CITY OF OAKLAND
AGENDA REPORT

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Finance and Management Agency
DATE: May 25, 2004

RE: A report and Resolution Authorizing the City Administrator or her designee to negotiate and execute a seven year contract for the lease of telephone equipment and services with Shoreline Communications Inc., for an amount not to exceed $275,000 annually or $1,650,000 over the term of the contract without return to Council.

SUMMARY

In February 2004, the Finance and Management Agency presented to the Finance and Management Committee a summery report outlining the technology projects that will be coming forward during this year. Authorization was withheld on proceeding with two of the projects until further clarification and project phasing could be presented to the committee. These two projects were the Voice over IP project and the network upgrade project. This report and Appendix is submitted in order to address the committee's questions and concerns of the Voice over IP project. If the committee approves this project, FMA will proceed and resubmit the network upgrade project for consideration. These two projects are interlinked and one can not proceed without the other.

The Finance and Management Agency (FMA) requests that the City Council authorize the City Administrator to negotiate and execute a seven (7) year contract with Shoreline Communications Inc., to provide telephone equipment and services to the City of Oakland. This lease will cover the cost of equipment, software, training and maintenance to provide the City with Voice over IP (Internet Protocol) Telephones and related equipment.

Through the deployment of the requested equipment, the City will be able to reduce its communication charges (currently $2,400,000 per year) by almost $800,000 per year. The resulting savings will cover the cost of this proposal along with that of the network equipment replacement covered in a separate report. In addition to the direct savings from reduction in communications charges, the City will also realize savings when a new phone line is installed, moved or changed. The expense and labor associated with these items will be reduced to less than 10 percent of their present costs.

FISCAL IMPACT

Savings from the implementation of VoIP will cover the cost of this contract as well as the proposed network upgrade. IP telephones utilize the same data network on which the computer receives its information. This combining of voice and data (converged network) allows for the use of a single network in order to provide telephone and computer services. Breakdowns of the anticipated savings are shown below. This chart is based on present costs and those anticipated with the deployment of Voice over IP. Currently departments are charged by SBC for their

Centrex services and the City charges departments for its Voicemail service. With the deployment of this project, Departments will be charged a flat rate for their Phone and Voice mail service that is equal to the amount they have been currently charged. These funds will be used to pay the new SBC charges and the leases for the Shoreline lease and the network lease.

	Year 1	Year 2	Year 3-7
Income – Departmental Charges		**$676,000**	**$676,000**
Non-Departmental Fund	**$250,000**	**0**	**0**
Shoreline Lease	0	($275,000)	($275,000)
Network Lease	($250,000)	($250,000)	($250,000)
On going costs	$0	(106,937)	(106,937)
Savings	**$0**	**$44,063**	**$44,063**

The chart bellow gives a further breakdown of expenses and savings generated from the Project. These numbers include all of the on-going expenses associated with the Telecommunications network and some additional savings.

Current Cost -Telephone Service

Centrex Lines Recurring Charges (including Mileage)	$633,600
Annual Maintenance/Replacement -Telephone Equipment	$56,000
Annual Long Distance Cost	$250,000
Annual Voice Mail Maintenance/lines	$45,000
MACs - Moves/Adds/Changes (including overtime)	$75,000
Total Annual Expense	$1,059,600
Total Cumulative Expense	**$1,059,600**

City-Owned VoIP Network

Centrex Lines Recurring Charges	$38,400
PRI/DID Trunks Recurring Charges	$51,509
SBC Long Distance	$137,500
Voice Mail Maintenance	$42,000
DID's Recurring Charges	$17,028
Total Annual Expense	$286,437
Total Cumulative Expense	**$286,437**

Cumulative Savings (IP Telephony vs. Centrex)	**$773,163**
Monthly Savings	**$64,430**
Estimated 7 Year Lease Payment Phones	**$23,000**
Estimated 7 Year Lease Payment on Data Equipment	**$23,000**
Total Projected Lease Payments	**$46,000**

In order to "bridge" the one year period between cost realization and the cost incurred by the lease, Finance and Management has worked with the proposed vendors to reduce the amount of "up front" costs that will be needed. The first year funds of $250,000 will now be covered from the non-departmental technology savings fund. In addition, Shoreline Communications has been asked and has agreed to defer the first year payment until year number two of the seven year lease. This will allow the City the flexibility to defer the six yearly payments over seven years or enter into a straight seven year lease.

