



- Board of Directors  
*Organization, Personnel and Technology Committee*

11/18/2014 Board Meeting

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**8-5**

## **Subject**

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Award contract to Shared Solutions and Services, Inc. in an amount not to exceed \$3.86 million to replace Metropolitan's telephone system (Approp. 15376)

## **Executive Summary**

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This action authorizes an agreement to provide a new Voice over Internet Protocol (VoIP) telephone system at all Metropolitan facilities. This project will replace the existing telephone system that is near the end of its useful service life with a modern VoIP system that will improve performance and reliability, provide enhanced features, and will be upgradeable in the future.

### **Timing and Urgency**

Metropolitan's existing telephone system is aging, which has led to increased maintenance and failures. The equipment is no longer supported by its manufacturer and parts are only available as refurbished equipment. This project will replace the existing telephone system with a modern, upgradeable, VoIP system that will enable integration of voice and data communication traffic across all Metropolitan facilities.

This project has been reviewed with Metropolitan's Capital Investment Plan (CIP) prioritization criteria and is categorized as an Infrastructure Reliability project. Funds for this action are available within Metropolitan's capital expenditure plan for fiscal year 2014/15. No new funds are required in this action, as sufficient funds were previously appropriated under the Information Technology System – Infrastructure capital appropriation.

## **Details**

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### **Background**

Metropolitan's existing telephone system serves all facilities across the distribution system and the Colorado River Aqueduct. This system has been in continuous operation for over 22 years and is at the end of its useful service life. Over the last three years, the telephone system has been showing increased wear and requires increasingly frequent repairs. The hardware is no longer supported and needed spare parts are difficult to obtain because the equipment is no longer manufactured. Parts are only available as refurbished components by third-party vendors. The existing telephone system also lacks the flexibility to meet Metropolitan's evolving voice communication needs.

In 2000, Metropolitan's Board authorized the installation of factory-refurbished equipment in lieu of purchasing new equipment, saving \$1.1 million in initial costs and deferring replacement of the telephone system. At that time, staff determined that the likely replacement system would be based on VoIP technology, which was still being developed for corporate business use at that time. Over the past 14 years, VoIP technology has matured substantially and has received widespread acceptance, which has allowed initial technical issues with the technology to be resolved.

In February 2008, Metropolitan's Board authorized \$10.2 million to upgrade the aging communications infrastructure and related systems such as e-mail (Microsoft Exchange) and hardware components. The planned VoIP system will address Metropolitan's existing voice communication needs and will create the foundation to

enable future convergence of communication technologies such as messaging (e-mail, fax, and voice mail) and conferencing (audio, video, and web). This convergence, referred to as “Unified Communications” in the industry, will support virtual workplace capabilities that provide enhanced conference calling, facilitate collaboration of dispersed employees, connect mobile and remote employees, and locate key staff when they are away from Metropolitan facilities.

### **Agreement to replace Telephone System – Shared Solutions and Services, Inc. (No Funds Required)**

In February 2014, Metropolitan issued Request for Proposals (RFP) No. 1021 to provide and deploy a facility-wide VoIP telephone system. The scope of work for the vendor included system design; provision of hardware and software; deployment of the new system at all facilities; maintenance; training; and warranty services. Proposals were evaluated based on the following selection criteria: system features and functionality; respondent and equipment manufacturer stability and strength; and price based on life-cycle cost of the system.

On April 24, 2014, seven proposals were received and opened for provision of the new VoIP telephone system. See [Attachment 1](#) for a list of the respondents. One vendor, Shared Solutions and Services, Inc., a system integrator which represented multiple VoIP manufacturers, submitted responses on behalf of two manufacturers: Unify and Avaya. Staff comprehensively evaluated the seven proposals and recommends that Shared Solutions and Services, Inc., submitting Unify as the equipment manufacturer, be awarded an agreement in an amount not to exceed \$3.86 million to provide and deploy the VoIP telephone communication system. Shared Solutions and Services, Inc. / Unify’s ranking was based on its highest combination of their proposed equipment; software features and functionality; stability and strength of the firm and the Unify equipment manufacturer; and life-cycle cost efficiency. The RFP also provided incentives during the initial proposal evaluation phase for Small Business Enterprise (SBE), Disabled Veteran Business Enterprise (DVBE), and Regional Business Enterprise (RBE) firms. Shared Solutions and Services, Inc. has committed to achieve an SBE participation level of 19 percent for this agreement. Authorized subconsultants under this agreement are listed in [Attachment 2](#).

