4200).</p> <p><b>Why are we upgrading radios? Is this critical?</b>                  Yes. Radios have not been replaced since 1991. We are paying hundreds of thousands of dollars every year in additional costs for radios that are failing. Most of the equipment is over the lifespan limits. These radios are essential for communication between fire and police.</p>

	<p><b>Wan:</b> <b>Are we duplicating efforts from IPSS?</b>  <b>Aren't the radios taken care of under IPSS?</b>                  IPSS is for data transmission. For instance, IPSS would cover the laptop dispatch system for officers. The Radio systems are the portable radios used for communication when they are away from their police cars.</p>
<p><b>BURGLAR CONTRACT</b></p>	
	<p><b>Brunner:</b> <b>How much is the burglar alarm contract?</b>                  The Burglar Alarm contract cost will be determined upon submission of the RFP. The contract is an avenue for maintenance and upgrade of existing systems and will vary on cost depending on how often departments call upon the contractor for servicing of their alarm systems.</p>



## VOIP IMPLEMENTATIONS (NOT VENDOR SPECIFIC)

<b>CITIES AND COUNTIES</b>	City of Bellevue, WA
	City of Capitola
	City of Corpus Christi, TX
	City of Des Moines, Iowa
	City of Denver, CO
	City of Dothan, Alabama
	City of Fremont
	City of Gilroy
	City of Greensboro
	City of Hollister
	City of Houston
	City of Laguna
	City Of Loma Linda
	City of Lynwood
	City of Monrovia
	City of New York – Dept of Sanitation
	City of Rocklin
	City of Rockville, MD
	City of Sacramento
	City of Sherwood, OR
	City of Tigard, OR
	City of Turlock
	City of West Covina
	City of Whittier
	Culver City
	Arlington County, VA
	County of Sacramento
	County of Monterey
	Bingham County, Idaho.
	County of Monterey
	County of Nevada
	Columbia County, Ga.
	Clark County, Nevada
	Sedgwick County, Kansas
<b>OTHER AGENCIES</b>	2002 Federation Internacional de Football Assn. World
	Blood Centers of the Pacific.
	Butte Community College
	College of Marin
	Cupertino Union School District
	East Bay Municipal District
	Fremont Unified School District

**VOICE OVER IP IMPLEMENTATIONS**

**ATTACHMENT C**

	<b>Monterey Salinas Transit (limited VOIP Implementation)</b>
	<b>Mountain View - Whisman School District</b>
	<b>Muzak - a music media company</b>
	<b>National Transportation Safety Board</b>
	<b>Pacific Grove Police Department (limited VOIP Implementation)</b>
	<b>Premier West Bank .</b>
	<b>Rescue Union School District</b>
	<b>The Unites States Army Corp of Engineers</b>
	<b>Ventura Unified School Districts, Ca</b>
<b>CORPORATIONS</b>	<b>American Electric Power</b>
	<b>Boeing</b>
	<b>Brown &amp; Toland</b>
	<b>CitiCorp</b>
	<b>Defense Language Institute - (Limited VOIP implementation)</b>
	<b>Dell</b>
	<b>Donna Karen Company (DKNY)</b>
	<b>Dynergy</b>
	<b>Erlanger Health Systems, Tn.</b>
	<b>Franklin W. Olin College of Engineering,</b>
	<b>GoAmerica, Wireless Service Provider</b>
	<b>Great West Life Insurance</b>
	<b>Lakehead University, Thunder Bay Ontario, via Bell Canada</b>
	<b>Laughlin, Falbo, Levy and Morrisey Law Firm</b>
	<b>McKesson</b>
	<b>Merrill Lynch</b>
	<b>Merrill Lynch</b>
	<b>Mount Sanai Hospital – (Limited VOIP implementation)</b>
	<b>Navel Post Graduate School – (Limited VOIP implementation)</b>
	<b>PACCAR</b>
	<b>Pebble Beach</b>
	<b>Provident Bank</b>
	<b>QualChoice, Health Care Provider</b>
	<b>Quest Diagnostics</b>
	<b>Raytheon</b>
	<b>Read Rite</b>
	<b>Spartan Stores</b>
	<b>Sysco Foods</b>
	<b>Tower Automotive</b>
	<b>Tyco</b>
	<b>Verizon</b>
	<b>Viacom</b>
	<b>Washington Mutual</b>
	<b>WellStar Health System</b>