During the seven year period of the lease, the City will realize approximately $800,000 per year in cost containment and additional savings to each department in efficiencies, reduced long distance services, internal service charges and services. In the Oakland Fire department, staff estimates that their overall telephone service cost alone will be reduced by over $30,000 per year. This same type of technology was deployed at the Eastmont Police sub-station last year and since its installation, the Oakland Police Department has avoided more than $60,000 in telephone expenses.

BACKGROUND

In January of 2003, the Office of Information Technology (OIT) investigated possible cost savings and cost containment initiatives by which the City could reduce or contain its technology spending. One of the areas identified was telephone services. During this time, the costs to replace the City's aging telephone equipment, voice mail system, and network infrastructure were identified. A plan was developed and presented to the former City Manager as part of the 2003-2005 budget process that would allow for the savings from one technology to pay for the cost of another. The resulting initiative produced a method by which aging equipment (telephone instruments & data equipment) would be replaced utilizing the cost savings generated from the use of IP Telephones. The City of Oakland currently obtains Centrex Telephone services from SBC via a CALNET contract approved by the City Council in June 2003. The approval of the CALNET contract along with this lease is an attempt to reduce and contain the cost of telephone service to the City. The deployment of IP telephone technology allows for the reduction of telephone lines without penalty (minimum line requirements), effective utilization

of all lines, reduction in feature charges associated with various telephones and the reduction of the City's overall maintenance expenses.

Currently the City of Oakland pays various costs associated with the delivery of telephone service. These include dedicated lines associated with the voice mail system, annual voice mail maintenance charges, telephone line installation charges from SBC, telephone instrument repair services and internal service charges. All of these costs are escalating as the equipment ages and the cost and frequency of repairs increase. Many of the current one hundred and five systems are over thirteen years old and were installed after the 1989 earthquake. Some of the newest equipment was installed in 1996 as part of the City Hall rebuild. This is some of the most expensive equipment for telephone services.

During 2003 the Office of Information Technology (OIT) conducted interviews and assessments as to the needs of City departments concerning telephone service. OIT initiated a Request for Information (RFI) on September 10th, 2003. Twelve vendors responded to the RFI, each with a vested interest in the Voice over IP technology. Final RFI documents were received on September 17th, and through a process of vendor ratings and site visits, a final vendor decision was made on October 31st, 2003. This vendor, Shoreline Communications, Inc. appears best able to provide the City of Oakland with the services and technology necessary to implement Voice over IP.

KEY ISSUES AND IMPACTS

The City of Oakland relies on two main technology platforms in which to communicate internally and with the citizens of Oakland. These technologies are voice and data or more commonly the telephone and network. Failure of either of these technologies can be catastrophic to the daily operation of this City or any city. The City's current telephone systems consist of multiple systems that have served the City well but are old and showing signs of failure. A single system failure causes disruption to as many as fifty-six lines and telephone sets which can mean entire divisions without voice communications. The restoration of voice communications can take four to eight hours or more, depending on availability of equipment and resources. This year alone there have been four system failures and a steady increase in minor equipment failures due to age.

The data network is a "patchwork" of old and new equipment, dating from the early deployment of equipment during the rebuild of City Hall and administrative buildings, to the newer equipment deployed as part of the Integrated Public Safety System (IPSS). The older equipment is manufactured by Cabletron (now Enterasys) and the newer system is manufactured by Cisco. The data network requires two separate maintenance contracts, and two different skill sets to maintain. Moreover, the older equipment lacks the security applications and speed needed for today's network and applications. Failure of these systems can cause a disruption in

communications with the public and City staff. A major network outage will interrupt the majority of applications in the City, including payroll, financial and program input, and will halt communications via e-mail.

The deployment of the new voice technology and the upgrade of the data network replace outdated equipment with new, more dependable equipment and services. All of these new costs will be funded using existing funds and savings generated from the deployment of this technology.

One of the new technologies that will be deployed will be the "E911" capabilities. This feature allows for additional information to be transmitted to the Police E911 center when a City staff member places a 911 call from a City building. Presently, a call placed from City Hall simply is displayed at E911 as "#1 Frank H. Ogawa" with no floor designation. This failure to give minimal floor designations can and has delayed the response of Police, Fire and medical personnel responding to the building.

