

BEFORE THE METRO CONTRACT REVIEW BOARD

FOR THE PURPOSE OF EXEMPTING THE LONG) RESOLUTION NO. 94-2031A
DISTANCE SERVICE CARRIER FOR THE METRO)
WASHINGTON PARK ZOO FROM COMPETITIVE) Introduced by
BIDDING, AND AUTHORIZING A SOLE SOURCE) Rena Cusma, the
CONTRACT WITH SPRINT) Executive Officer

WHEREAS, Metro seeks to exempt from competitive bidding the long distance carrier contract for Metro Washington Park Zoo and Sprint; and,

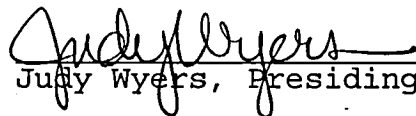
WHEREAS, The Metro Washington Park Zoo wishes to award to Sprint a three-year long distance carrier contract, with twelve-month review, for its telephone system; and,

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

BE IT RESOLVED,

That the Metro Contract Review Board pursuant to Metro Code Section 2.04.041(c) hereby declares Sprint to be a sole source procurement exempt from competitive bidding and authorizes the Executive Officer to execute the appropriate contract to accomplish the scheduled service.

ADOPTED by the Metro Contract Review Board this 13th
day of October, 1994


Judy Wyers, Presiding Officer

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 94-2031 REQUESTING THE METRO CONTRACT REVIEW BOARD EXEMPT THE LONG DISTANCE SERVICE CONTRACT FOR METRO WASHINGTON PARK ZOO FROM COMPETITIVE BIDDING AND AUTHORIZE A SOLE SOURCE CONTRACT TO SPRINT

Date: August 31, 1994

Presented by: Judy Munro

PROPOSED ACTION

We hereby request that the Metro Council, acting as Metro Contract Review Board, adopt the attached resolution exempting long distance telephone service from the competitive bid process and authorize a contract with Sprint Communications for long distance carrier service for the Zoo. Metro Code 2.04.041(c) allows the Metro Contract Review Board to exempt specific contracts from the general requirement for competitive bidding and direct the use of alternate contracting and purchasing practices.

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

1. It is unlikely that the exemption will encourage favoritism or substantially diminish competition for public contracts; and,
2. 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

1. A preliminary review was made of our past and current long distance service system. As a result, it was determined that an upgrade to the current processing system should take place. Research was conducted in two phases--a study of possible software programs to track long distance charges; and a study of major long distance service carriers, both for better accountability, security, and processing timeliness in order to experience cost and time savings.
2. Study was made of a number of software programs to track internal long distance calls. The cost and administration of these programs was found to be excessive and would not result in the desired savings.
3. Further study was made of four long distance service carriers, including MCI, AT&T, Sprint, and BCN (see Exhibit A, attached). The study detailed recommended service including trapping system for long distance calls, caller identification codes, billing detail, contract terms, possible discounts, and monthly impact. To ensure objectivity, exact service and cost comparison criteria were established. Selection was based on evaluation of vendor response to the above criteria alone.

- a. From the final study it was determined that Sprint would provide the most cost efficient system. Sprint's Clarity Service with Fonview Billing Option provided the exact service specified and, by the vendor not charging for change-over costs and offering Fonview Billing at no charge, Sprint services calculated out the lowest projected cost.
- b. MCI offered options which met the service requirements but monthly costs were approximately \$86 higher than Sprint. Based on service and cost comparison criteria their system would not provide cost savings desired.
- c. AT&T offered a similar service, possibly at a lower price but did not have the user identification system and billing service needed. Their lower cost was based on "possible" cost savings which they were unable to guarantee.
- d. BCN offered services similar in cost to Sprint but their system would not provide the caller security desired with the billing service needed.

BUDGET IMPACT

Significant cost savings should result from exempting the proposed move from competitive bidding authorizing a sole source contract with Sprint based on the following:

1. Sprint's security and billing features prevent caller abuse of long distance service through greater security and allow reasonable monitoring of call records so any ensuing abuse or mis-use can be spotted, should it occur.
2. Since most long distance carriers prepackage a complex mix of services, make periodic rate adjustments, and extend a variety of promotional enticements, competitive bidding would be a difficult, time consuming and expensive task, and might not offer additional savings over those anticipated.
3. An exemption from competitive bidding allows procurement of a much improved and enlarged service over the current service at an estimated annual savings of 25% (approximately \$3,600/year), a significant savings.