Metropolitan staff will perform overall project management and will oversee the design and deployment of the planned Unify VoIP system by Shared Solutions and Services, Inc. at all the major sites. Staff will perform the deployment at the smaller sites. As part of its scope, the firm will provide training for Metropolitan staff to operate and support the system following deployment. Staff anticipates that the replacement system will be fully operational at Metropolitan’s Headquarters Building and numerous key facilities by December 2015, while the remaining sites will be completed by December 2016.

This action authorizes an agreement with Shared Solutions and Services, Inc., in an amount not to exceed \$3.86 million, to provide and deploy a Unify VoIP telephone communication system for all Metropolitan facilities. This project has been evaluated and recommended by Metropolitan’s CIP Evaluation Team, and funds are available within the capital expenditure plan for fiscal year 2014/15. No funds are required under this action, as sufficient funds have previously been appropriated under capital Appropriation No. 15376, Information Technology System – Infrastructure, which was initiated in fiscal year 2001/02.

The total estimated cost to complete the replacement of Metropolitan’s existing telephone system and related systems, including funds appropriated to date, is estimated to range from \$9.4 million to \$10.2 million.

### ***Project Milestones***

June 2015 – Completion of telephone system pilot

December 2015 – Completion of telephone installation at Headquarters Building and several major sites

December 2016 – Completion of telephone system installation at remaining sites

### **Policy**

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Metropolitan Water District Administrative Code Section 8121: General Authority of General Manager to Enter Contracts

## California Environmental Quality Act (CEQA)

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### CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as purchases for supplies, general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not defined as a project and is not subject to CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

### CEQA determination for Option #2:

None required

## Board Options

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### Option #1

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and award an agreement to Shared Solutions and Services, Inc. in an amount not to exceed \$3.86 million to replace Metropolitan's telephone system.

**Fiscal Impact:** None. Funds were previously appropriated under Appropriation No. 15376.

**Business Analysis:** This option will reduce the risk of disruption of Metropolitan's voice communications by providing a modern, reliable, and upgradeable communication system for all Metropolitan facilities. This system will be the foundation for future integration of related communication technologies such as messaging (e-mail, fax, and voice mail) and conferencing (audio, video, and web).

### Option #2

Do not authorize the agreement and re-advertise in an attempt to receive more favorable proposals.

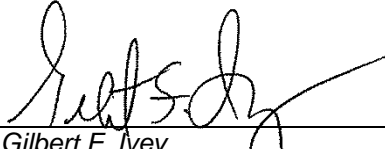

**Fiscal Impact:** None

**Business Analysis:** This option may or may not result in more favorable proposals, and would delay the replacement of Metropolitan's current voice communication system. This option may increase the risk of disruption of voice communication due to equipment failure and/or lack of available spare parts.

## Staff Recommendation

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### Option #1

	10/28/2014
_____ Gilbert F. Ivey Chief Administrative Officer	Date
	11/5/2014
_____ Jeffrey Kightlinger General Manager	Date

[Attachment 1 – List of Respondents to RFP No. 1021](#)

[Attachment 2 – Subconsultants to Shared Solutions and Services, Inc. Consultants](#)

**List of Respondents to Request For Proposals No. 1021**

**Telephone System Equipment and Associated Software**

**Responses Received on April 24, 2014**

<b>Respondent</b>	<b>Equipment Manufacturer</b>	<b>Shortlisted for Interview</b>
<b>Shared Solutions and Services, Inc. (aka Arrow S3 – Unify) Woodland Hills, CA 91367</b>	<b>Unify</b>	<b>Yes</b>
IntelesysOne, Inc. Ontario, CA 91764	Shoretel	Yes
SIGMAnet, Inc. Ontario, CA 91761	Cisco	Yes
Shared Solutions and Servies, Inc. Woodland Hills, CA 91367	Avaya	-----
Intelli-Flex, Inc. Cypress, CA 90630	Experius	-----
Nexus Valencia, CA 91355	Cisco	-----
Vector USA Torrance, CA 90503	Microsoft	-----

**Subconsultants to Shared Solutions and Services, Inc. Consultants**

Subconsultants that will be contracted under this agreement are as follows:

<b>Consultant</b>	<b>Specialty</b>	<b>Business Enterprise Certifications</b>
West Test Communications	Equipment Installation	SBE
Unify	System Installation and Maintenance	n/a
ISI Telemanagement Solutions, Inc.	Call Detail Recording	n/a
ASC Telecom, L. P	Call Monitoring	SBE
InfoTel Integrated Services, Inc	End-User Training	SBE

SBE: Small Business Enterprise

RBE: Regional Business Enterprise