Impacts are minimal. Should the City of Oakland proceed with this upgrade, users will receive new telephone sets which will carry all the features they currently have. Additional features such as text messaging and E911 would also be integrated. Working with the vendor selected, a detailed migration plan that would minimize impact will be created. Users will also retain their 4 digit dialing capabilities.

Follow-up to Council Questions

In February 2004, The Finance and Management Committee of the Council asked for specific information concerning the Shoreline lease and questioned the overall magnitude of the project. The specific Questions of the Committee and the Council are listed below:

Give Reference of Installations and the number of Units deployed. *The references are attached in Appendix page 2-5.*

Give list of Cities where this equipment is installed. *List is contained on Appendix page 4.*

Detail a phased approach, taking on a smaller project first to see how it goes. *The project as originally proposed has been scaled back to about 50% of the original scope. As part of the deployment, the first phase (150 Frank Ogawa Plaza) would need to be successfully deployed prior to the next phases being completed. In answer to Council's inquiry as to the cost to replace the Shoreline equipment with the next lowest bidder's equipment in case Shoreline does not meet the City's requirement, the cost would be a minimum of 29% higher. (As shown below). This chart represents a simple 60 phone installation and the associated costs.*

	Equipment	Installation	Maint	tax	Total
Shoreline	$25,953.00	$7,843.00	$5,843.00	$3,270.22	$42,909.22
Vendor A	$52,621.00	$24,000.00	$7,893.00	$6,972.41	$91,486.41
Vendor B	$37,293.00	$14,286.00	$3,337.00	$4,530.57	$59,446.57

How could we get out of the deal with Shoreline if we were unhappy, including the cost of going with someone else? *Attached on Page11 of the Appendix is the Manufacturers Warranty. If Shoreline fails to meet the testing criteria as attached in the appendix, the City would be able to cancel the lease and the project.*

Is the Shoreline equipment and software manufactured in the United States and what work is done "off shore"? *ShoreTel, Inc. certifies that all of its employees are based in the United States. Additionally, all research and development efforts for the U.S. product are made in the United States, including all product design and specification, software development and coding, product testing and technical support. All management, all full and part time employees, and all ShoreTel offices are based in the United States, with headquarters in Sunnyvale, CA.*

ShoreGear switches are assembled using contract manufacturers. Solectron, through their Fremont, CA facility, has historically assembled the majority of ShoreGear product, with Celestica contracting for newer ShoreGear products as of 2004. Phones are non-proprietary and supplied by Polycom, Inc. of Pleasanton, CA.

PROJECT DESCRIPTION

The purpose of this initiative is to provide a converged network where data and voice are one. This converged network would provide significant savings while at the same time expand our telephone capabilities, provide cost containment and lower the City's overall maintenance expenses. This "model" can help the City to contain rising technology costs and position the City to provide upgraded services utilizing existing dollars.

This project is in conjunction with and dependent upon the approval of the network upgrade program. The two projects, while separate contracts are dependent on each other. The deployment of Voice over IP will provide the savings to pay for the network upgrade, but in order to deploy the new technology, the network must be upgraded.

The first phase of the project will consist of the deployment of telephones at 150 Frank Ogawa Plaza. Shoreline Communications will be required to demonstrate the functional abilities of the system during this first deployment. Failure of the system to perform all of the requirements as

set out under the City of Oakland functional specifications testing will result in the termination of this lease.

The City Council can choose to proceed with smaller implementations and the chart below shows the locations and cost associated with each. The line designated "Global Shared Equipment" is required prior to any of the other installations and is equipment that is shared by all installations and is not specific to a particular location.

LOCATIONS	SHORELINE
*Global Shared Equipment	$302,183.00
150 Frank Ogawa Plaza (1st Phase)	$181,860.00
250 Frank Ogawa Plaza	$243,562.50
City Hall	$185,107.00
Emergency Operations CTR.	$67,326.00
Fire Stations	$228,280.00
Museum	$160,000
Total (Does not include Tax and leasing)	$1,368,318.50

Shoreline Communications has been in contact and will propose the use of Oakland vendors as part of this overall project.

It is anticipated that with Council's approval, Phase One(150 Frank Ogawa) and the remaining locations will be completed prior to July 2005.