EXECUTIVE OFFICER RECOMMENDATION

As presented, the situation provides ample justification for the Metro Contract Review Board to waive competitive bidding of the long distance service from the current carrier and directs the Executive Officer to execute a sole source contract with Sprint.

EXHIBIT A

CARRIER Contact and phone	MCI Michael Podoba 684-6500	ATT Andy Kayser 229-3444	BNC Martin Bail 1-206-944-6122	SPRINT Marc Husain 627-0662
RECOMMENDED SERVICE	Vision service with Perspective billing	Customnet Flex Plan	(Private sub-contractor)	Clarity Service
TRAP LONG DISTANCE CALLS *Zoo software Requires maintenance (Matrix?) to add new lines and program to catch misdialed prefixes *Dailer Carrier installed (can catch misdialed prefixes)	Yes Yes - their recommendation Yes - Needs over \$150 interlata for them to install.	Yes Yes - will reimburse programming charges up to \$250 Yes - Installation fee credited in 90 days	Yes Yes Did not offer	Yes Yes - will reimburse programming charges within reason Did not offer - old technology, updating Zoo's software and calling tables best approach.
CALLER ID CODES Forced Verification Random selection of ID numbers Mandatory department groupings	Yes - 3 to 8 digits Yes Yes - with Perspective billing system; No - with standard billing Not necessary with Perspective billing; otherwise not a factor	Yes - 3 to 8 digits Yes No - Grouped by first digits (etc) Yes	Yes - 1 to 6 digits \$10/mo Yes - (forced validation) No Yes	Yes - 1 to 5 digits \$10/mo Yes - (forced validation) Yes - with Fonview billing No - with standard billing Not necessary with Fonview billing
BILLING By Caller ID Codes Totals by department	Yes - with full call details Yes - with Perspective billing No - with regular billing	Yes - with full call details Yes	Yes No	Yes - with full call details Yes
Options	Perspective Billing System-monthly bill and software downloaded to our system- requires a modem	PC Billing - Floppy disc contains billing and data base for various calling reports. Can't sort out random ID numbers.\$10/mo	None	Fonview - Floppy disc contains billing information; can sort random ID #s by department. No charge
CONTRACT TERM and conditions Satisfaction Guarantee Usage guarantee Penalty	1, 2, or 3 years None offered \$12,000/yr guaranteed Pay difference	1, 2, or 3 years 90 Day Satisfaction \$12,000/yr (\$500/mo. limit) No discount for month less than \$1,000 Pay difference to \$500	Month to month Unknown	1, 2, or 3 years 90 Day Satisfaction \$ 1,000/mo. Lose Discount
DISCOUNT Longer Term Higher usage Others	10% off current plan, 1 year term 3% for each additional year Additional discounts for each \$1,000/mo increase in usage 20% off LD calls to other MCI customers (we give them the list)	15% off current plan, 1yr term (approx) 16% 2 year term, 18% 3yr term (approx) Additional discounts for each \$500/mo increase in usage 3 Free months promotional discount for 3yr term. Additional free months for continuing service to new term.	No discounts; one basic rate	15% off current plan, 3yr term lesser discounts for shorter terms Additional discount over \$2,500 per month usage 3 Free months for three yr term; sign up by 6/13--1 additional month free
MONTHLY IMPACT	-\$212.00 (approx)	-\$349.15 Includes assumed savings of \$75 for more accurate billing method	-\$296.00	-\$297.00
SUMMARY and Notes NOTE: Matrix Communications: Contacted Jim at 731-9166; he assures that the Zoo's current telephone system is programmable to direct all long distance calls to the selected carrier and has programmable tables for screening out local prefixes improperly dialed as long distance. Process takes a couple of hours and prefix screening tables can be done separately at any time. Needs a few days notice.	*Must get perspective Billing to have bill sub-totaled by department. That requires proper hardware configuration at Zoo's cost. Demo of perspective system available. *Other change over expenses covered in one way or another. *No free months offered making savings less. Base rate second best.	*Does not offer any way to have randomly selected ID numbers. *Covers change over costs up to \$250. *Gives the largest discounts (volume, term, and free months). *Customer service team (Local Account) *Guaranteed best ATT rate. *Free airline ticket for 800 number sign up. *Corporate calling card.	*Does not offer random ID numbers *Does not offer department billings *Lowest base rate (no discounts/free months) *Month to month contract	*Random ID #s, requires Fonview billing *Change over costs covered. *Has lowest base rate that meets all needs. *Customer service team (Premier) *Offers frequent flyer mileage and other benefits. *No penalty for contract withdrawal if dissatisfied with service (\$1000/mo penalty won't be used against the Zoo).

