

March 28, 2005

TO: John Szerlag, City Manager

FROM: John M. Lamerato, Assistant City Manager / Finance and Administration
Jeanette Bennett, Purchasing Director
Gert Paraskevin, Information Technology Director

SUBJECT: **Agenda Item** – SBC Dedicated Internet Service

RECOMMENDATION

City management recommends executing a new contract with SBC for dedicated Internet service. The monthly fee would be \$1,224.00 per month for a term of 3 years. This will reduce our current monthly fee from \$1,748.00 per month, resulting in a savings of \$524.00 per month or \$6,288.00 annually.

BACKGROUND

The City currently utilizes SBC for Internet access via (2) T1 communication lines. This facilitates Internet access for City employees, and also offers access to the City's website and Parks and Recreation program registration. Recently the City signed a new State of Michigan based contract for all local service, intra-lata, line and circuit charges with SBC. As a result, SBC has also offered to reduce our current monthly dedicated Internet service fees from \$1,748.00 to \$1,224.00, although this does not fall under State of Michigan pricing. A survey of two other providers that are available through Micta (competitively bid) contracts confirms that this pricing is competitive.

Vendor	Monthly Pricing (3-years for 2-T1s or 3.0m bps)
Qwest	\$1,504 (plus \$50 installation)
Merit MichNet	\$1,430 (includes 1,210 for Internet plus 220 for SBC T1 service) plus installation
SBC	\$1,224

ADDITIONAL INFORMATION

Oakland County has an ambitious program to go wireless by 2006. The intent is for every business and resident in the County to have free basic level wireless Internet access. Even though Troy could participate in this project, it does not impact the need for dedicated Internet services to City Hall to host the City's website, allow on-line registration of Parks and Recreation programs, and serve as a backup system for the County as part of the E-Team initiative. Free or reduced cost wireless Internet access would be beneficial for field personnel to communicate back to the City network, and will be evaluated for this purpose as it becomes available.

BUDGET

Funds are budgeted in the Information Technology account #258.7802.070.