



CITY COUNCIL AGENDA ITEM

Date: 7/14/2014

To: Brian Kischnick, City Manager

From: Tom Darling, Financial Services Director
MaryBeth Murz, Purchasing Manager
Gert Paraskevin, Information Technology Director

Subject: Standard Purchasing Resolution 3: Exercise Renewal Option – PRI Service to the City's Telephone Switch

History

- In April of 2011 a review of the City's voice and data telecommunications contracts was completed in cooperation with a telecommunications consultant, Telegation.
- Telnet Worldwide was originally chosen based on the recommendation of the consultant, Telegation, who provided their expertise in selecting the best solution for the lowest cost.
- As a result of that review it was recommended and City Council approved a three (3) year contract with Telnet Worldwide (Resolution #2011-04-085-J-7) for Primary Rate Interface (PRI) Service. PRI Service provides the necessary voice and long distance services to the City's telephone switch.
- During this contract Telnet WorldWide has proven to be a very reliable and responsive vendor for the City.

Purchasing

- The current contract expires August 17, 2014.
- Telnet WorldWide has offered to extend the current pricing, terms and conditions along with a credit for one free month of service with a subsequent renewal. Refer to Appendix A for renewal pricing detail.
- A Market Survey was recently conducted to verify that the current pricing offered by Telnet WorldWide continues to be competitive and the best value for the City. Market Survey details are also contained in Appendix A.

Financial

Funds are available in the City Hall operating budget.

Recommendation

City Management recommends City Council award a three (3) year contract for PRI service for the City's telephone switch to *Telnet Worldwide of Troy, MI* for an estimated monthly cost of \$944.00 plus regulatory fees and taxes; contract to expire August 17, 2017.



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Appendix A

Telnet Cost Detail

Current Product	3 Yr Renewal Option monthly cost
DID's x 560	\$ 84.00
2 PRI's	573.50
Unlimited local calling package	160.00
Federal EUCL	53.90
Subtotal	\$871.40
Estimated Long Distance	72.25
Rate plans would remain the same*	

Basic Monthly Recurring Cost **\$ 943.65**

One Free Month Credit **\$ 871.40**

	Local	IntraLATA	Intrastate	Interstate	Toll-Free
*Long Distance	\$0.000	\$0.000 / min	\$0.022 / min	\$0.022 / min	\$0.025 / min

NOTE: All pricing does not include regulatory fees or applicable taxes

Market Survey

Vendor	Estimated Cost over 3 years
Telnet	\$33,100
Windstream	\$33,273
Granite	\$44,217
AT&T	No response
Century Link	Out of territory
Integra	No local service