

# EXECUTIVE SUMMARY

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## OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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**Date Issued:** July 29, 2011

**IBA Report Number:** 11-47

**City Council Docket Date:** August 2, 2011

**Item Number:** TBD

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## Verizon Wireless Contract Extension

On August 2, 2011, the City Council will be asked to approve an ordinance for a month-to-month contract extension with Verizon Wireless for wireless communication goods and services including commercial wireless telephone service. The contract extension would be for an amount not-to-exceed \$125,000 a month for a six-month period ending March 8, 2012. Sufficient funds have been appropriated in the FY 2012 General Fund Budget to cover the requested contract extension. Below is a brief overview of the history of the contract:

- The City and Verizon Wireless entered into an agreement to provide wireless telephone and equipment services for up to five years, effective December 1, 2005. The contract expired November 30, 2010.
- Last March, staff requested Council authorize a one-year extension retroactively from the contract expiration date to complete the Request for Proposal (RFP) process. On March 8, 2011, a motion was unanimously approved by Council to limit the requested extension to six months with an expiration date of September 8, 2011.
- In addition, Council requested staff return to Committee with a needs assessment, utilization analysis and cost efficient options for City cell phone use (Use and Options Study).

In discussing the status of the requested Use and Options Study, staff informed the IBA that the study is in progress and they hope to present their analysis to the Budget & Finance Committee in September 2011. The study will include a review of current City cell phone needs and an analysis of current City cell phone use.

When asked the implications of City Council not approving the requested contract extension, staff responded that: 1) potentially 3,000 cell phones and other wireless devices would be impacted; 2) there would be insufficient time (requires at least two months) to facilitate a complete transition to one of the other existing service providers; and 3) "air cards" used by public safety and other personnel would be impacted. If quick transition to one of the other services providers were to be accomplished, it should also be noted that a new wireless service contract would still be required on or before February 2012.

With the understanding that staff will present their Use and Options Study to the Budget and Finance Committee in September 2011, the IBA recommends approval of the requested contract extension in order to avoid the cited adverse service implications.