



## CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

### AGENDA ITEM

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Report: Renewal of Verizon Wireless Agreement

1. Resolution dispensing with competitive bidding and authorize the Interim City Manager, or designee, to execute an agreement and/or purchase order with Verizon Wireless via a participating addendum to the State of Utah NASPO Master Agreement MA-152 for wireless data, voice and accessories for a period of one year plus one option year for an amount not to exceed \$600,000 per year.

### COUNCIL ACTION

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**Item Type:** Action Item

**Approved for** November 17, 2020 **calendar**

### ADMINISTRATIVE ACTION

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**Submitted by:**

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**Prepared by:**

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**Reviewed by:**

Michele Flynn, Director of Finance

Michael J. Garcia, City Attorney

**Approved by:**

Roubik R. Golanian, P.E., Interim City Manager

## **RECOMMENDATION**

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It is respectfully recommended that City Council dispense with competitive bidding and authorize the Interim City Manager, or designee, to execute an agreement and/or purchase order with Verizon Wireless via a participating addendum to the State of Utah NASPO Master Agreement MA-152 for wireless data, voice and accessories for a period of one year plus one option year for an amount not to exceed \$600,000 per year.

## **BACKGROUND/ANALYSIS**

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The City of Glendale utilizes wireless LTE data and voice services to deliver several services to the community. Since 2012, the City of Glendale has used Verizon Wireless to provide these services. There are several applications of wireless carrier based data and voice services throughout the City including the following examples: enabling first responders to deliver emergency services via Fire and Police dispatch systems, mobile telephone voice and data services, mobile field inspections, parking enforcement and remote network access. Over the years the Verizon wireless service has had the best voice and data coverage in Glendale and surrounding areas. While there were other voice and data providers at potentially a lower cost, the coverage was not sufficient for City employees, particularly for first responders, in Glendale and surrounding areas.

Over the years this fact has been validated through our experience as City employees and first responders have had extremely reliable coverage throughout the area with very limited network outages. Since the City began using Verizon in 2012, discounted pricing has been obtained through the State of Nevada's negotiated contract with Verizon Wireless through the NASPO ValuePoint Master Service Agreement. NASPO ValuePoint contracts uses the power of cooperative purchasing through a lead-state agency (in this case Nevada) to achieve more favorable pricing than could be obtained by an individual state or local government entity because of the collective volume of potential purchases by numerous state and local government entities. Use of the NASPO Master Agreement ensured that the City is getting the best price available for Verizon Wireless services.

Since 2012, the market for wireless voice and data coverage has become very competitive. While Verizon historically has had the best nationwide coverage, the other two main players in the industry, most notably AT&T/FirstNet and T-Mobile, have made significant improvements to their respective networks. The gap between Verizon and the other competitors has been narrowed enough that it is worthwhile to examine all three carriers through a more formalized process, especially when considering the potential for cost savings over a longer period of time.

Therefore, as the City's current agreement through NASPO expires on December 31, 2020, staff is requesting to dispense with competitive bidding and continue with Verizon Wireless through the State of Utah NASPO Master Agreement MA-152 for a period of one year with one option year. The State of Utah replaces Nevada as the lead agency through the next iteration of the NASPO Master Agreement and once again ensures the City will receive the lowest price for Verizon Wireless services. During this time, and barring any unforeseen circumstances, staff will evaluate the other providers via a Request for Proposals process to ensure the City receives the best combination of value

of service, availability, reliability, coverage, call quality and cost.

Staff is making this request to extend the Verizon Wireless agreement because it will take some time to properly evaluate the wireless carriers in the market place. Now more than ever, the City relies on Verizon's mobile LTE network to provide essential services. If not properly vetted, it could have a detrimental impact on the City's ability to provide reliable services to the community. Changes of this magnitude must be carefully evaluated to ensure that there are no disruptions to City services, and the City continues to receive reliable voice and data coverage in Glendale and surrounding areas. While cost is an important consideration, the other characteristics including coverage, reliability, and call quality are equally important and should also be considered. While cost and network coverage are not thought to be mutually exclusive, a closer study of all three providers through a process is needed to ensure the City has reliable coverage at the most competitive price.

In addition, Verdugo Fire Communications launched a mobile private data network through Verizon Wireless in May 2020. This is a dedicated public-safety LTE core network that has been designed to provide public-safety with a specialized nationwide public-safety broadband network. The network operates a private network core dedicated to the City and operates separately from Verizon commercial customers. This is important as it enables the City with two critical features, priority access and preemptive access. The Verizon service separates City traffic apart from the commercial customers and allows for better service and a higher degree of security. These features are critical to ensure coverage in challenging times such as a natural disaster. This private network is used by Glendale Fire and the Verdugo Communications contract agencies, including Burbank and Pasadena. Switching to a new LTE provider is not feasible at this time as it would be time consuming and costly since equipment would have to be changed out in over 230 Fire Apparatus spanning across Glendale, Burbank, Pasadena, and the Verdugo contract agencies.

