



MEMORANDUM

INNOVATION & TECHNOLOGY

To: City Council
Through: Ben Williamson, City Manager
From: Joey Brock, Director of Innovation and Technology
Date: July 29, 2025
Subject: Fiber Optic Network Consulting/Audit

Background Information:

The City of Farmers Branch currently uses a ShoreTel phone system, which was originally purchased in 2011. In 2017, ShoreTel was acquired by Mitel, and in March 2025, Mitel filed for Chapter 11 bankruptcy. As a result, ShoreTel products are no longer sold and will not be supported after December 31, 2025.

Continuing to use this outdated system poses serious risks, including:

- Citizens potentially being unable to reach the city
- Staff being unable to communicate internally
- Delays in staff contacting emergency services, including 911

Although replacing the phone system was originally scheduled for Year 2 of our IT Five-Year Plan, Mitel's recent bankruptcy requires us to accelerate that schedule to avoid operational disruptions.

Action Requested:

We are requesting approval to move forward with the implementation of a new cloud-based phone system, in partnership with our long-term telecom vendor **Peak Uptime**. Peak Uptime is very familiar with our existing phone system and has successfully migrated other cities to cloud-based phone systems. Their knowledge will ensure a smooth and secure transition.

The new cloud-based phone system offers:

- Better integration with modern communication tools (e.g., Microsoft Teams, mobile apps)
- Cloud-based hosting for greater reliability
- Modern, non-proprietary phone handsets
- An estimated 3-month implementation window

Given the urgency and Peak Uptime's proven experience, the IT Department recommends proceeding with this purchase and moving to this cloud-based phone system.

Financial

Considerations: Procurement Method:

The Interlocal Purchasing System (TIPS) is a national purchasing cooperative. These contracts have already been competitively bid and awarded to vendors for various goods and services, allowing TIPS members (primarily educational, governmental, and non-profit organizations) to purchase from these vendors without the need to conduct their own separate bidding processes. The best pricing for this is using **TIPS Contract #210101**. The cost for this system without TIPS contract pricing came to be \$53,832 higher.

Cost with TIPS Contract Pricing:

- One-time setup and hardware cost: **\$122,500**
- Annual increase in operating cost starting in FY26: **Approximately \$80,268**

Cost without TIPS Contract Pricing:

- One-time setup and hardware cost: **\$153,400**
- Annual increase in operating cost starting in FY26: **Approximately \$103,200**