

**STATEMENT OF BUDGET IMPACT**  
**(Policy Number 94-45)**  
**Budgetary Review of Proposed Resolution &**  
**Ordinances with Financial Implication.**

**Date:** June 23, 2015

**File:** BIS 15 – 224

**File:** TMP-2015-00287

**Proposed Legislation:**

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO NEGOTIATE AND EXECUTE AN AGREEMENT BETWEEN UNITED DATA TECHNOLOGIES (UDT) AND THE CITY OF HOLLYWOOD FOR THE LEASE/PURCHASE AND MAINTENANCE OF A UNIFIED COMMUNICATIONS SYSTEM; AND FURTHER AUTHORIZING A SIX-YEAR FINANCING AGREEMENT BETWEEN KEY GOVERNMENT FINANCE AND THE CITY OF HOLLYWOOD FOR A TOTAL ESTIMATED AMOUNT OF \$1,155,554.00.

**Statement of Budget Impact:**

1.  No Budget Impact associated with this action;
2.  Sufficient budgetary resources identified/available;
3.  Budgetary resources not identified/unavailable;
4.  Potential Revenue is possible with this action;
5.  Will not increase the cost of Housing;
6.  May increase the cost of Housing; (CDAB review required)

**Explanation:**

This Resolution seeks to authorize the appropriate City Officials to enter into negotiations with and upon the conclusion of successful negotiations enter into and execute an agreement for the lease/purchase and maintenance of a unified communications system from United Data Technologies, "UDT". Additionally, this resolution seeks to authorize the appropriate City Officials to enter into and execute a six year financing agreement between Key Government Finance, "Key" and the City of Hollywood for the lease/purchase of the unified communications system in the amount of \$1,155,554.00.

Previously, on May 1, 2014, a Notice of Bid Availability was issued seeking qualified, interested bidders to submit bids to provide a new unified communications system to replace the City's existing, obsolete telephone system under RFP number-4398-14-JE. On May 29, 2014 responses from eight (8) firms were opened, reviewed, and evaluated. Based upon the criteria contained in the bid documents issued by the City, six of the responses were deemed to be non-responsive as the submitted bids failed to meet the insurance requirements and/or the hold harmless indemnity requirements. On July 31, 2014 oral presentations were held for the two (2) remaining bidders with UDT found to be the higher ranked presentation. Subsequently a bid protest was filed by one of the previously disqualified bidders. After a bid protest hearing was held, it was determined that the bid protest was without merit.

Pursuant to negotiations conducted between the City and UDT at the time it was agreed that UDT would buyout the City's current telephone system at a cost of \$238,182.34 for a total project cost of \$1,250,921.65. However, due to the passage of time and the City's continuing to pay down on the original cost of the current telephone system, the buyout cost has been reduced to \$142,814.69; thereby, reducing the total project cost to \$1,155,554.00 to be paid in twenty-four equal quarterly payments of \$48,148.09 per quarter over a six year period. The present interest rate is 0%; however, the final interest rate cannot be presently determined until the overall project is awarded to UDT / Key.

Further, pursuant to the terms of the agreement between the City and UDT / Key, principal and interest payments and payments for maintenance costs under the terms of the proposed agreements will not be incurred or made by the City until ninety (90) days after the execution of the agreements.

Funding for the principal and interest payments as well as maintenance costs will be contained as part of the proposed FY 2016 Operating Budget subject to the adoption and approval by the City Commission of the FY 2016 Operating Budget. Funding for future years' principal and interest payments as well as maintenance costs will be contained in the applicable future year's proposed operating budget subject to the approval of the City Commission.

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