PROJECT COST ANALYSIS

	CURRENT COST FY 2002-2003	STARTUP COST	YEARLY COST SAVINGS	FY 2004- 2005 YEARLY MAINTENANCE COST
VOICE OVER IP	\$2,400,000.00 <sup>1</sup>	\$250,000.00 <sup>2</sup>	\$1,000,000.00	\$0.00 <sup>3</sup>
NETWORK UPGRADE	\$100,000.00	\$250,000.00 <sup>2</sup>		\$360,000.00
MISCELLANEOUS CABLING	\$130,000.00 <sup>4</sup>	\$ 0.00	\$102,000.00	\$0.00
RADIO UPGRADE	\$903,525.00	\$ 0.00 <sup>5</sup>	0.00	958,188.00
CELLULAR PHONE SERVICES	\$800,000.00	\$ 0.00	\$196,000.00	604,000.00
WINDOWS 2003 UPGRADE	\$0.00	\$616,450.00	\$0.00	\$164,000.00
BURGLAR/FIRE ALARM	\$51,000.00	\$ 0.00	\$0.00	\$0.00
AS400	\$50,000.00 <sup>6</sup>	\$300,000.00 <sup>7</sup>	\$60,000 <sup>8</sup>	\$0.00
SUN TECHNOLOGY REFRESH	\$0.00 <sup>9</sup>	\$0.00 <sup>10</sup>	\$0.00	\$0.00

<sup>1</sup> Consist of Cabnet SBC line costs.

<sup>2</sup> This figure is for a combined total of \$500,000 due to the interdependence of VOIP on the network upgrade.

<sup>3</sup> Initial cost to be delayed for one year and be included in lease.

<sup>4</sup> \$30,000 of this amount is in materials. The rest is 90% labor on Overtime costs. Does not include cost for jobs done during regular time

<sup>5</sup> First year payment to be taken out of current Radio Fund.

<sup>6</sup> Estimated Costs For FY2003-2004

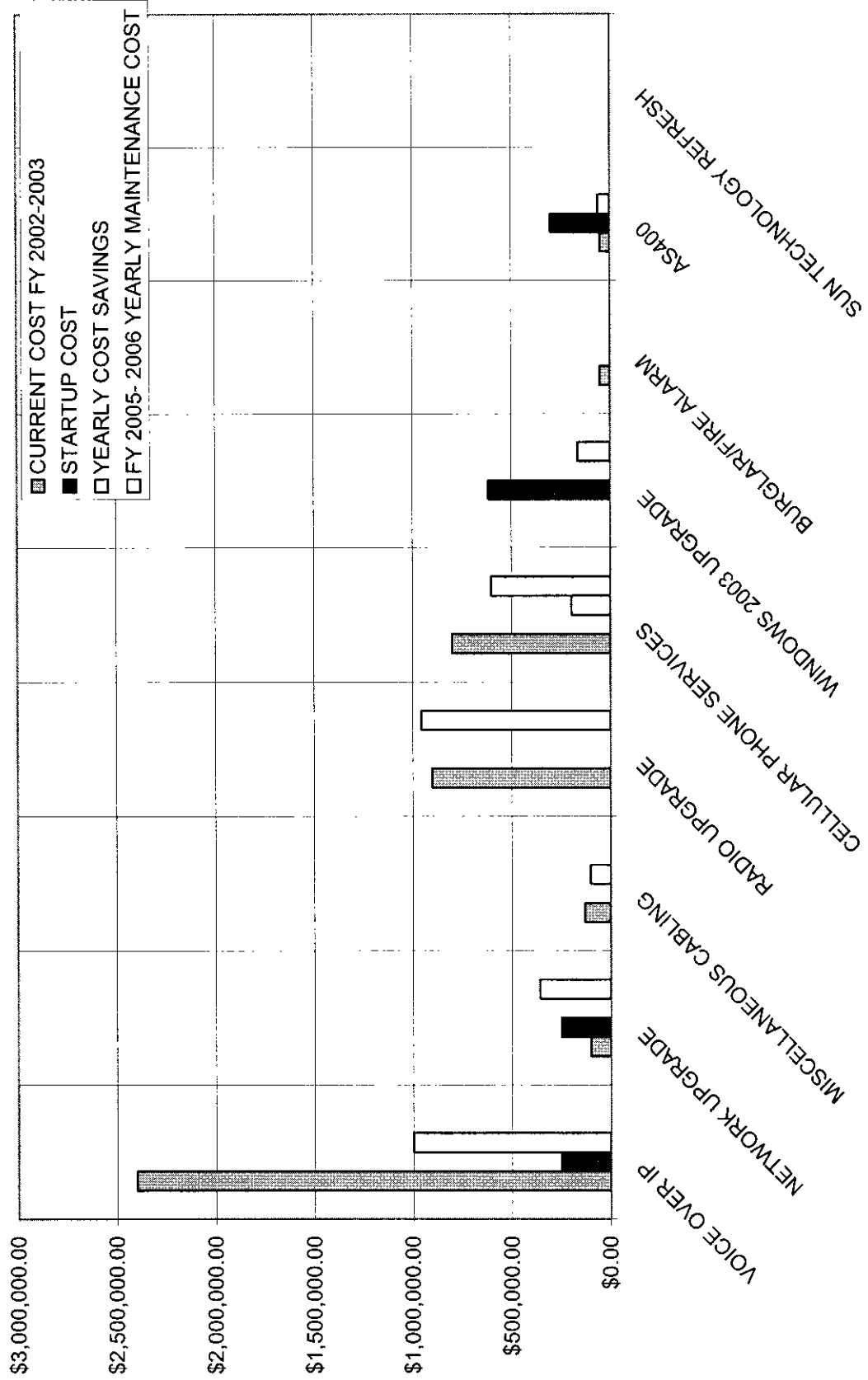
<sup>7</sup> CEDA money originally allocated for SUN Technology Refresh will be allocated for the AS400 Migration – No CIP monies will be used.

