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Tax dollars: City to spend \$264K on phone system

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NAPLES: The City of Naples is spending \$264,000 of taxpayer money to install a new phone system. It's a change not everyone is convinced is necessary, especially in tight budget times.

City Councilman Gary Price voted against the expenditure at a meeting September 16th.

He tells NBC2 the City of Naples did not bid out the project.

"I think that in the middle of the Great Recession we're in, we need to at least competitively bid projects that cost \$264,000. There was no effort to bid out this project.

It appears that the City can save over \$100,000 per year- that's great- just do it the right way. I appreciate the effort by the City staff to save money," said Price, in an email to the NBC2 Investigators.

On Wednesday, the city council decided to end its service with Embarq and award a \$264,000 contract to Selpan Interactive for the installation of a new phone system.

The total cost includes upgrades, server, software, network switches, fiber and network upgrades, telephones and training.

Because they're changing systems, they also need a new provider. So the city is paying NuVox \$38,268.60 for local and long distance telephone service.

A representative from Embarq says the change is completely unnecessary and could end up costing the city money.

"I would ask what triggered the need to spend budget dollars on a completely new system," Jim Lamb, General Manager of Embarq, [wrote in an email to the city](#).

Lamb goes onto say:

"The city currently has a contract with Embarq for the Nortel phone system that has early termination penalties in the terms and conditions. In addition to the questions above I would like to know if these contractual obligations and the respective financial implications were taken into consideration when this recommendation was proposed and voted upon."

According to a memo provided to NBC2, the city says the new phone system is needed to "enhance reliability and to reduce communication expenses by approximately \$100,000 per year. The estimated pay-back from the required investment is about three years."

The city has had problems with not being able to access voicemail, along with issues with dialing and "hardware failures."

In the memo, the city admits it did not competitively bid out the project, something Councilman Price says needs to be done especially in tight budget times.

The memo reads:

"The City Manager is familiar with Selpan Interactive in that they were selected to provide a new telephone system during tenure with the City of Marco Island, following review of several systems. A local firm and local representation, demonstrated follow-up support, and reliable equipment, and substantially reduced costs are the reasons for the recommended awards. According to Marco Island staff, the system and support provided by Selpan Interactive and NuVox are exceptional."

Section 2-666 (7) of the City Code provides exemptions for competitive bids or proposals, "For telecommunications systems and information technology, including data processing equipment, systems software, and reproduction equipment".

[Click here](#) to read the entire memo and the emails about the issue.

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By [Kara Kenney](#)



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