



Rent Stabilization Board

RENT STABILIZATION BOARD

DATE: August 20, 2007

TO: Honorable Members of the Rent Stabilization Board

FROM: Jay Kelekian, Executive Director

SUBJECT: Authorizing the Executive Director to transfer an amount not to exceed \$20,000 to the City of Berkeley Information Technology Department for the purchase of a new telephone system

Recommendation:

That the Board adopt the attached resolution authorizing the Executive Director to transfer an amount not to exceed \$20,000 to the City of Berkeley Information Technology Department for the purchase of a new telephone system.

Background and Need For Rent Stabilization Board Action:

As we have discussed over the past several years, our aging Inter-Tel analog phone system has served us well for the past 15 years but has more than exceeded its' useful lifespan. Just this morning, when I returned from vacation, I was informed that individuals attempting to contact me last week received three different messages from my phone – Some received the message I programmed prior to leaving on vacation, indicating that I would be away but checking my messages every few days. Others received my “standard” message with no indication that I was away or that there may be a delay in calling them back. One individual told me that there was no greeting at all. When I went to pick up my messages from the previous week, I was greeted by the voice of an employee that left the City in 2003.

Because of these types of problems, the Board has set aside funding in each of the past four budgets for the acquisition of a new phone system and, if necessary, trenching and cabling for fiber optic upgrades. Originally, the Board allocated \$100,000 for this work. Because we waited, we were able to “piggy-back” on other trenching work performed across Milvia Street, between the Civic Center Building and the Rent Stabilization Program offices. This allowed us to cut the amount allocated for the project by over \$50,000. Since 2005, staff investigated four different options:

1. **Purchase new phones from an outside vendor and maintain an analog system:** This would have saved the cost of trenching and fiber optic upgrade but everyone we consulted indicated that it would be very limiting and soon we would be looking to upgrade again. Once we were able to realize the savings in the trenching work, we agreed to discontinue exploration of this option.
2. **Purchase new phones from an outside vendor based upon a digital system:** We

interviewed several vendors and received bids in the range of \$32,000 - \$40,000, depending upon the vendor and the specific features. This cost was for the phones only and did not include any cabling or fiber optic upgrades between the Civic Center Building and our offices. Staff was very close to bringing a proposal to the Board for one of these systems when we were approached by the City of Berkeley about buying into their VOIP (Voice-Over IP) system that they were about to acquire. We put consideration of Option 2 on hold while we considered the feasibility of the VOIP Option.

3. **Buy into the City of Berkeley's planned VOIP system:** When this was first proposed, approximately eighteen months ago, this appeared to be the preferred option. The VOIP system, would have provided a significant upgrade in technology as well as potential long-range service delivery improvements. The projected cost was at or below the lowest bid received from an outside vendor for a new digital-based system. Unfortunately, the City of Berkeley's commitment to purchasing a VOIP system has been placed on hold for the time being. It is still anticipated that the City will go this route but potentially not for several years. It was recommended that any system we procure now, be capable of being converted to a VOIP system.
4. **Buy into the City's 981 digital phone system:** This option proved to be the most cost effective and therefore recommended by staff. The phones will be about half the price at \$16,675 and will include fiber optic hook-up to the City (at an additional cost of \$12,500), which will allow us enhanced capabilities in our computer networking. The City has utilized the phones and system for the past five years with great success and we will be allowed to add the VOIP capability if the City ultimately decides to move in that direction. Best of all we will be given the number 981-RENT.

Specifically, we will be purchasing 27 phone units manufactured by Nexus Integration Services, 31 digital phone extensions, four main lines (including the 981-RENT line) and 3 analog lines for fax machines and credit card modems. We hope to have the phones installed by the end of September.

Financial Impact:

The Fiscal Year 2007/2008 Budget, adopted on June 25th, set aside \$30,000 in carryover funds in Line-Item 40-31 for the installation of cable and acquisition and installation of a new Nexus phone system. The fiber optic cabling costs will be roughly \$12,500. The cost for acquisition and installation of the new phone system is estimated to cost \$16,675. I am requesting authorization to spend up to \$20,000. The additional \$3,325 would serve as a contingency if it becomes necessary.

Name and Telephone Number of Contact Person:

Jay Kelekian, Executive Director
(510) 644-6128

RESOLUTION 07-

AUTHORIZING THE EXECUTIVE DIRECTOR TO TRANSFER AN AMOUNT NOT TO EXCEED \$20,000 TO THE CITY OF BERKELEY INFORMATION TECHNOLOGY DEPARTMENT FOR THE PURCHASE OF A NEW TELEPHONE SYSTEM

BE IT RESOLVED by the Rent Stabilization Board of the City of Berkeley as follows:

WHEREAS, the phone system used by the Rent Stabilization Program is over 15 years old and has proven increasingly problematic; and

WHEREAS, staff has researched numerous options for an enhanced and improved new phone system; and

WHEREAS, staff has negotiated terms with the City of Berkeley to allow the Rent Stabilization Program to utilize the City of Berkeley's existing "981" system; and

WHEREAS, the Rent Stabilization Program would be assigned the main number of 981-RENT; and

WHEREAS, the most cost effective and flexible option available is the City of Berkeley's "981" system.

Which has been used successfully for the past six years;

NOW, THEREFORE BE IT RESOLVED, by the City of Berkeley Rent Stabilization Board that the Executive Director is hereby authorized to transfer an amount not to exceed \$20,000 to the City of Berkeley Information Technology Department for the purchase of a new telephone system.

Dated: June 18, 2007.

Adopted by the City of Berkeley Rent Stabilization Board by the following vote:

Yes:

No:

Abstain:

Absent:

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Jesse Arreguin, Chair
Rent Stabilization Board

Attest: _____
Jay Kelekian, Executive Director