

BEFORE THE METRO CONTRACT REVIEW BOARD

FOR THE PURPOSE OF EXEMPTING)	RESOLUTION NO. 93-1774
THE MOVE OF THE METRO CENTER)	
TELEPHONE SYSTEM TO THE METRO)	Introduced by Rena Cusma,
WASHINGTON PARK ZOO FROM)	Executive Officer
COMPETITIVE BID, AND AUTHORIZING)	
A SOLE SOURCE EXTENSION TO THE)	
MATRIX COMMUNICATIONS, INC.)	
CONTRACT NO. <u>901599</u>)	

WHEREAS, Metro seeks to retire and the Metro Washington Park Zoo seeks to inherit Metro Center's existing Mitel SX200 telephone system; and

WHEREAS, Matrix Communications, Inc. was awarded a two year service contract for the telephone system's maintenance at Metro Center and which will expire April 30, 1993; and

WHEREAS, Matrix Communications, Inc. has over the last two years responsibly performed all maintenance and operational adds, moves and changes on the system; and

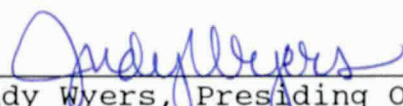
WHEREAS, Metro's Facilities Management Divisions propose to proceed with the existing contract relationship until a joint service contract for both facilities can be formulated and bid, and

WHEREAS, there is limited competitive bidding potential for this project, it is unlikely that a contract extension would encourage favoritism or diminish competition for such contracts, and there are obvious potential savings in utilizing the existing contract; now, therefore

BE IT RESOLVED,

That the Metro Contract Review Board pursuant to Metro Code Section 2.04.041(c) hereby declares the extension of Matrix Communications, Inc.'s current service contract as outlined above to be a sole source procurement exempt from competitive bidding and authorizes the Executive Officer to execute the appropriate contract amendment to accomplish the scheduled move.

ADOPTED by the Metro Contract Review Board this 11th day of March, 1993.



Judy Wyers, Presiding Officer

REGIONAL FACILITIES COMMITTEE REPORT

RESOLUTION NO. 93-1774, EXEMPTING THE MOVE OF THE METRO CENTER TELEPHONE SYSTEM TO THE METRO WASHINGTON PARK ZOO FROM COMPETITIVE BID, AND AUTHORIZING A SOLE SOURCE EXTENSION TO THE MATRIX COMMUNICATIONS, INC. CONTRACT NO. 901599.

Date: March 4, 1993

Presented by: Councilor Gardner

COMMITTEE RECOMMENDATION: At its March 3, 1993 meeting the Regional Facilities Committee voted 5-0 to recommend Contract Review Board adoption of Resolution No. 93-1774.

COMMITTEE DISCUSSION/ISSUES: Zoo Facilities Manager Judy Munro presented the staff report. She said the Zoo would benefit from the use of the Mitel phone system now at Metro Center, because it will not meet Metro's needs in the new Metro Regional Center and the Zoo needs a new phone system. Time and money will be saved by utilizing the current vendor, and it would not be likely that a competitive bid process would produce more than one bid because there are only two vendors in Oregon certified to work on Mitel phone systems - one is in Klamath Falls and the other is Matrix Communications. She said Matrix has offered to train Zoo personnel, continue the maintenance contract at the existing rate, and warranty all existing work and the move.

Councilor Gardner asked Ms. Munro to estimate the costs of going out to bid on this contract. Ms. Munro said she didn't have a figure, but expected it would require hiring a consultant to prepare technical specifications. That would probably cost around \$2,500, plus staff time. Councilor Washington asked if the Mitel system would be compatible with the system at Metro Regional Center. Ms. Munro said she didn't think an interface between the systems was planned.

