



Agenda Item:
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COUNCIL COMMUNICATION City Manager’s Office

GENERAL INFORMATION

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690

Communication No.: 05-

Agenda Item Type: Resolution

Roll Call No.:

Submitted by: Merrill R. Stanley, Finance Director

SUBJECT—

Approving a Citywide Cell Phone Contract with Nextel Partners.

SYNOPSIS—

The City’s current cell phone contract for non-public safety users expires December 31, 2005. The public safety user group contract expires September 26, 2006. A solicitation process for a citywide cell phone contract to include both user groups was driven by parameters created by a cell phone task force committee comprised of staff representatives from City departments. Nextel Partners (6750 Westown Parkway, Suite 115, West Des Moines, IA 50266, Doug James, Partner) was found to have met all minimum service requirements and is available through the Western States Contracting Alliance (WSCA). This action approves a thirty-three (33) month citywide agreement.

FISCAL IMPACT—

The estimated annual cost of the contract is \$155,000 per year for approximately 380 pooled users and 96 individual contract holders. Funding for the services and equipment is available in the various department operating budgets. The recommended contract represents an annual avoided cost of \$43,000 per year when compared to the proposals submitted by other cell phone vendors.

RECOMMENDATION—

Approval

BACKGROUND—

The City's current cell phone contract with Nextel for non-public safety users was approved on March 28, 2002 by Roll Call No. 02-783 and was amended on December 8, 2003 by Roll Call No. 03-2754. The contract expires December 31, 2005. The public safety user group cell phone contract with U. S. Cellular was approved on September 27, 2004 by Roll Call No. 04-2058 and expires on September 26, 2006.

A cell phone task force committee representing multiple city departments was formed to evaluate goals, needs and issues for development of a new cell phone agreement that would incorporate both user groups into one contract. The needs identified by that group are included in the Council packet. The effective date of the new agreement will be January 1, 2006 and will continue two years after the termination date of the public safety contract until September 26, 2008. The targeted benefits of the combined contract would be (1) a lower overall rate for a larger group and (2) easier management and accounting of a single contract holder.

Five contract holders awarded either through the State of Iowa Department of General Services or WSCA were contacted to provide proposals to the City based on the needs identified by the task force committee. All five vendors responded to the City's request and offered proposals which were reviewed by the committee. The spreadsheet included in the Council packet shows Nextel as clearly more cost competitive than the other providers. The next lowest dollar proposal over a thirty-three month contract period, submitted by Sprint, was \$119,251.44 higher than Nextel.

Concerns have been raised about the poor quality of customer service provided by Nextel, but the committee did not consider this justification to recommend a significantly higher priced proposal. This recommended proposal is intended, however, to address the need for improved service. A scheduled and organized roll out of phones, accessories, and training will be provided by Nextel. An account link between the individual contract holders and the pooled group has been created to erase the frustrations experienced by many users when using Nextel's toll free service line. Also, a more centralized office location near Grand Avenue and E 14th Street has become available to provide additional support. Individual contract holders will receive all the same benefits as the pooled group except for pooled minutes and personal billings.

Some additional options will be available sometime next year due to a buyout of Nextel by Sprint. It is anticipated that contracts will be executed sometime between February and June of 2006. This will give the Public Safety group the option to enter into the contract, at the same price, by choosing either Nextel or Sprint technology. By joining the Nextel contract, Public Safety group rates would drop from current rates of \$31.50/month/user to \$27.18/month/user. This would equate to an estimated annual savings of \$12,960 of for a group of 250 users. New contract holders, including individual contract holders, would also be eligible to switch to Sprint once the merger is complete.