Lastly, the City has over 700 devices that would need to be migrated to a new carrier. This a labor intensive process that would include many tasks such as backing up the data, wiping the device, swapping the sim card, installing mobile device management, restoring data to a new device, and end user training if needed. It would not be feasible to accomplish this task before the end of the calendar year should the City contemplate switching providers. This would be a coordinated effort between City staff and the new Wireless provider and would likely extend well into 2021, if not longer, to ensure minimal impact on City operations. In addition, with some staff working remotely due to the pandemic, it could further extend the change-over. Given these reasons, staff is recommending to dispense with competitive bidding and continue with Verizon Wireless for the next calendar year, plus one option year, while staff evaluates the wireless carriers.

Given the uncertainty caused by the pandemic and the amount of time it may take to evaluate the wireless providers, and potentially switch carriers, an option year is requested out of an abundance of caution. The overall goal is to determine the best combination of service, coverage, reliability, and cost with minimal impact to operations.

## **FISCAL IMPACT**

No additional funding is requested during the current fiscal year as sufficient funding was appropriated during the FY 2020-21 budget process, under the account numbers 44251-6600-ISD (Wireless Data Communications) and 44301-6600-ISD (Cell Phone). Funding for future fiscal years will be included in the annual budget process.

## **ALTERNATIVES**

Alternative 1: The City Council may approve the resolution dispensing with competitive bidding and authorize the Interim City Manager, or designee, to execute an agreement and/or purchase order with Verizon Wireless via a participating addendum to the State of Utah NASPO Master Agreement MA-152 for wireless data, voice and accessories for a period of one year plus one option year for an amount not to exceed \$600,000 per year.

Alternative 2: The City Council may not approve the resolution and the City would have to immediately consider the lowest cost provider and potentially switch carriers prior to the end of the year. This could have a detrimental impact on the City's ability to provide services to the community as the low cost provider may not have sufficient coverage and reliability within Glendale and the surrounding areas.

Alternative 3: The City Council can consider any other alternative not proposed by staff.

## **CAMPAIGN DISCLOSURE**

In accordance with the City Campaign Finance Ordinance No. 5744, the following are the names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors and any person or entity with more than 10% interest in the company proposed for contract in this Agenda Item Report:

Officers of Verizon Wireless:

<b>Full Name</b>	<b>Title</b>	<b>Business Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
Hans Vestberg	Chairman and Chief Executive Officer of Verizon Communications Inc.	One Verizon Way	Basking Ridge	NJ	07920
Ronan Dunne	Executive Vice President and Group CEO—Verizon Consumer	One Verizon Way	Basking Ridge	NJ	07920
Matthew D. Ellis	Executive Vice President and Chief Financial Officer	One Verizon Way	Basking Ridge	NJ	07920
Tami Erwin	Executive Vice President and Group CEO—Verizon Business	One Verizon Way	Basking Ridge	NJ	07920
James J. Gerace	Chief Communications Officer	One Verizon Way	Basking Ridge	NJ	07920

<b>Full Name</b>	<b>Title</b>	<b>Business Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
Guru Gowrappan	Executive Vice President and Group CEO—Verizon Media	One Verizon Way	Basking Ridge	NJ	07920
Rose Stuckey Kirk	Chief Corporate Social Responsibility Officer	One Verizon Way	Basking Ridge	NJ	07920
Kyle Malady	Executive Vice President and Chief Technology Officer	One Verizon Way	Basking Ridge	NJ	07920
Christy Pambianchi	Executive Vice President and Chief Human Resources Officer	One Verizon Way	Basking Ridge	NJ	07920
Rima Qureshi	Executive Vice President and Chief Strategy Officer	One Verizon Way	Basking Ridge	NJ	07920
Diego Scotti	Executive Vice President and Chief Marketing Officer	One Verizon Way	Basking Ridge	NJ	07920
Craig Silliman	Executive Vice President and Chief Administrative, Legal and Public Policy Officer	One Verizon Way	Basking Ridge	NJ	07920
Clarence Otis, Jr. Lead Director	Former Chairman and Chief Executive Officer of Darden Restaurants, Inc.	1095 Avenue of the Americas	New York	NY	10036
Shellye L. Archambeau	Former Chief Executive Officer of MetricStream, Inc.	1095 Avenue of the Americas	New York	NY	10036
Roxanne S. Austin	President and Chief Executive Officer of Austin Investment Advisors	1095 Avenue of the Americas	New York	NY	10036
Mark T. Bertolini	Former Chairman and Chief Executive Officer of Aetna Inc.	1095 Avenue of the Americas	New York	NY	10036
Vittorio Colao	Former Chief Executive of Vodafone Group Plc	1095 Avenue of the Americas	New York	NY	10036
Melanie L. Healey	Former Group President of The Procter & Gamble Company	1095 Avenue of the Americas	New York	NY	10036
Daniel H. Schulman	President and Chief Executive Officer of PayPal Holdings, Inc.	1095 Avenue of the Americas	New York	NY	10036
Rodney E. Slater	Partner at Squire Patton Boggs LLP	1095 Avenue of the Americas	New York	NY	10036
Gregory G. Weaver	Former Chairman and Chief Executive Officer of Deloitte & Touche LLP	1095 Avenue of the Americas	New York	NY	10036

## **EXHIBITS**

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Not applicable