

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

935



FROM: Riverside County Information Technology

SUBMITTAL DATE:
June 11, 2008

SUBJECT: APPROVE THE CONTRACT AMENDMENT FOR RCIT'S UPGRADE WITH TELESOFT INC., FOR THE TELEPHONE INVOICING AND INVENTORY MANAGEMENT SOFTWARE

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and execute the amendment with Telesoft, Inc. for the telephone invoicing and inventory management software without securing competitive bids in accordance with Ordinance 459.4 in the amount of \$249,064, and;
2. Authorize the Purchasing Agent to sign amendments and exercise renewal options for an amount not to exceed the annual CPI rates.

BACKGROUND: Riverside County Information Technology (RCIT) uses the Telesoft billing system, which was implemented in 1998 and has provided RCIT a stable billing platform for ten years. Over the last ten years, the county's telephone system has grown to an inventory of over 30,000 telephones. The Telesoft system tracks telephone counts, public network usages, and performs the billing. The process however, to implement the information into the system is very manual intensive and requires multiple staff to keep up with the volume of required entries.

(Continued on Page 2)

Matthew Frymire
Chief Information Officer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 249,064	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	FY 08/09

SOURCE OF FUNDS: RCIT Budget	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY:
Elizabeth J. Olson

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
DATE: _____
BY: NEAL R. KIPNIS

Purchasing:
Mary Seiler, Assistant Director

Dep't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3.21 (1-9-09) | District: | Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.47

BOARD OF SUPERVISORS

**FORM 11: APPROVE THE CONTRACT AMENDMENT FOR RCIT'S UPGRADE WITH
TELESOFT INC., FOR THE TELEPHONE INVOICING AND INVENTORY
MANAGEMENT SOFTWARE**

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BACKGROUND (Continued)

Telesoft offers a module that would eliminate the majority of the manual processing and provide for a more efficient invoicing and inventory management. With the extensive amount of growth in the County, the manual process to initiate billing and tracking over 30,000 telephones has become inefficient and outdated. A business analysis showed a six-month return on investment once the proposed module is installed.

The Purchasing Department, on behalf of RCIT, solicited competitive bids for Telephone Billing System RFP #96761 in April 1998. A Request for Proposal was mailed to all known vendors. Purchasing received four responses with proposals ranging from \$177,000 to \$402,000 for the implementation of a telephone billing system. The Telesoft, Inc. proposal was the lowest responsive/responsible bidder.

PRICE REASONABLENESS

Telesoft is the only provider of the proposed module that is compatible with the foundation software and database. RCIT performed a market comparison to obtain modules from other vendors. Research showed Telesoft, Inc. to be among the top providers of Telecommunication Expense Management software. To use modules from other suppliers would require developing custom software that would provide interoperability between Telesoft databases, the Telesoft base software, and the third party supplier. Development and maintenance costs for interface software would significantly increase the overall cost of implementing third party software and increase the risk of assuring compatibility when suppliers release new versions of software. Pricing provided by Telesoft, Inc. has been significantly discounted by \$35,000 less than what they would provide to a comparable customer.

Date: May 29, 2008

From: Matt Frymire, CIO Department/Agency: RCIT

To: Board of Supervisors

Via: Purchasing Agent

Subject: Sole Source Procurement; Request for *RCIT Upgrades with Telesoft Inc. for telephone invoicing software and inventory management software*

The below information is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

Supply/Service being requested: Telephone invoicing and inventory management software

Supplier being requested: Telesoft

Alternative suppliers that can or might be able to provide supply/service: *None at a competitive cost or acceptable solution*

Extent of market search conducted: *Conducted research with two independent industry research firms – Gartner and Association of Telecom Management Professionals (AOTMP), and secured pricing from a third party supplier.*

Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide: *RCIT telephone inventory and billing originates with Telesoft Inc software modules. All Telecommunication Expense Management (TEM) software provided by Telesoft is compatible with the Telesoft base software modules and database. Any competitive alternative requires custom software to interface with our existing system which increases development and maintenance costs, and presents risks to continuous service.*

Reasons why my department requires these unique features and what benefit will accrue to the county: *The Telesoft system which was implemented in 1998 provides RCIT with a stable billing platform. Over \$14 million is billed and collected each year from our customers using this telephone billing system. The proposed modules will result in the elimination of extensive manual entries and provide for efficient invoicing and inventory management.*

Price Reasonableness: *Telesoft prices are competitive to alternative resources. To implement any alternative would require custom software development needed to provide the interface between Telesoft base software and a competitive invoicing or inventory module. The cost for custom development and maintenance would have to be added to alternate solutions, and risk is increased because the custom software would have to be thoroughly evaluated and modified if there were any version changes from either Telesoft or a third party supplier. Development and maintenance costs for interface software would significantly increase the overall cost of implementing third party software and increase the risk of assuring compatibility when suppliers release*

new versions of software. Pricing provided by Telesoft, Inc. has been significantly discounted by \$35,000 less than what they would provide to a comparable customer total amount including maintenance services is \$249,064.00

Does moving forward on this product or service further obligate the county to future similar contractual arrangements? No.



Department Head Signature

6/12/08

Date

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove



Purchasing Agent

Date