

**Livingston County
Information Technology
Department**

Report

To: Livingston County Board of Commissioners, Livingston County Administrator
Nathan Burd, Livingston County Chief Financial Officer Cindy Catanach

From: Kristoffer Tobbe
Livingston County Chief Information Officer

Date: October 27, 2020

Re: Livingston County Information Technology Department: Phone System Upgrade

Request for approval of the Livingston County phone system replacement.

Livingston County's primary phone system is over 16 years old with one server upgrade preformed in 2010 - 2011. The current system has been end of life for the past 3 years and we are now on the brink of a critical point of failure. With every small update or patch to the system, we will lose functions and be forced to abandon large blocks of phones. If we move to the most recent software version, it will cause us to abandon nearly all phones in Livingston County. The system must be replaced to maintain basic functionality of our telecommunications system. This project at normal pricing is budgeted in the proposed 2021 - 2026 Livingston County Capital Improvement Plan at a price of \$285,000 over the next 5 years.

Current Livingston County IP Phones and Devices as of October 2020					
MFG	Phones & devices	Version	End of life version 12.5	End of Live version 14 (release date November 2020)	Total
Cisco	ATA 186		X		12
Cisco	ATA 187		X		1
Cisco	ATA 190			X	6
Cisco	6921		X		6
Cisco	7912		X		225
Cisco	7920		X		1
Cisco	7925			X	4
Cisco	7935		X		2
Cisco	7936			X	2
Cisco	7937			X	9
Cisco	7940			X	144
Cisco	7941			X	8
Cisco	7942			X	64
Cisco	7945			X	77
Cisco	7960			X	90
Cisco	7961			X	5
Cisco	7962			X	6
Cisco	7965			X	20
Cisco	8837			X	5
Cisco	IP Communicator			X	5
Cisco	CTI Port			X	4
	Third Party SIP Device (Basic) 911 Viking				3
Total	Phones and Devices				699

The benefits of moving to a new telecommunication system include, improved remote worker capacity, increased feature sets for staff and the public, cost return on investment by moving to lower priced fiber optic SIP trunks, increased accessibility to the public, and enhanced call center features for LETS and other departments. The general expected lifespan on a phone system is 10 years with hardware components being upgraded or replaced every 5 to 8 years.

This upgrade gives the County greater flexibility during the current pandemic and beyond with the ability to make full calls from laptops, desktops and mobile devices, from the office and beyond all while calling from County phone numbers and extensions. During this cut over we are anticipating that approximately 100 to 200 desk phones will not need replacement as the user will use a computer soft phone and a headset for their primary calling instead of a hard desk phone, saving the County dollars both now and, in the future, while easing use and upgradability.





The Livingston County Information Technology Department has successfully worked with the County's Cisco Partner, Logicalis, and Cisco to put together a replacement proposal for the replacement of the Counties phone system in a scaled approach. This plan would allow for the phone system hardware, licenses, and update planning, as well as 250 phones and 50 conference phones (of the 750 phones that are currently in circulation) before the end of the year with an option to purchase an additional 250 phones or all remaining phones at the current locked in discount. The proposal includes 3 year of maintenance and support. We would be able to utilize the NASPO contract to obtain standardized negotiated governmental pricing, however we have successfully partnered with Cisco and Logicalis to a achieve significant discounts for the County taxpayers that are much greater than standard pricing, government pricing, and contract pricing.

The discount off the negotiated Livingston County cooperative discount is 53% off of the standard corporate rate and an 34% off governmental contract pricing. Option price discounts are respectively 66% off standard corporate rates and 48% off governmental contract pricing

The Final pricing is:

- \$126,142.47 for the current 2020 year
- \$24,480.50 for the option to purchase the additional hardware before June 30, 2021

This will save our Livingston County Taxpayers:

- **Main Project Savings**
 - \$143,285.51 off the Standard pricing
 - \$65,384.68 off of the Government contract
- **Option Savings**
 - \$47,520.50 off the Standard pricing
 - \$22,320.15 off of the Government contract
- **Projected Savings from total CIP**
 - $\$285,000 - (\$126,142.47 + \$24,480.50 + \$25,000 \text{ contingency}) = \$109,377.03$
- **Potential Additional Telco Carrier Savings**
 - Current Windstream Telco monthly costs \$6,404.10
 - Proposed new Windstream Telco monthly costs \$2,500.00
 - Potential monthly Savings \$3,904.01
 - Potential Annual Savings \$46,849.20

Current Purchase

Cost Estimates Cisco Phone System												
Cost Estimates Cisco Phone System			Standard Corporate MSRP	Standard Governmental Contract pricing	\$\$ Savings Standard Gov Contract pricing	% Savings Standard Gov Contract pricing	Final Negotiated pricing	\$\$ Savings off MSRP	% Savings off MSRP	\$\$ Savings off Government Contract	% Savings off Government Contract	Proposed CIP 2021 -2026 Budgeted Amount
Phone System Hardware			\$ 179,520.98	\$ 116,688.64	\$ 62,832.34	35%	\$ 62,676.84	\$ 116,844.14	65%	\$ 54,011.80	46%	\$ 285,000.00
Phone System Software			\$ 28,375.03	\$ 18,443.77	\$ 9,931.26	35%	\$ 11,340.79	\$ 17,034.24	60%	\$ 7,102.98	39%	
Phone System Support 3 year agreement			\$ 17,171.97	\$ 14,252.74	\$ 2,919.23	17%	\$ 13,737.58	\$ 3,434.39	20%	\$ 515.16	4%	
Professional Services			\$ 44,360.00	\$ 42,142.00	\$ 2,218.00	5%	\$ 38,387.26	\$ 5,972.74	13%	\$ 3,754.74	9%	
Total			\$ 269,427.98	\$ 191,527.15	\$ 77,900.83	\$ 0.29	\$ 126,142.47	\$ 143,285.51	53%	\$ 65,384.68	34%	