ENVIRONMENTAL OPPORTUNITIES (SUSTAINABLE OPPORTUNITIES)
As part of the lease agreement, Shoreline Communications Inc. has indicated its willingness to incorporate local companies into its deployment. As part of the final lease documents, all local vendors will be identified. Also attached in the appendix (page 1) of this document, is a list of "environmental friendly organizations that use Shoreline equipment.

DISABILITY AND SENIOR CITIZEN ACCESS
Voice over IP technology provides a significant advantage to any disabled individual. Voice over IP has the capability to transfer text messaging to the telephone, facilitating communication to large amounts of individuals as well as disabled individuals. This capability, inherent in voice over IP, would provide significant benefits for disabled individuals.

RECOMMENDATION AND RATIONALE
Staff recommends that the City Council authorize the City Administrator to negotiate and execute a seven year contract with Shoreline Communications Inc., to provide telephone equipment and services to the City of Oakland. This lease will cover the cost of equipment, software and maintenance to provide the City with Voice over IP (Voice over Internet Protocol) Telephones and related equipment.

The deployment of the new voice technology and the upgrade of the data network will combine maintenance contracts, consolidate equipment types, and replace outdated equipment with new equipment and services. All of these new costs will be funded through existing funds and savings generated from the deployment of the technology.

ALTERNATIVE RECOMMENDATION
As part of the 2003-2005 budget process, staff looked at the possibility of "doing nothing" or maintaining our existing systems. In order to accomplish this alternative, the project money would need to be allocated towards systems maintenance and additional funds would need to be allocated in FY04-05 for network and Telephone maintenance contracts.

ACTION REQUESTED OF THE CITY COUNCIL
Staff requests that the City Council authorize the City Administrator to negotiate and execute a seven year contract with Shoreline Communications Inc., to provide telephone equipment and services to the City of Oakland.

That the City hereby finds and determines that pursuant to Chapter 2.04, Article I, section 2.04.050.I.5, it is in the best interests of the City to waive bidding requirements of 2.04.050 and authorize the competitive process undertaken by staff, and authorizing the City Administrator or her designee to negotiate and award a contract with Shoreline Communications Inc., for an amount not to exceed $275,000 annually or $1,650,000 over the term of the contract without return to Council.

Respectfully submitted,

William Noland, Director
Finance and Management Agency

Prepared by:
Bob Glaze, Chief Technology Officer
Information Technology Division

APPROVED AND FORWARDED TO THE
FINANACE AND MANAGEMENT COMMITTEE

OFFICE OF THE CITY ADMINISTRATOR

Item: 3
Finance & Management Committee
May 25, 2004

Appendix Shoreline Communications 7 year lease

SHORELINE COMMUNICATIONS
ENVIRONMENTAL CUSTOMERS

COMPANY NAME	SIZE	CONTACT PERSON	SYNOPSIS
IMCO Recycling	1000+ employees	Jason Nixon (IT) (972) 401-7210	IMCO Recycling is the world's largest recycler of aluminum and zinc. The company has 22 U.S. production plants and five international facilities located in Brazil, Germany, Mexico and Wales. IMCO Recycling headquarters office is located in Irving, Texas.
Green Mail	100 employees	Judy McAffee (480) 889-0500 x204	Greenmail helps save our environment by reducing the paper waste and pollution created by postal mail.
Care Canada	1000+ employees	Gerard van der Burg (613) 228-5609	CARE Canada was established in 1946 as part of an international network bringing emergency relief to the people of Europe. CARE's commitment to humanitarian assistance continues to this day, and is complimented by a broad range of long term development programs in water and community health, agro forestry and conservation, and small enterprise and income generation.
US Environmental	>100 employees	Brent Roberts (CIO) (781) 899-1560 x500	U.S. Environmental Rental Corporation is the industry leader in sales and rental of environmental testing and sampling equipment.
EORM	>100 employees	Jill Robinson IT Mgr at EORM (408)-822-8100	Companies invest in environmental, health and safety programs (EHS) not only to control potential environmental effects but also to minimize risks to the health and safety of their employees and those consumers who buy their products.
Jorgenson Environmental	>100 employees	Wayne Johnson (909) 483-3300 x2128	Environmental compliance company

