



AGENDA MEMORANDUM

Future Item for the City Council Meeting of November 15, 2016

Action Item for the City Council Meeting of December 13, 2016

DATE: October 31, 2016

TO: Margie C. Rose, City Manager

FROM: Belinda Mercado, Director of Information Technology
Bmercado@cctexas.com
(361) 826-3740

Approving Cellular Services for Phones, Wireless Devices, and Connectivity

CAPTION:

Motion authorizing the City Manager or designee to execute a contract with T-Mobile USA, Inc., of Bellevue, Washington, based on a cooperative purchasing agreement with the Texas Department of Information Resources (DIR), for a total estimated expenditure of \$1,650,348 for three years, of which \$412,587 is funded in FY2016-2017, with options to extend for up to one additional one-year period subject to renewals of the State's DIR contract (DIR-TSO-3416) with T-Mobile, sufficient annual appropriations, and mutual consent of the vendor and City Manager.

PURPOSE:

To transition to one cellular provider for city-owned devices for central management. The move to a single carrier will allow the city to achieve efficiencies, cost savings, and improved inventory management of cellular devices and data services.

BACKGROUND AND FINDINGS:

Mobile technology is now the standard in all industries, including city government. Smartphones, tablets, and Wi-Fi devices are currently in use by city departments to provide work efficiency in the workplace.

Currently four cellular providers provide service to city departments. Each city department handles the management and procurement of devices and services. The approval of this item will provide efficiencies in the approval, procurement, inventory, and invoice processing with a centralized service.

A city-wide policy has been put in place that requires all devices be approved by city management. Devices will be standardized across all departments. All city devices will be managed and monitored using specialized software that will be installed on city phones and tablets.

Evaluation Process

In June 2016, an evaluation committee was formed from city department representatives to do the following:

- Review cost of existing service with AT&T, Sprint, T-Mobile, and Verizon
- Review city department requirements for cell phone and data services
- Prepare vendor evaluation matrix
- Conduct vendor presentations with AT&T, Sprint, T-Mobile, and Verizon
- Conduct cellular performance and coverage testing
- Prepare final scoring and recommendation.

The evaluation representatives included staff from Police, Fire, Utilities, Solid Waste, Information Technology, City Management Office, and Finance.

The evaluation committee is recommending T-Mobile as the City's provider. Pricing and network coverage/performance were key factors that led to the selection of T-Mobile. With the transition to one cellular vendor, the city will achieve at a minimum a 15% reduction in the cost of service per device.

Cost of New Service

The estimate below includes the T-Mobile order for the initial purchase and future planned purchases. The cost for fiscal year 2016/2017 expected for 9 months at \$45,843/month is \$412,587. The savings over last fiscal year results in a cost savings of \$115,000 per year.

The average cost for all devices (cell phones, tablets, sim cards, and hotspots) is \$30 per month which includes the hardware and service. The amount shown below is a monthly estimate with projected costs over the life of the three-year contract.

Future Purchases Planned

Toughbooks and Ticketwriters in use by city departments have imbedded cellular service that does not allow the ability to change out cellular providers. T-Mobile has provided options and staff plans to address the move to T-Mobile service for Toughbooks and Ticketwriters in Summer 2017.

The expected increase in mobile adoption will require departments to identify needs and obtain approval from the City Manager and Assistant City Manager prior to the order of new service. We anticipate the move to standardized devices and services city-wide will provide awareness of a service that will generate demand for increased efficiencies.

Monthly Estimate:		
<i>T-Mobile Order</i>		<i>\$38,606</i>
<i>Universal Service Charge</i>		<i>\$514</i>
<i>Spare phones</i>		<i>\$0</i>
<i>Durable protective cases</i>		<i>\$0</i>
<i>Future Purchases Planned</i>		
<i>Toughbooks(Fire, EMS, Animal Control)</i>	<i>\$1,314</i>	
<i>Ticketwriters (PD, Parks)</i>	<i>\$3,429</i>	
<i>Anticipated increase in mobile adoption</i>	<i>\$1,980</i>	<i>\$6,723</i>
TOTAL		\$45,843

ALTERNATIVES:

1. Approve the T-Mobile contract using the State of Texas DIR Contract DIR-TSO-3416.
2. Continue de-centralization of cellular devices and service **(Not recommended)**.

OTHER CONSIDERATIONS:

Not applicable

CONFORMITY TO CITY POLICY:

The proposed purchase conforms to the City's purchasing policies and procedures and Texas State procurement laws.

EMERGENCY/NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Information Technology Department
Legal Department
Office of Management and Budget

FINANCIAL IMPACT:

X Operating

☐ Revenue

☐ Capital

☐ Not applicable

Fiscal Year: 2016-2017	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item		\$412,587	\$1,237,761	\$1,650,348
BALANCE				

Comments: *Charges to be made directly to individual city department operational accounts*

RECOMMENDATION:

Staff recommends approval of this agenda item.

LIST OF SUPPORTING DOCUMENTS:

DIR Contract with T-Mobile
T-Mobile Estimate Pricing
Cost Analysis of Cellular Service
Vendor Evaluation Matrix