Councilor Hansen asked what the total costs of this project would be. Ms. Munro said the costs in addition to continuing the contract would be \$17,000 - \$22,000 for moving the system, with the variable in that estimate being the amount of work required for instituting a voice mail system at the Zoo. In response to a question from Councilor Washington, Ms. Munro said there will be approximately 125 stations at the Zoo.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO 93-1774 REQUESTING THE CONTRACT REVIEW BOARD EXEMPT THE SCHEDULED TELEPHONE SYSTEM MOVE FROM METRO CENTER TO METRO WASHINGTON PARK ZOO FROM COMPETITIVE BIDDING AND AUTHORIZING A SOLE SOURCE EXTENSION TO MATRIX COMMUNICATIONS, INC. CONTRACT NO. 901599.

Date: February 11, 1993

Presented by: Judy Munro

PROPOSED ACTION:

Section 2.04.041(c) of the Metro Code allows the Contract Review Board, where appropriate, to exempt specific contracts from the general requirement for competitive bidding, and direct the use of alternate contracting and purchasing practices.

The Metro Code references ORS 279.015 as the basis for requiring that all public contracts be based upon competitive bid and sets forth a process by which the following findings will permit an exemption and allow execution of a sole source contract. The Board must find that:

- It is unlikely that the exemption will encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts; and
- The award of a public contract pursuant to the exemption will result in substantial cost savings to the public contracting agency.

FACTUAL BACKGROUND AND ANALYSIS:

Since August 15, 1991, Matrix Communications, Incorporated has maintained the Mitel SX200 telephone system at Metro Center. Their contract was awarded as the result of competitive bid and they have responsibly performed all recent maintenance plus operational adds, moves, and changes as a certified Mitel System distributor.

Metro has now determined that this Mitel system is insufficient to accommodate all of Metro's present and future requirements at the new Metro Regional Center. In addition, the Metro Washington Park Zoo has determined that they are in need of a new system since their present telephone switch lacks needed features and the switch is no longer in production so parts are not readily available. Therefore, Metro intends to relocate and the Zoo will receive the surplus phone system subsequent to Metro's upcoming move.

In anticipation of the scheduled move, Matrix Communications, Inc. has already received a limited contract for and is in the process of testing and evaluating the existing telephone cabling at the Zoo.

There are only two service companies in the state of Oregon that are certified to service the Mitel system's computer based hardware and software, and the other is located in Klamath Falls, Oregon.

Matrix has proposed that without competitive bidding, it will:

Provide a one year warranty on all parts and labor related to the proposed move;

Provide complete training of Zoo personnel in the use of the transferred system including the automated attendant, voice mail and other features new to that organization;

Provide training on system programming to selected facilities personnel in order to reduce contracting costs and facilitate timely modifications;

Continue and expand the existing Metro contract for system maintenance and operational adds, moves, and changes which is scheduled to expire at fiscal year end at the existing rate for an additional year.

BUDGET IMPACT:

Significant cost savings should result from exempting the proposed move from competitive bidding and authorizing a sole source extension of the existing contract with Matrix:

- Although the other service company could bid, or other companies could become certified to perform maintenance in the future, it is unlikely that any other company would at this time warranty hardware or software previously maintained by others. If they did, they would have to presumably provide a cost contingency for potential problems within the existing system and cover for lack of previous system knowledge.

- A substantial amount of time is required for reprogramming the current switch to the Zoo's proposed configuration. An alternative service company would be unfamiliar with the current configuration and therefore incur and pass-on costs already absorbed by Matrix since August 15, 1991. A comparable expense would presumably occur if a new technician had to undertake modifications while progressing along the learning curve of familiarity with the surplus system.

- It is Metro's intent to seek further savings in the future by soliciting a competitive joint bid for the Zoo system and the new Metro Regional Center's equipment once the latter system is beyond its original one year warranty.

- The projected costs of the proposed contract extension are in line with the \$20,000 currently budgeted in the Metro Washington Park Zoo, Facilities Management Division's 1992-93 fiscal year budget, and Council had given prior approval for the project's competitive bidding as a "B" contract.

Therefore, no change in the current budget is anticipated and if the proposed contract extension is approved, potential savings are forecasted both now and in the future.

EXECUTIVE OFFICER'S RECOMMENDATION:

The situation as presented provides ample justification for the Contract Review Board to waive competitive bidding of the telephone system move, and direct the Executive Officer to execute a sole source extension to the existing Matrix Communications, Inc. contract no. 901599.