

District of Barriere

# REPORT TO COUNCIL

## Request for Decision

<b>Date:</b> November 18, 2024	<b>File:</b> 530.20/Rpts
<b>To:</b> Council	<b>From:</b> Chief Administrative Officer
<b>Re: Phone System – Early Budget Approval</b>	
<b>Recommendation: THAT Council approves an early budget approval in the amount of up to \$7,000 for a replacement of the Districts Voice over Internet Protocol (VoIP) Phone System, with the funding source to be determined as part of the 2025 budget process.</b>	

**Purpose**

For Council to consider giving early budget approval for up to \$7,000 to upgrade the District’s VoIP Phone System.

**Background**

The District procured a VoIP Phone system in early 2022 which converted the previously analog service to a modern, digital one. The annual costs for the service are roughly \$5,000 which provided over \$3,000 in operational savings each year. So, in total, the District has saved over \$9,000 in the past 3 years by utilizing the VoIP system. In return, for signing up for a 3-year agreement, the current provider supplied the various devices for free. This structure was the most cost effective one of the proposals at that time and has provided a good cost/value benefit for the first few years of service.

Over the last year, the usability of the phone system has drastically deteriorated. Numerous support calls to the VoIP provider have been unsuccessful in correcting the various problems. At the moment, efficient operations within the organization are hindered by calls being dropped, transferred to wrong extensions, not ringing at the correct phone, or transferring directly to voicemail, which subsequently leads to a great level of frustration by staff and the public.

At this point, Staff intends to start the procurement process for a new system and new provider as soon as possible. The current 3-year agreement expires early February 2025, and the agreement details a 30-day termination notice clause which would be January 1, 2025.

In an ideal world, we need to select the preferred provider and phones by December 10, 2024, to allow time for cancelling the current contract, and planning the replacement throughout December and January.

Preliminary inquiries with another potential provider show that the annual costs for the service will continue to be roughly \$5,000 per year regardless of which provider we choose.

However, the upfront costs of the equipment and setup/installation costs may fluctuate, depending on provider and quality of equipment they supply. On the high side, the setup costs are estimated at \$2,000 and the equipment is estimated at \$5,000; so, \$7,000 as a one-time upfront fee.

Some providers offer options to include the equipment costs as a 3-year incremental payment. If staff chooses to go with that route, it would increase the \$5,000 annual costs to roughly \$6,666 for 3 years, so an annual increase of roughly \$1,666.

Please also note that Staff won't necessarily choose the most affordable option, but rather an option that has positive feedback all around for provider and equipment, and further that is aligned with our overall technology infrastructure and providers to ensure that the least amount of potential conflict exists between the different providers.

Due to the uncertainty of the options available by providers, Staff is asking for early budget approval for 2025 for up to \$7,000 to cover the one-time expenses in either a lumpsum or if applicable as a component of the annual fees. Once the proposals are received, Staff will review the options and either present the final 2025 budget with an annual variance in the operating budget for 3 years, or a single payment, or a combination.

Staff is reviewing other options regarding internet connectivity and amalgamation of services throughout the organization which is intended to provide either cost savings or increase efficiency.

### **Summary**

Staff is asking for a \$7,000 early budget approval to accommodate a phone system replacement early in 2025 before the budget is finalized. If the current provider is not cancelled before January 1, 2025, then the District would be required to continue to use the current provider.

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### **Benefits or Impact**

#### General

Phone system replacement to provide better service to the public.

#### Finances

Continued \$5,000 annual costs, no increase in this category.

Either a roughly \$7,000 one-time fee for 2025, or a distribution over several years.

The District has saved over \$9,000 over the past 3 years by choosing a VoIP phone system.

#### Strategic Impact

N/A

#### Risk Assessment

Compliance: N/A

Risk Impact: Low

Internal Control Process: Staff is reviewing contracts and overall technology needs

### Next Steps / Communication

- Initiate procurement process, and select preferred provider in December.
  - Replace phone system in January 2025, to be active for February 2025.
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### **Attachments**

- N/A

### **Recommendation**

**THAT Council approves an early budget approval in the amount of up to \$7,000 for a replacement of the Districts Voice over Internet Protocol (VoIP) Phone System, with the funding source to be determined as part of the 2025 budget process.**

### **Alternative Options**

1. Council could choose not to support the request. With this option, the District would remain on the current system for at least another year and an increased risk of customer satisfaction exists.

Prepared by:

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