



## CITY OF SALINAS

### COUNCIL STAFF REPORT

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**DATE:** **DECEMBER 1, 2020**

**DEPARTMENT:** **FINANCE**

**FROM:** **MATT N. PRESSEY, CPA, FINANCE DIRECTOR**

**TITLE:** **CALNET VERIZON WIRELESS SERVICE CONTRACT**

**RECOMMENDED MOTION:**

A motion to approve a resolution authorizing the City Manager to enter into the CALNET cooperative purchase contract with Verizon Wireless.

**RECOMMENDATION:**

Staff recommends that the City Council approve the resolution authorizing the City Manager to enter into the CALNET cooperative purchase contract with Verizon Wireless.

**EXECUTIVE SUMMARY:**

The City's current contract with Verizon Wireless ends December 31, 2020. In order to maintain competitive and cooperative purchase discounts on new wireless phones, the City needs to enter into a new contract that was competitively bid and part of a cooperative purchase contact. Staff has selected to participate with (piggyback on) the State of California Department of Technology (CDT) CALNET contract.

**BACKGROUND:**

Verizon Wireless and the CDT have entered into a four-year statewide contract for CALNET Cellular Voice and Data Services, C4CVD18, Category 19. State of California CALNET contract provide robust, reliable, and high availability telecommunications services at special rates. CALNET offers awarded contractors a larger customer base than any other qualified government purchasing vehicle in California, which encourages contractors to offer better services at lower pricing and more favorable terms, conditions, and Service Level Agreements (SLAs). Over 2,000 public agencies are currently utilizing these contracts for telecommunications, benefitting from – and contributing to – the buying power and negotiation strength of the State of California.

The State contract award was awarded May 23, 2019 and ends May 22, 2023, with two optional extensions of two years each. The City contract with Verizon Wireless will be effective as long as the State's contract is in effect.

Under the CALNET agreement, the city keeps all your current plans, especially the popular National Flat rate plan, on current and new lines. Compared to the existing cooperative pricing, a new 2.5% administration fee is being charged on all lines. In addition, the new contract is for a minimum of 2 years versus the current 1-year term. Equipment upgrades can be completed after 20 months versus 10 months under the current plan.

#### **CEQA CONSIDERATION:**

The proposed actions are not projects as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines section 15378).

#### **STRATEGIC PLAN INITIATIVE:**

The contract is aligned with City Council's 2020-2023 Strategic Planning Goal of Operational Efficiencies.

#### **DEPARTMENTAL COORDINATION:**

The Finance Department administration worked with the City Attorney's office and Information Technology and Purchasing division staff on this item.

#### **FISCAL AND SUSTAINABILITY IMPACT:**

The City spent \$240,000 with Verizon Wireless during the last fiscal year providing service for 364 devices and including one-time equipment charges. The new 2.5% administrative tax will amount to about \$6,000. The funding for this contract is already included in the various budgets for all departments, divisions and various funds of the City.

#### **ATTACHMENTS:**

1. Resolution
2. CALNET Contract Forms
  - a. Department of Technology Non-State Entity Service Policy and Agreement (NESPA)
  - b. Authorization to Order (ATO) Cellular – Category 19.1 contract
  - c. Department of Technology Telecommunications Service Request Form STD. 20