

needs and develop a scope of work to refresh the current phone system.

REQUEST FOR PROPOSAL:

On October 16, 2024, a Request for Proposal (RFP) was issued and viewed by 36 vendors, with 21 vendors submitting responses. The RFP closed on November 7, 2024. Due to the project's technical complexity, the evaluation process was divided into two phases. The first phase involved a Technical Evaluation team of IT and Library staff members who assessed the feasibility of the proposals. The second phase included a Demonstration Evaluation team, consisting of members from CyRide, IT, Library, Finance/Utility Customer Service, and the Police Department, who evaluated the top proposals based on the overall usability of the software solution.

On November 25, 2024, the Technical Evaluation team met to assess all proposals based on the following criteria:

- Technical Solution - response fulfills technical requirements provided to vendors
- System Compatibility - proposed system integrates with existing IT infrastructure, such as software, servers, and firewalls
- System Implementation Plan
- Overall Project Understanding
- Vendor Experience
- Overall Cost – based on one-time implementation fees, on-going annual fees, and hardware costs.

The Technical Evaluation Team selected the following four vendors advance to the Demonstration phase:

- CDW Government, LLC (Zoom software)
- GoTo Communications, Inc. (GoTo software)
- RingCentral, Inc. (RingCentral software)
- Carrier Access, LLC (Cisco Webex software)

It should be noted that the selection was based not only on overall evaluation scores, but also on ensuring a diverse evaluation of different VoIP solutions. While Carrier Access ranked 7th, the vendors ranked 4th through 6th proposed solutions using Zoom and GoTo, which were already included from higher-ranked vendors. Therefore, to ensure a broader evaluation of available options, the team included Carrier Access, as it was the next highest-ranked vendor offering a VoIP system not already represented. Attachment 1 contains a more detailed breakdown of the vendor rankings.

In the Demonstration phase, the four selected vendors were invited to provide a software demonstration to the larger Demonstration Evaluation Committee, which were assessed based on the following criteria:

- Usability – Intuitive interface, minimal training needs, customizable features, and effective administrative tools.
- VoIP Phone System Solution – Seamless integration, cloud capabilities, and consistent performance across devices.
- Security – Strong encryption, user authentication, and a clear incident management process.
- Support and Training – Quality technical support, sufficient training materials, and effective on-boarding resources.
- Implementation Plan – Clear deployment strategy, timelines, resource planning, and disruption

minimization.

RingCentral, Inc. emerged as the top software solution following the demonstration process. The evaluation team ranked RingCentral highest due to its intuitive interface, which ensures a user-friendly experience for City staff, as well as its high system reliability and ease of implementation and management for City IT personnel. Additionally, RingCentral offers seamless integration with the City's Microsoft software suite and the IT department's existing management tools, making it the most efficient and compatible solution for the City's needs.

Beyond its strong performance in the evaluation process, RingCentral provides significant improvements over the City's current traditional on-premise phone system. These enhancements include increased mobility through cloud-based access, advanced call analytics, modern call features such as automatic transcription and voicemail, improved auto-attendant features, and more efficient system administration, allowing IT staff to manage and troubleshoot the system remotely with greater ease and flexibility. RingCentral's Software-as-a-Service (SaaS) solution eliminates the need for on-premise servers housed in City Hall, reducing hardware maintenance costs and ensuring a more resilient and scalable communication system.

During the evaluation process, the City estimated the need for 400 standard user licenses out of the total of 600 phone numbers the City owns. However, after negotiations with RingCentral and internal discussions, the exact breakdown between standard user licenses and limited user licenses remains undetermined. It is possible that all 600 City phone numbers may require standard user licenses, but this will only be determined once RingCentral investigates further during system implementation.

Taking into account what staff believes are conservative estimates of the required license types, staff estimates the annual cost for service to be approximately \$72,000 per year. Additionally, the contract includes a \$44,824 one-time implementation fee.

The current phone system provider's contract expires on June 30, 2025. The proposed contract with RingCentral will take effect upon signing the Master Services Agreement. However, annual service fees will not begin until three months after the agreement is signed. The system's "go-live" date is expected between April 1 and June 30, depending on the pace of the implementation phase. Implementation costs will be invoiced progressively, with each phase billed upon its completion.

It is also important to note that the handsets currently in use are not compatible with any of the systems considered. IT staff estimates that approximately 240 users will necessitate a physical handset or other devices, with an estimated initial cost of \$27,000. The actual amount may vary based on how many staff members prefer a physical phone or other device instead of a computer-based softphone.

The contract cost breakdown is as follows:

One-Time Implementation Fees:	\$44,824
Purchase of Phones (Qty. 240):	\$27,000
Annual Software Licensing Fees:	\$72,000
YEAR 1 TOTAL:	\$143,824

For comparison, the IT budget for the current phone system includes approximately \$137,000 annually for licensing, support fees, and hardware replacement costs. Additionally, the current phone system hardware, such as on-premise servers and related computer equipment, is nearing the end of its 10-year replacement cycle. With the new system, these hardware replacement costs are eliminated, as the City will no longer need to house and maintain physical servers or related infrastructure.

The one-time implementation costs associated with installing the new VoIP phone system will be funded through the Technology Reserve Fund, which contains a balance of \$1.459 million. This will cover expenses related to system setup, configuration, and any necessary hardware or software adjustments during the transition period. Ongoing operating costs for the new system (\$72,000 annually) will be funded through the City's telephone operating budget. The FY 2025/26 operating budget includes \$125,000 allocated for this expense.

Additional annual software licensing fees will be included in future operating budgets. Although pricing is firm for a five-year period, the City will only be obligated to pay one year at a time. The contract contains a non-appropriation clause and allows for cancellation with 30 days notice for any reason.

ALTERNATIVES:

1. Approve the award of a contract with RingCentral Inc., Belmont, CA, for a new Voice Over Internet Protocol (VoIP) phone system in the amount not to exceed \$143,824.
2. Direct staff to negotiate a contract for a new Voice Over Internet Protocol (VoIP) phone system with one of the other companies that submitted a proposal to the City.
3. Do not award a contract for a Voice Over Internet Protocol (VoIP) phone system.

CITY MANAGER'S RECOMMENDED ACTION:

Ring Central, Inc.'s proposal provides the City with the best value to replace the current on-premise phone system with a more modern and efficient phone system and represents a significant technological upgrade. Therefore, it is the recommendation of the City Manager that the City Council approve Alternative No. 1, as described above.

ATTACHMENT(S):

[Attachment 1 - Vendor Rankings.xlsx](#)