Item: 3
Finance & Management Committee
May 25, 2004

SHORELINE REFERENCES

REFERENCE	CONTACT PERSON	INSTALL SIZE	DESCRIPTION
Muzak	David Thompson dave.thompson@muzak.com (800) 331-3340	**>1000**	*Musak is a music media company who installed Cisco, and later pulled the plug in favor of Shoreline.*
Sumitomo Chemical	Dennis Frost Dennis.frost@valent.com 925-256-2876	**2000**	*Large division of Sumitomo, Valent, with 14 sites and close to 2000 ports. Just signed a 5 year support renewal.*
The Unites States Army Corp of Engineers	John Conwell IP Telephony Manager Jon.conwell@usace.army.mil	**<1500**	*Over 1500 ports on this system, they are planning on a rapid expansion.*
Premier West Bank	Cameron Frasnelly (541) 282-5135	**>400, 15 sites**	*Large bank with multiple sites and a need for strong call center. Also replaced Cisco installs with Shoreline.*
Hitachi Consulting	Mike Shisko Director, Information Technology (214) 665-6868 mshisko@hitachiconsulting.com	**1500 Users**	*Consulting arm of Hitachi with over twenty offices across the country with about 1500 users. They have been using the system for over two years and are extremely passionate. They just signed a 5 year support renewal.*
CNET Networks	Don McGill Director, Client Services (415) 344-2828 donm@cnet.com	**<2000 users**	*CNET is a media company based in San Francisco with offices across the country with over 1500 users and have been using the system for about three years. Just signed a 5 year support renewal.*

Old Republic Title	Scott Schweitzer Chief Architect (408) 219-4865 scott@ortc.com	**140 Offices**	*Old Republic Title has standardized on Shoreline across the entire west coast operations of 140 offices. A Shoreline customer for almost two years.*
Washington Mutual Bank	Jarrod Staffen Vice President and Chief Voice Architect (425) 424-4164 jarrod.staffen@wamu.net	**>200**	*Shoreline is currently deployed at three different corporate locations in Seattle.*
Quest Diagnostics - Unilab	Dan Granieri Telecommunications Manager (916) 679-3939 dgranieri@unilab.com	**<500, 10 sites**	*Unilab is headquartered in Sacramento and does sample testing for the medical industry. They have been with Shoreline about two years and have about 30 locations.*
Thoratec	Jim Lay Information Technology Director (925) 847-8600 x1186 jim.lay@thoratec.com	**>500, 5 sites**	*Thoratec makes medical devices for the heart and is headquartered in Pleasanton. They have multiple locations with about 800 users on the system and have been with Shoreline over two years.*
Adaptec	Curt Strickland Network and Telecom Manager (408) 957-1560 Curt_Strickland@adaptec.com	**>100, 5 sites**	*A technology company rolling out the Shoreline system to remote locations. Shoreline passed rigorous test plan. Very happy customer!*
Blood Centers of the Pacific	Brian Sellner Director of Facilities 415-923-5755	**300**	*One of Shoreline's oldest customers. With hundreds of users in San Francisco, they are a tribute to our reliability.*
National Transportation Safety Board	Jim Ross GTSI Account Manager 301-751-6254	**500>**	*GTSI account, which is expanding rapidly. Currently Shoreline services their Washington admin and training office.*

CITY REFERENCES			
City Of Loma Linda	James Hettrick hettrick@is-ms.com (909) 799-2875	**200**	*City Install of 200 IP phones. James can speak to Shoreline in a city environment as well as an IP phone installation and QoS*
City of Griffin, GA	Bill Bell Manager IT bbell@cityofgriffin.org **(770) 223-2928**	**>100**	
City of Hemet, CA	Syd Woods (909) 765-3754 Swoods@cityofhemet.org	**<100**	
City of West Covina, CA	Tom Loveday Tom.loveday@westcov.org (626) 939-8486	**<100**	
County of Monterey	Monterey County Courts Christine Flores Court Technology Analyst (831) 775-5459 christine.flores@monterey.courts.ca.gov	**300**	
City of Sioux Falls, SD	Ed Castle IT Manager ecastle@siouxfalls.org **(605) 367- 8842**	**>100**	
City of Los Angeles, CA		**120**	
Other Customers/References			
	United States Navy **United States Army Corps of Engineers** **National Aeronautics and Space Administration (NASA)**		
Fortune 500 Companies	**Verizon** **Boeing** **Dell** **Viacom** **Sysco Foods** **Washington Mutual**		