<sup>8</sup> Anticipated growth of 20% per year.

<sup>9</sup> Monies in OIT baseline budget.

<sup>10</sup> CEDA money originally allocated for SUN Technology Refresh will be allocated for the AS400 Migration.

Comparative Cost Analysis



**OAKLAND CITY COUNCIL**  
**RESOLUTION No. \_\_\_\_\_ C.M.S. DRAFT**

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**A RESOLUTION AUTHORIZING THE CITY MANAGER OR HIS/HER DESIGNEE TO NEGOTIATE CONTRACTS FOR THE TECHNOLOGY COST SAVING MEASURES AND PROJECTS IDENTIFIED IN THE CITY MANAGER'S REPORT WITH RETURN TO THE CITY COUNCIL FOR REVIEW AND APPROVAL OF THE NECESSARY RESOLUTIONS AND CONTRACTS**

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**WHEREAS**, the Information Technology Division of the Finance and Management Agency (FMA) is working to improve the service and reliability of the City's technology infrastructure; and

**WHEREAS**, the implementation of a new telephone technology (Voice over IP) can reduce the cost of telephone line charges; and

**WHEREAS**, the Network Upgrade will provide the necessary infrastructure to continue providing data and telephone services to the City of Oakland; and

**WHEREAS**, the Miscellaneous Cabling contract will provide a means through which overtime can be contained and service improved; and

**WHEREAS**, the Radio Upgrade will replace failing equipment and provide additional coverage to the Eastern hills, while increasing communication between public safety organizations; and

**WHEREAS**, the restructure of cellular phone plans have resulted in significant cost savings; and

**WHEREAS**, the Windows 2003 upgrade will provide the City of Oakland with a supported operating system for servers and increased security and spam filtering; and

**WHEREAS**, the Burglar and Fire Alarm Contract will provide better security for City owned properties; and

**WHEREAS**, the AS/400 and Sun Technology Refresh proposes to secure critical revenue applications within a supported framework; and

**WHEREAS:** the City hereby finds and determines that all the projects named above are of vital interest to continuing City functions; and

**WHEREAS:** the City finds that these measures will provide significant cost savings to the City budget; be it

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**FINANCE & MANAGEMENT CMTE.**

**MAR 23 2004**

**RESOLVED:** That the City Manager is authorized to undertake solicitation of the goods and/or services needed to implement the cost saving measures and projects identified in the City Manager's report accompanying this item; and

**FURTHER RESOLVED:** that the City Manager or his/her designee will return to the City Council with the necessary resolutions and contracts for approval; and be it

**FURTHER RESOLVED:** That said contracts shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution, and a copy shall be placed on file with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2004

**PASSED BY THE FOLLOWING VOTE:**

AYES-  
NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_

CEDA FLOYD  
City Clerk and Clerk of the Council of  
the City of Oakland, California

**7**  
**FINANCE & MANAGEMENT CMTE.**

**MAR 23 2004**