Option to purchase

Cost Estimates Cisco Phone and Switches												
			Discounts									
	Quantity		Standard Corporate MSRP	Standard Governmental Contract pricing	\$\$ Savings Standard Gov Contract pricing	% Savings Standard Gov Contract pricing	Final Negotiated pricing	\$\$ Savings off MSRP	% Savings off MSRP	\$\$ Savings off Government Contract	% Savings off Government Contract	Proposed CIP 2021 -2026 Budgeted Amount
Phone System Hardware		Hardware	72,001.00	\$ 46,800.65	\$ 25,200.35	35%	\$ 24,480.50	\$ 47,520.50	66%	\$ 22,320.15	48%	Budgeted
Cisco Network Switches		Software	\$ 256,837.09	\$ 166,944.11	\$ 89,892.98	35%	\$ 72,014.15	\$ 184,822.94	72%	\$ 94,929.96	57%	Un Budgeted
Cisco Switch DNA Software		Services	\$ 26,462.30	\$ 17,200.00	\$ 9,262.30	35%	\$ 7,938.78	\$ 18,523.52	70%	\$ 9,261.22	54%	Un Budgeted
			\$ 355,300.39	\$ 230,944.76	\$ 124,355.63	35%	\$ 104,433.43	\$ 250,866.96	71%	\$ 126,511.33	55%	

Recommendation

At this time, we are recommending moving forward to take advantage of the aggressive pricing negotiated by the Livingston County Information Technology team, Logicalis, and Cisco Systems and the purchase of the Cisco Phone system with 3 years of Support and maintenance and call manager upgrade professional services contained in the Logicalis Proposals:

- Livingston County: Phone System Upgrade Bill of Materials Quotation # 2020-100893v2
- Livingston County - Call Manager Upgrade – Professional Services Quotation # 2020-84051v4
- Livingston County: Phone & Switch - Optional Components Quotation # 2020-100880v1

Funding recommendation:

We are recommending that:

- \$7,482.13 be spent from the Information Technology department's 2020 747000 budget.
- \$38,207.00 Livingston County Information Technology 2020 819000 account
- \$56,000.00 from LETS for Call manager upgrades for call center functionality
- \$4,753.33 from Livingston County Sheriff's Office CARES Act Funding
- \$4,200.00 from Livingston County Courts CARES Act Funding
- \$5,166.67 from Livingston Count Prosecutors Office CARES Act Funding
- \$10,333.33 from the Health Department COVID-19 CARES Act Grant Funding
- \$Total Amount = \$126,142.46

This phone system funds are unbudgeted in the Livingston County Information Technology department 2020 budget,

Through other savings throughout the 2020 year there are funds available in the Departments current year budget, a cost share with the LETS, Sheriff's Office, Health Department, Prosecutors Office, Courts and Cares Act Grant funding. This, will have no negative impact on the general fund and will significantly stabilize, solidify and improve the Livingston Counties communication technology infrastructure.

Funding Breakdown					
Item	Department	Account	Source	Item	Amount
Phone System	Livingston County Information Technology	747000	Hardware Budget		\$ 7,482.13
Phone System	Livingston County Information Technology	819000	Professional Services		\$ 38,207.00
Phone System	LETS		Budgeted 2020		\$ 56,000.00
Phone System	Livingston County Sheriff's Office		CARES Act Funding		\$ 4,753.33
Phone System	Livingston County Courts		CARES Act Funding		\$ 4,200.00
Phone System	Livingston Count Prosecutors Office		CARES Act Funding		\$ 5,166.67
Phone System	Livingston County Health Department		CARES Act Funding		\$ 10,333.33
Sub-Total					\$ 126,142.46
Option Pricing Extended on additional hardware through 07-01-2021					
			Currently partially funded in 2021 proposed budget		\$ 104,433.43

Finance options

Though our conversations with Logicalis and Cisco we inquired as to finance options, Cisco has put forth a generous 3-year 0% financing option. See below for specifics.

\$126,142.47 / 3 years = \$42,047.49 each year

Year 2021 Payment: \$42,047.49

Year 2022 Payment: \$42,047.49

Year 2023 Payment: \$42,047.49

Purchase options	Total Cost	Purchase Outright	Purchase 3 year 0% Cisco Capital (Annual payment)
Cisco Phone System	\$ 126,142.47	\$ 126,142.47	\$ 42,047.49

Option switch purchase

Purchase options	Total Cost	Purchase Outright	Purchase 3 year 0% Cisco Capital (Annual payment)
Cisco Phone System	\$ 7,938.78	\$ 7,938.78	\$ 2,646.26