	Raytheon **American Electric Power** **PACCAR** **Dynergy** **Quest Diagnostics** **Spartan Stores**		
International References	**AXA** **Fiat** **JCB** **Okuma** **Siemens** **VW Credit**		

ACCEPTANCE CRITERIA

Item	PROOF OF CONCEPT FOR INFORMATION TECHNOLOGY Shoreline must demonstrate the following:	Item	PROOF OF CONCEPT FOR KEY CITY MGMT PERSONNEL Shoreline must demonstrate the following:
1	Paging through an IP set (one to many)	1	Placing and receiving internal and external calls (LAN/LAN & LAN/WAN - PSTN)
2	Integration of Shoreline IP phones with the City's existing Voicemail system (Octel)	2	Using CFW, Transfer, Conf, Autodial & Speed dial
3	E911 - Placing an E911 call before an IP phone is moved and after an IP phone is moved	3	Scrolling through a Directory on the phone (If available)
4	Moving an IP phone from one cubicle to another	4	Personal Call Manager (on the PC)
5	Multiple line appearances on various sets (comparable to MADNS on existing EBS sets)	5	Paging through the sets (one to many)
6	Interfacing with Overhead Paging system; paging from the set through the OH paging system	6	Using a Shoreline IP phone with the user's existing voice mailbox (Octel)
7	Placing a phone call to an IP phone that is behind a Firewall and receiving a phone call to the IP phone that is behind a Firewall	7	Using a Shoreline IP phone with the Shoreline Voicemail/Unified Messaging
8	Using an IP phone that is powered by a Cisco switch that has Cisco inline power (Note: Vendor to supply dongle/ power adapter)	8	Music-On-Hold (System wide or Department level)
9	Using an IP phone that is powered by a Cisco switch that has Industry Standard 802.3AF inline power (NOTE: Shoreline will need to provide a switch that is 802.3AF compliant)	9	Moving a phone
10	Placing phone calls from an IP phone that is in a separate Voice Vlan (802.1PQ).	10	E911
11	Show that the User's PC is in a separate data VLAN.	11	User Documentation (Quick Reference, Wallet Card, Guides, on-line etc)
12	Show that the IP phones on a Shore gear system that fails will "fail over" to another Shore gear system in the same building that will handle these sets internal and external call flow		
13	Show that the IP phones on a Shore gear system that fails will "fail over" to another Shore gear system in a different building that will handle these sets internal and external call flow		
14	Scrolling through a Directory on the IP phone (Does Shoreline have this?)		
15	Door intercom/Buzzing someone in via the IP phone		

VOIP SCORE SHEET
VENDOR CRITERIA

	COMPANY NAME		
RFI Item #		**Advantages**	**Disadvantages**
2.1	***System Architecture***		
2.1.1	Design/Architecture simplicity		
2.1.2	System reliability (i.e. 5 9's, Complexity & Costs to achieve system reliability/redundancy)		
2.1.3	Hot swappable "critical" components		
2.1.4	Minimal "cold reboot" time		
2.1.5	List what components failure would cause a call to be "dropped."		
2.1.6	Scalability (Cost effective for small remote sites, medium size sites & large headquarters sites; Can handle **10,000 IP Phone Users** Enterprise-wide)		
2.1.7	System Has "reasonable" Environmental Requirements (space, power, temperature, humidity, etc)		
2.1.8	System uses Proprietary Protocols/System uses Open Protocols & is Standards based (1= Proprietary, 5= Open)		
2.1.9	Has now or will have both H.323 & SIP protocols		
2.1.10	2.1.10 What type of VoIP prioritization does your product support? (i.e. TOS, Diffserve, 802.1p, etc).		
2.1.11	What components in your solution supports DHCP		
2.1.12	Describe how a client phone is activated on the network? What components are involved, DHCP, FTP, FTP & OTHERS? What's the procedure to upgrade a phone client?		
2.1.13	End to End QoS, How is this done in your system		
2.1.14	How much bandwidth does each phone client put into the network load		
2.1.15	Has built in or add on third party billing		