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BIDDING, AND AUTHORIZING A SOLE SOURCE) Rena Cusma, the
CONTRACT WITH SPRINT) Executive Officer

WHEREAS, Metro seeks to exempt from competitive bidding the long distance carrier contract for Metro Washington Park Zoo and Sprint; and,

WHEREAS, ~~The Metro Washington Park Zoo wishes to award to Sprint [has been awarded] a three-year long distance carrier contract [with twelve-month review] for its [the] telephone system [at Metro Washington Park Zoo]; and,~~

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

BE IT RESOLVED,

That the Metro Contract Review Board pursuant to Metro Code Section 2.04.041(c) hereby declares Sprint to be a sole source procurement exempt from competitive bidding and authorizes the Executive Officer to execute the appropriate contract to accomplish the scheduled service.

ADOPTED by the Metro Contract Review Board this _____
day of _____, 1994

Judy Wyers, Presiding Officer

REGIONAL FACILITIES COMMITTEE REPORT

RESOLUTION NO. 94-2031A, EXEMPTING THE LONG DISTANCE SERVICE CARRIER FOR THE METRO WASHINGTON PARK ZOO FROM COMPETITIVE BIDDING, AND AUTHORIZING A SOLE SOURCE CONTRACT WITH SPRINT

Date: September 23, 1994 Presented by: Councilor Washington

COMMITTEE RECOMMENDATION: At its September 21, 1994 meeting the Regional Facilities Committee voted 5-0 to recommend Contract Review Board adoption of Resolution No. 94-2031A. All committee members were present and voted aye.

COMMITTEE DISCUSSION/ISSUES: Zoo Facilities Manager Judy Munro presented the staff report. Councilor Gates asked what the current long distance bills are. Ms. Munro said it averages some \$1,400 to \$1,500 per month.

Councilor Washington asked whether the Zoo is changing its system or just going to a new billing system, and Ms. Munro said they are just changing the billing system. Councilor Washington encouraged Ms. Munro pin down the vendor on cost as much as possible before the contract is signed, saying that costs often go up after the service is contracted. Ms. Munro agreed that was a good idea, but added that the Zoo would benefit from the improved service they will receive even if there were no savings projected. (Savings are projected at some 25%.)

Councilor Moore suggested adding a provision to the resolution's second Whereas statement, to say the three-year contract would be subject to review after one year. Committee members discussed whether this would be practicable, and Councilor Gates pointed out an item in Exhibit A which said there will be "no penalty for contract withdrawal if dissatisfied with service." Councilor Washington said the Zoo should get a letter from the provider acknowledging the escape clause. The committee voted to amend the resolution to add Councilor Moore's language. The committee also asked Zoo staff to determine whether the language in the second Whereas is accurate is saying, "Sprint has been awarded a . . . contract" and to change that language if necessary.

Council Analyst Casey Short asked whether anyone would object to the sole source provision of the resolution, and claim that they should have been given an opportunity to bid. Ms. Munro said no one should object because there is not an opportunity to match the service, and the three major carriers as well as one small independent carrier were included in the process.

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CONTRACT WITH SPRINT) Executive Officer

WHEREAS, Metro seeks to exempt from competitive bidding the long distance carrier contract for Metro Washington Park Zoo and Sprint, and;

WHEREAS, Sprint has been awarded a three-year long distance carrier contract for the telephone system at Metro Washington Park Zoo, and;

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

BE IT RESOLVED,

That the Metro Contract Review Board pursuant to Metro Code 2.04.041(c) hereby declares Sprint to be a sole source procurement exempt from competitive bidding and authorizes the Executive Officer to execute the appropriate contract to accomplish the scheduled service.

ADOPTED by the Contract Review Board of Metro this _____ day of _____, 1994.

Ed Washington, Deputy Presiding Officer