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OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND

AGENDA REPORT

2003 SEP 18 PM 5:37

TO: Office of the City Manager
ATTN: Deborah Edgerly
FROM: Finance and Management Agency
DATE: September 30, 2003

RE: A STAFF REPORT AND RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH ENDYMION SYSTEMS INC. FOR A TELECOMMUNICATION INVENTORY IN AN AMOUNT NOT-TO-EXCEED EIGHTY ONE THOUSAND DOLLARS (\$81,000).

SUMMARY

This report requests that the City Council designate the City Manager to execute a professional services contract with Endymion Systems Inc., for the performance of a Telecommunications inventory for an amount not to exceed eighty one thousand dollars (\$81,000). The funding for this agreement has been appropriated by the City Council in the 2003-2005 Program budget

The work to be performed is in response to several cost containment initiatives contained in the " Endymion Business Analysis/ Cost Reduction Report ; March 31, 2003". The report contained this initiative along with cell phone service consolidation, software standardization, desktop standardization, telephone systems, purchasing procedures, asset management, citywide information technology service delivery model and loss prevention.

While most of these initiatives require an additional allocation of funds in order to achieve these savings, the end result of the implementation of these initiatives can realize future year savings of as much as \$3,000,000 per year,

While this proposal requires minimal additional funds, it is anticipated to save approximately 10% in total telephone and data line costs. A 10% cost reduction is approximately \$180,000 in savings. Ongoing savings will continue as policies are put in place to help maintain the over 6,000 telephone and data line in City facilities.

Contained below is the Summery of the March 2003 Report in which Endymion Inc., based the cost saving initiative and need for the Telecommunications Audit.

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“Endymion noted a lack of recent audits for the City's Centrex services, which inevitably leads to inaccurate billing and overcharges.

Recommendation *

Endymion recommends that the City perform a detailed audit of all City owned or leased voice and data circuits, including Centrex services. This auditing process would be appropriate until the City moves off of Centrex and SBC services in 2004.

Estimated Savings

Based on our client experience, the City should be able to recover 5% of the past 12 months' billing and avoid 5% of run rate costs going forward. Based on annual SBC expenditures of approximately \$1,800,000, this results in cost savings of \$180,000 in the first year and \$90,000 in subsequent years.

Year 1	Year 2	Year 3
Total Estimated Net Savings		
\$60,000		
n/a		
(Centrex replaced)		
n/a		
(Centrex replaced)		

Estimated Cost, Time to Implement, and Resources Required

This effort will require one dedicated contractor staff for six months to organize billing on a centralized basis, obtain complete data for analysis, and establish the ongoing billing review process.

Estimated Cost \$70,000 for one contract telephony audit staff for six months

Time to Implement/Immediate

Resources Required One telephony billing specialist

Assumptions, Constraints, Challenges

This effort is best performed on a fee basis, since the "bounty hunter" audit model provides incentives for contractors to only look at big-ticket items, rather than investigating the entire range of charges."

The proposed Statement of Work (SOW) proposed by Endymion, contains the following deliverables:

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Perform Telecommunication Inventory

Perform a detailed physical inventory of all City owned or leased voice and data circuits, including Centrex services. The inventory will include location, activity and features of each unit as well as the MPOE and the termination point for each line.

Tasks

In delivering the services, Endymion will perform the following tasks:

- a) Perform physical inventory of all voice and data circuits
- b) Document findings by Building, Agency/Department, Office/Cube # if available.

Deliverables

As a result of the tasks above, Endymion will produce the following:

- a) An electronic document that provides a full inventory of all City voice and data circuits
- b) A recommended business process for maintaining current inventory

SUSTAINABLE OPPORTUNITIES

With the inventory and documentation of all of the City's Telecommunications (Telephone and Data lines), the City and its agencies/department will be able to accurately manage the cost of these services.

DISABILITY AND SENIOR CITIZEN ACCESS


None

ACTION REQUESTED OF THE CITY COUNCIL

Requests that the City Council designate the City Manager to execute a professional services contract with Endymion Systems Inc., for the performance of a telecommunications inventory for an amount not to exceed eighty one thousand dollars (\$81,000).

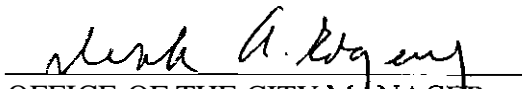
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Respectfully submitted,




William (Bill) Noland, Interim Director
Finance and Management Agency

APPROVED AND FORWARDED TO THE
CITY COUNCIL:



OFFICE OF THE CITY MANAGER

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REVISED
9/19/03

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C. M. S.

OFFICE OF THE CITY CLERK
[Signature]

INTRODUCED BY COUNCILMEMBER _____

2003 SEP 25 PM 2:30

A STAFF REPORT AND RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH ENDYMION SYSTEMS INC. FOR A TELECOMMUNICATION INVENTORY IN AN AMOUNT NOT-TO-EXCEED EIGHTY ONE THOUSAND DOLLARS (\$81,000).

WHEREAS, the City contracted with Endymion Systems, Inc., on December 17, 2002 for a operational continuity assessment and,

WHEREAS, as a part of this assessment, Endymion Systems, Inc., included a “Business Analysis/Cost Reduction Report “and,

WHEREAS, the “Business Analysis/Cost Reduction Report” contained recommendations on significant short and medium term cost savings and,

WHEREAS, these potential saving would be a benefit to the City and its citizens; and

WHEREAS, the City Council finds that the services are professional, scientific or technical; and

WHEREAS, the City Council finds that the services are temporary in nature; and

WHEREAS, the City Council finds and determines that the performance of this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive services; and

WHEREAS, the City Council finds that the support services are exempt from competitive bidding pursuant to Section 2.04.050 I of the Oakland Municipal Code; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Manager or her designee to negotiate and execute a professional services contract with Endymion Systems, Inc., for the performance of a telecommunications inventory for an amount not to exceed eighty one thousand dollars (\$81,000) and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Manager or his designee to approve any subsequent amendments to or extensions of said agreement, with the exception of those related to an increase in the contract price or the allocation of additional funds, provided that such amendments or extensions shall be filed with the City Clerk’s office.

FURTHER RESOLVED: That the contract shall be reviewed and approved by the City Attorney and placed on file in the Office of the City Clerk. IN COUNCIL, OAKLAND, CALIFORNIA, 2003

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PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN, AND
PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

CEDA FLOYD

City Clerk **and** Clerk of the Council
of the City of Oakland, California

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CITY CLERK/COUNCIL
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