	capabilities		
2.1.16	Handles G.711, 723.1 & G729a compression		
2.1.17	Handles IP, Analog & Digital ***phones***		
2.1.18	Handles IP, analog & digital ***connectivity***		
2.1.19	Ability to use other vender IP phones to reduce set costs		
2.1.20	Wireless capability, Unique implementation?		
2.1.21	Audio Conferencing (Meet-Me, Max Internal & External parties)		
2.1.22	Ability to handle Web Conferencing & Collaboration		
2.1.23	Ability to handle Video Conferencing		
2.1.24	Ability to handle Audio Streaming		
2.1.25	Ability to handle Video Streaming		
2.1.26	Future Capabilities		
2.1.27	Is proposed system in compliance with Emergency-911 municipal services today?		
2.1.28	E911 capabilities, dynamic in nature (i.e. plug and automatic register of telephone move or does it require notification to an administrator?).		
2.1.29	Security aspects (i.e. preventing unauthorized administrative access to applications, voice and data transmission security, etc.)		
2.1.30	support pass-through a firewall		
2.1.31	OTHER		
2.2	***System Installation/Configuration/Programming & Cutover***		
2.2.1	Ease of Installation		
2.2.2	Ease of Migration from existing Centrex/Nortel KSU systems to VOIP		
2.2.3	Describe how your system integrates with a legacy Octel Voicemail and existing Cisco VoIP telephony Call Manager systems		
2.2.4	soft phone installation requirements		
2.2.5	If software integrates with microcomputer hardware, what are the minimum hardware system requirements		
2.2.6	support 803.3AF power over Ethernet		

	standards, describe how you accomplish this		
2.2.7	Configuration reports available, complete & helpful		
2.3	***End User Experience***		
2.3.1	Basic Feature Capability		
2.3.2	Enhanced Feature & Application Capability (i.e. IVR, Unified Messaging, ACD, VoiceMail, CTI)		
2.3.3	Handles existing special applications: 1)Music-On-Hold 2)Overhead Paging via phone 3)Door entrance intercom & buzz-in via phone		
2.3.4	Ease & Intuitiveness of User interface to use softphone on PC		
2.3.5	Ease & Intuitiveness of User interface to use Unified Messaging on PC		
2.3.6	Ease & Intuitiveness of User interface to use Console Attendant Call Handling capabilities on PC		
2.3.7	Ease & Intuitiveness of User interface to use CTI capabilities on PC		
2.3.8	Ease & Intuitiveness of User interface to use Directory capabilities on Phone & PC		
2.3.9	Call Processing Fail over transparent to Users (no dropped calls when hardware or software failure occurs)		
2.3.10	Call Routing selection transparent to Users (no reduced voice quality, echo, clipping, delay when going from IP to Circuit switched routes due to bandwidth constraints/call traffic)		
2.3.11	Users can keep existing phone numbers		
2.3.12	Voice quality consistent & acceptable to users		
2.3.13	End User Training available & useful		
2.3.14	End User Reports available and has appropriate & understandable content		
2.3.15	User Documentation (hard copy, softcopy/on-line etc)		
2.3.16	OTHER		
2.4	***System Management, Maintenance & Administration***		
2.4.1	Ease of Maintenance		

2.4.2	Ease of MAC		
2.4.3	Technician & Administrator Training available, useful and understandable		
2.4.4	Ease & Intuitiveness Management/Admin/Maintenance Interface		
2.4.5	Direct Access to Manufacturing Technical Support for trouble resolution		
2.4.6	Real-time Call Monitoring useful & easy to understand & interpret		
2.4.7	diagnostic and troubleshooting tools and Reports		
2.4.8	Error log useful & understandable		
2.4.9	Event Alarms configurable, visual, audible & will call or email on-call technician		
2.4.10	Management/Admin/Maintenance documentation (hard copy, softcopy/on-line etc)		
2.4.11	other unique tools solution provides		

Manufacturer's Guarantee

ShoreTel, Inc., a California corporation with principal offices at 960 Stewart Drive, Sunnyvale, CA 94085 has designed, developed and manufactures an IP PBX.

This Manufacturer's Guarantee is being specially prepared for

The City of Oakland
150 Frank Ogawa Plaza
Oakland, California

herein referred to as "Customer".

