



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Enter into an Agreement with Packet Fusion, Inc. (or the Next Ranked Vendor) to Procure and Install a Cloud Phone System for a Total Amount Not to Exceed \$1,210,000 for a Term of Five Years with Two, One-Year Extension Options; and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Technology & Innovation)**

Submitted By: Kyle Mobley, Director of Technology and Innovation; Kristi McKenney, Executive Director

Parties Involved: Packet Fusion, Inc., Pleasanton, CA; Zoom Communications, Inc., San Jose, CA	Amount: \$1,011,000 over seven years (Capital Expense) and \$199,000 (Operating Expense)
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EXECUTIVE SUMMARY: The existing phone system at the Port of Oakland (Port) is nearing end of life and will become unsupported in late 2026. Port Staff issued a formal request for proposal (RFP) to replace the phone system with a flexible cloud-based solution that can maximize capability, flexibility, and reliability. Packet Fusion, Inc. (Packet Fusion), was the highest ranked proposer through the formal competitive process. Port Staff request authority to award to the next highest ranked proposer should the Port and Packet Fusion not reach agreement.

BACKGROUND & ANALYSIS

Traditional on-premises phone systems are increasingly outdated as advances in cloud-based phone systems continue to progress. Cloud phone systems eliminate expensive legacy hardware, maintenance contracts, and unexpected repair costs while offering capabilities unmatched by traditional phone systems. Most importantly, cloud communications are designed for flexibility, enabling Port Staff to make and receive business calls not just from their desk but anywhere business is done on practically any modern device. Additionally, because everything runs in highly secure, redundant data centers, cloud phone solutions allow people to communicate even if building systems become unavailable.

On December 13, 2024, the Port issued a formal Request for Proposals (RFP), RFP No. 24-25/12 – Cloud Phone System, to solicit qualified companies to replace the existing phone system with a modern cloud phone system. The Port's purchasing department advertised the RFP in multiple channels including Oakland Tribune. Seventeen companies submitted proposals in response to the RFP. Port staff invited the top seven respondents for an interview from June 9, 2025 to June 13, 2025 and on August 18, 2025 requested a trial system request to perform a hands-on evaluations of the systems from the top three ranked companies interviewed. The results of the solicitation are as follows:

Table 1: Proposal Ranking

Ranking	Respondent	Location
1	Packet Fusion, Inc.	Pleasanton, CA
2	Maverick Networks Inc.	Pleasanton, CA
3	Communications Technology Inc. / GoTo Communications Inc.	Chesterfield, MO / Boston, MA
4	The Maynard Group Inc	Aptos, CA
5	Avaya LLC	Morristown, NJ
6	N/A	
7	York Telecom Corp.	Wall, NJ
8	Volicron / GoTo Communications Inc.	Miami, FL / Boston, MA
9	Intelesys / GoTo Communications Inc.	Ontario, CA / Boston, MA
10	Sangoma US Inc.	Sarasota, FL
11	NuageConcepts	Fontana, CA
12	NTT Data, Inc.	Greenwood Village, CO
13	Masergy Communications, Inc. / Comcast Business Communications, LLC	Plano, TX / Philadelphia, PA
14	Verizon Wireless	Basking Ridge, NJ
15	Voxtelesys	Fargo, ND
16	Dialpad, Inc.	San Ramon, CA
17	Nextrix LLC	Bannockburn, IL
non-responsive	8x8, Inc. ¹	Campbell, CA

Packet Fusion with their proposed Zoom Communications, Inc. (Zoom) Phone system was the highest ranked company.

Packet Fusion is a Zoom Platinum Partner and an early Zoom Phone partner/reseller. They are certified with the design, deployment, and management of Zoom Phone systems. Packet Fusion knows the Port's phone system well as they designed and installed the Port's existing phone system, so they have deep understanding of how to properly migrate the Port from its existing system to the modern Zoom cloud phone system.

Founded in 2011, Zoom has been building and expanding their worldwide leadership in communications platform. The Port already uses Zoom's video conferencing product, so people are already familiar with the experience. Port Staff determined their cloud phone system best meets the Port's need in terms of usability, reliability, and maintenance.

¹ The company was non-responsive for failure to attend its scheduled interview on June 13, 2025.

Port Staff requests an award to Packet Fusion or, if the Port and Packet Fusion cannot agree on an agreement, to the next ranked proposer with whom the Port can contract. The amount requested in this Board action includes a 10% contingency to cover any changes in equipment or service during the term if the agreement.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- Categorically exempt under the following CEQA Guidelines Section:
Choose an item.
- "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- Other/Notes:

BUDGET

- Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
 - Operating
 - Non-Operating
 - Capital

Analysis: The Fiscal 2026 capital budget included \$200,000 for this project. After further analysis, Port staff determined that only \$17,000 of the project was capitalizable. During Fiscal 2026, the capital expense for this project is expected to total \$17,000 while the operating expense portion is expected to total \$183,000. Underspending in other areas of the Port's operating budget will cover the unbudgeted operating expense cost of this project. Costs for later fiscal years will be budgeted in future budgets. If the contingency is used during Fiscal 2026, it would exceed the allocated budget and would be made up by reduction in other operating spending. The new cloud phone system is expected to reduce annual phone related costs.

STAFFING

- No Anticipated Staffing Impact.
- Anticipated Change to Budgeted Headcount.
Reason:
 Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

- Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

No (Not Covered Entity) – proposed action involves entity not covered by Living Wage requirements because it is not a covered service provider or tenant, does not employ at least 21 employees, or receive from or pay to Port at least \$50,000.

	<input type="checkbox"/> <u>Additional Notes:</u>
<u>SUSTAINABLE OPPORTUNITIES:</u> <u>Applies?</u> Yes. <u>Reason:</u> Port will seek to purchase equipment that is more eco friendly. Additionally, many people will choose to forego desk phones thus reducing power usage and waste.	<u>GENERAL PLAN</u> (City Charter § 727): <u>Conformity Determination:</u> Not Required – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.
<u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port's Strategic Plan:	
<input type="checkbox"/> Capture Our Market and Grow the Economic Base <input checked="" type="checkbox"/> Modernize and Upgrade Infrastructure <input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience <input type="checkbox"/> Maximize Land Use Value and Revenues <input type="checkbox"/> Workforce Training and Jobs Development <input type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development	