



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 21, 2021

FROM: INNOVATION AND TECHNOLOGY WARDS: ALL

SUBJECT: SWITCHOVER FROM CALNET 3 TO CALNET 4 AT&T CORPORATION PRICING THROUGH THE STATE OF CALIFORNIA PRICING CONTRACT

ISSUE:

Approve the switchover of citywide telecommunication services from AT&T Corporation CALNET3 pricing to CALNET 4 pricing through State of California Pricing Contract and authorize execution of necessary documents and listed contract extensions.

RECOMMENDATIONS:

That the City Council:

1. Approve switchover of citywide telecommunication services from the AT&T Corporation CALNET 3 pricing to CALNET 4 pricing through the State of California Pricing Contract C4A1LEG18 and IFB C4DNCS19; and
2. Authorize the City Manager, or designee, to execute the CALNET Authorization to Order forms with AT&T Corporation, and any supplementary documentation to effectuate this agreement, including making minor and non-substantive changes, and authorize listed contract extensions as described in the Order forms.

BACKGROUND:

On July 8, 2008, City Council approved the telecommunication service request to order telecommunication services from AT&T, Inc. and its' subsidiaries through the State of California Pricing Contract (CALNET 2). On July 2, 2015, the City executed the Authorization to Order telecommunication services from AT&T Corporation through the State of California Pricing Contract (CALNET 3).

The City of Riverside procures telecommunication services from AT&T including voice phone trunks. These phone trunks provide phone dial tone and inbound and outbound calling from the City's phone system. The City also procures Internet Service Provider data telecommunications for City facilities via the CALNET pricing contract.

DISCUSSION:

AT&T Corporation (AT&T) and the California Department of Technology have entered a multi-year competitively bid statewide contract for telecommunication, data network and communication services through the State of California Pricing Contract No. C4A1LEG18 and Contract IFB C4DNCS19 (CALNET 4).

The CALNET 3 agreement will expire on December 31, 2021, at which time the City will be exposed to higher non-contractual rates. CALNET pricing provides a “*most favored nation*”, the lowest rate AT&T offers without a term commitment. The CALNET Authorization to Order forms give the City the option to purchase services at these lower rates but also cancel services no longer needed with a 30-day notice. Purchasing Resolution No. 23256 702(e) states that, “Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances: (e) When Cooperative Purchasing is available and undertaken or when Services can be obtained through Federal, State and/or other public entity pricing contracts or price agreements”.

The Purchasing Manager concurs that the recommended actions follow Purchasing Resolution No. 23256, Section 702(e).

STRATEGIC PLAN ALIGNMENT:

This item contributes to Strategic Priority No. 6 *Infrastructure, Mobility and Connectivity* and Goal No. 6.2 – Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

This item aligns with EACH of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Citywide telecommunications ensure the City can respond and provide information to the public in a timely manner.
2. **Equity** – Providing multiple and reliable forms of communication ensures information can be delivered via multiple communication channels.
3. **Fiscal Responsibility** – Utilizing the competitively bid State of California CALNET 4 agreement ensures the City is receiving the best rates available to us. It also gives the City the option to reduce services that are no longer needed.
4. **Innovation** – The City is always looking to improve and streamline telecommunication services. CALNET 4 supports the City’s efforts of moving off legacy systems, when possible, and onto more current services.
5. **Sustainability & Resiliency** – This contract ensures that the City can provide reliable citywide telecommunications services. The City may add or remove services throughout the life of the agreement ensuring its ability to adapt to the current needs.

FISCAL IMPACT:

The fiscal impact of this recommendation is unknown currently. Recurring monthly costs vary based on a variety of factors including usage, number of lines, service levels and features. Each

department includes telecommunication charges in their approved annual budgets. Citywide telecommunications charges averaged \$485,000 in FY 2020/21.

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availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Lea Deesing, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. CALNET Authorization to Order IFB C4DNCS19, Data Networks and Communications Services
2. CALNET Authorization to Order Legacy Telecommunications Voice and Data Services
3. Department of Technology Non-State Entity Service Policy and Agreement (NESPA)