Warranty. ShoreTel warrants to Customers that, (a) for a period of one (1) year after installation, the Products (other than Software) will be free from defects in materials and workmanship; and (b) for a period of ninety (90) days after installation the Software will perform in every material respect according to the published specifications therefore.

Extended warranty for both Product and Software is available on a fee basis for renewable time periods of one (1), three (3) five (5) years or seven (7) years.

Specifications for Product, ShoreGear Voice Switches (voice_switches_v6.pdf), and Software, ShoreWare Voice Services (voice_services_v6.pdf), are attached to this Warranty by reference.

Warranty Addendum:
ShoreTel also itemizes the following features as part of it's published specifications:

- Paging through an IP set
- Integration of ShoreTel IP phones with the City's existing VoiceMail (Octel)
- E911 capable, in all potential scenarios
- IP phone portability: moving a phone from location to location
- Multiple line appearances available in select phones
- Ability to interface with Overhead paging systems

- Placing an IP phone call from behind a Firewall
- The ability for select phones to be powered by Cisco power or 802.3af power
- The ability to have separate VLAN's for phones and PCs.
- IP phone failover intra-subnet and inter-subnet
- Scrolling through a directory on select phones and/or a PC.
- Door intercom via the IP phone

Support Guarantee. ShoreTel , Inc. guarantees that for a period of seven (7) years from the date of installation that maintenance services will be available to Customer, either directly or through third parties, to meet the service obligations of the Reseller and/or ShoreTel if either party is unable to fulfill its obligations for such services. Services will be provided at then current standard prices and terms.

Additional Clarification:
ShoreTel, Inc. certifies that all of its employees are based in the United States. Additionally, all research and development efforts for the U.S. product are made in the United States, including all product design and specification, software development and coding, product testing and technical support. All management, all full and part time employees, and all ShoreTel offices are based in the United States, with headquarters in Sunnyvale, CA.

ShoreGear switches are assembled using contract manufacturers. Solectron, through their Fremont, CA facility, has historically assembled the majority of ShoreGear product, with Celestica contracting for newer ShoreGear products as of 2004. Phones are non-proprietary and supplied by Polycom, Inc. of Pleasanton, CA.

ShoreTel is a company with an International product, with short-term plans for adding International offices. Some International homologation testing and internationalization development must occur outside of the US. Currently, all US product development occurs in the United States, with no plans for outsourcing.

OAKLAND CITY COUNCIL

RESOLUTION NO._____C.M.S.

A report and Resolution Authorizing the City Administrator or her designee to negotiate and execute a seven year contract for the lease of Telephone equipment and services with Shoreline Communications Inc., for an amount not to exceed $275,000 annually or $1,650,000 over the term of the contract without return to Council.

WHEREAS, the Finance and Management Agency (FMA) is working to update and improve the service and reliability of the City's Telephone infrastructure; and

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

WHEREAS, the existing cost of maintaining our present telephone equipment is rising on equipments that is as much as fourteen years old ; and

WHEREAS, staff from the FMA Information Technology prepared and distributed a Request for Information to numerous Voice over IP equipment manufactures; and

WHEREAS, the FMA Information Technology received twelve responses to the Request for Information and an interdepartmental selection committee evaluated all respondents based on the City's Telecommunications needs; and

WHEREAS, the selection committee recommended Shoreline Communications Inc. and their associated team to provide the City with Voice over IP equipment and services; and

WHEREAS, funds have been allocated in the amount of $500,000 in the FMA Information Technology FY 2003-05 Capital Improvement Budget Fund in addition to cost savings fund from the General Fund telephone services accounts; and

WHEREAS, the City finds that the services provided pursuant to the agreement authorized hereunder are of a professional, scientific or technical nature and are temporary in nature; and

WHEREAS, the City finds that this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

RESOLVED: That the City hereby finds and determines that pursuant to Chapter 2.04, Article I, section 2.04.050.I.5, it is in the best interests of the City to waive bidding requirements of 2.04.050 and authorize the competitive process undertaken by staff, and authorizing the City Administrator or her designee to negotiate and award a contract with Shoreline Communications

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MAY 2 5 2004

Inc., for an amount not to exceed $275,000 annually or $1,650,000 over the term of the contract without return to Council; and be it

FURTHER RESOLVED: That the City Administrator or her designee is hereby authorized to take whatever action is necessary with respect to the agreement consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That the contract 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, _____, 2003

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

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