



Naperville

CITY COUNCIL AGENDA ITEM

SUBJECT: Recommend the Award of Cooperative Procurement 17-057,
Telecommunication Services

TYPE OF VOTE: Simple Majority

ACTION REQUESTED:

Approve the Award of Cooperative Procurement 17-057, Telecommunication Services, to AT&T for an amount not to exceed \$320,000 and for a 36-month term.

BOARD/COMMISSION REVIEW:

N/A

COUNCIL ACTION PREVIOUSLY TAKEN:

Date	Item No.	Action
N/A		

DEPARTMENT: Information Technology (IT)
Finance Department

SUBMITTED BY: Jeff Anderson, IT Director
Rachel Mayer, Finance Director

BACKGROUND:

On February 7, 2012, City Council awarded Bid 12-086, Telecommunication Services, to AT&T for a period of 62 months. The award included Primary Rate Interface (PRI) services the City utilizes for its internal Cisco Voice over Internet Protocol (VoIP) phone system, long distance and analog phone lines used in locations not feasible to deploy on the VoIP system.

The current 62-month contract has an average monthly cost of \$11,661 and includes:

- Monthly fees for the City's PRI circuits providing voice services for City's VoIP phone system
- Traditional call usage rates based on call duration and distance bands (long distance)

- Two hundred and thirty-eight analog telephone lines. Analog lines include emergency phones at two City parking decks, the public-safety answering point (PSAP) to Fire Station tie lines, credit card scanners and phones at remote locations.

DISCUSSION:

The new 36-month AT&T Telecommunications Services contract includes telephony services for both the City's Voice over Internet Protocol (VoIP) phone system and traditional analog phone lines. The contract will include:

- Two digital Session Initiation Protocol (SIP) trunks to replace the current PRI's for the City's VoIP phone system
 - SIP usage rates are based on concurrent calls, not call duration and distance bands therefore monthly costs will be more consistent month-to-month.
- Two hundred and thirty-eight analog telephone lines
 - IT will continue to review remaining analog lines over the term of the contract and identify those that can be migrated to VoIP or other technologies to minimize costs
- The dedicated telephony circuit for the Police Department's PSAP phone system, as well as funding for an additional circuit at PSAP's backup communication center
 - Circuits were previously procured and managed under a separate AT&T contract direct with the Police Department

The new contract will have a beginning average monthly cost of \$8,888. Even with the additional Police Department circuits, the new agreement represents a 23.7% reduction in monthly costs from the current contract.

The first year of the contract includes both PRI and SIP services to allow the City time to migrate to new circuits without any disruption in telephony services. As IT staff migrates telephone lines from PRI circuits to the new SIP circuits, monthly fees will be reduced accordingly. The current project plan shows migration to be complete at the end of the first year of the new contract.

Once the IT staff completes the migration, the average monthly cost will be reduced to \$7,375. This represents a 36.8% reduction in monthly costs from the current contract.

The remaining funds requested are for taxes, fees and the additional circuit at PSAP's backup communication center.

A State of Illinois cooperative contract number CMS131864A has been identified for this procurement. The term of this contract is May 1, 2017 through April 30, 2020.

FISCAL IMPACT:

CIP#: N/A

Telephone services are expensed to the Telephone, Cable TV & Communications lines listed below. A total of \$65,000 is budgeted for telephone services through General Fund in CY2017. Additionally, telephone charges were both included in the Electric Utility and Water and

Wastewater Utility Funds in CY2017. Electric budgeted \$45,000 and Water and Wastewater budgeted \$52,500. The requested award is within budget.

Account Number	Fund Description	Total Budget Amount
010-1610-581.50-41	General	\$647,479
410-1610-581.50-41	Electric	\$45,000
430-1610-581.50-41	Water & Wastewater	\$52,500

RECOMMENDATION:

Approve the Award of Cooperative Procurement 17-057, Telecommunication Services, to AT&T for an amount not to exceed \$320,000 and for a 36-month term.

ATTACHMENTS:

1. N/A

CITY MANAGER PROCUREMENT AWARD

ACTION REQUESTED:

Approve the award of Change Order #1 to Contract 17-057, Telecommunication Services, to AT&T for an amount not to exceed \$2,073.60 and a total award of \$322,073.60

DEPARTMENT: Information Technology

SUBMITTED BY: Jeff Anderson, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

In March 2017, the City Council approved the award of Cooperative Procurement 17-057 to AT&T for a three-year term from May 1, 2017 through April 30, 2020. This contract includes telephony services for both the City's Voice over Internet Protocol (VoIP) phone system and traditional analog phone lines.

The City currently has 18 traditional analog phone lines, which mainly serve the City's traffic signals and are not able to use the city's voice over IP network or AT&T Centrex lines due to their locations. The Transportation, Engineering and Development (TED) Business Group is planning to expand its fiber traffic control network to many of these locations; however, no firm timeframe is in place so these lines must be maintained.

DISCUSSION:

AT&T's current contract pricing schedule for the City's analog lines included in Contract 17-057 ends in March 2019. The contract pricing provides a monthly fixed rate price for the city's analog lines instead of the standard pricing, which is significantly higher. With the new pricing schedule, the monthly costs will be \$86.40 higher than the current pricing schedule compared to \$2090.00 higher if the City were to accept the standard tariff rates.

The new pricing schedule will be applicable through the end of the term for Contract 17-057.

FISCAL IMPACT:

CIP#: N/A

Telecommunication Services are expensed to the telephone accounts below. A total of \$65,000 has been budgeted for telephone services in 2019. The request change order award of \$2,073.60 is within the budgeted amount for this expense.

Account Number	Fund Description	Total Budget Amount
16101100-542415	General Fund	\$492,500

SUBMITTED BY:



Jeff Anderson, Director
Information Technology

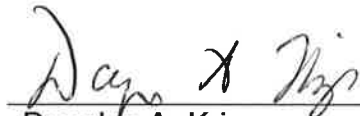
3/15/2019
Date



Rachel Mayer
Chief Procurement Officer

3/20/19
Date

APPROVED BY:



Douglas A. Krieger
City Manager

3/21/19
Date