



CITY COUNCIL ACTION REPORT

April 23, 2009

TO: John Szerlag, Acting City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance and Administration
Susan A. Leirstein, Purchasing Director
Gertrude Paraskevin, IT Director

SUBJECT: Bid Waiver – City-Wide Dedicated Internet Service

Background

- The current contract for AT&T dedicated internet service has expired.
- AT&T has offered the City a two-year contract at a rate of \$759 per month for an estimated total two-year cost of \$18,216.00. This service is for two bonded T1s with a bandwidth of 3MB and includes a router and managed service of this device.
- Alternate internet access methods such as broadband service from cable providers were considered; however, our experience has proven this type of service is not as reliable as T1. Since this connection will be supporting our website, it is important for it to be highly available.
- A survey of alternate vendors providing T1 service was conducted. The results are contained in Appendix A. AT&T provided the lowest quote for a managed service. Two other providers were lower in cost, but did not include managed service and required the router to be purchased in advance and then rebated. Also, the low vendors were out of state and their standard terms and conditions were not governed by the laws of Michigan, but by Washington and California. This could cause an issue should there be a contract violation.
- All T1 service providers would be utilizing AT&T lines to bring service into the City. It is preferable to deal direct with AT&T rather than involving a third party. In addition, staying with AT&T will allow the City to continue to use its current IP addressing scheme, minimizing the impact of a change.
- City management recommends executing a contract with AT&T for dedicated internet service for the next two years, with options to renew.

Financial Considerations

- Funds are budgeted in the Information Technology Fund, Data Communication, A/C# 636.228.7850.025.

Legal Considerations

- Formal bidding procedures are waived, as no benefit would be derived from soliciting formal bids.

Policy Considerations

- Troy adds value to properties through maintenance or upgrades of infrastructure and quality of life venues. (Outcome Statement II)
- Internet access allows City government to expand its electronic function and thereby minimize cost and increase the efficiency and effectiveness of City government. (Goal II)
- Provides a method to effectively and professionally communicate externally. (Goal IV)

APPENDIX A

Survey of Dedicated T1 Internet Service Providers

Vendor	Unmanaged	Managed
AT&T		\$759
Speakeasy	\$699.95*	
Qwest		\$830
XO Communications		\$815
Covad	\$699*	

*Requires purchase and rebate of router

Managed service means that the service provider is not only responsible to provide internet access, but they also provide the router device and are completely responsible for it's hardware and software maintenance and support.

- a) Cultural Diversity Month – April 9, 2005 – May 7, 2005

E-8 SBC Dedicated Internet Service

Resolution #2005-04-149-E-8

BE IT RESOLVED, That a new 3-year contract be **EXECUTED** with SBC for Dedicated Internet Access at an estimated cost of \$1,224.00 per month is hereby **APPROVED**.

E-9 Acceptance of a Permanent Water Main Easement and a Regrading and Temporary Construction Permit for the Troy Court Water Main Project #01.502.5 – Section 34

Resolution #2005-04-149-E-9

RESOLVED, That Permanent Watermain Easement and Temporary Regrading and Construction Permit, are hereby **ACCEPTED**, and payment for both documents in the amount of \$3,500.00, plus recording costs, is **APPROVED**, for the construction, operation, maintenance and repair of the Troy Court Water Main improvement project; and

BE IT FURTHER RESOLVED, That the City Clerk is hereby **DIRECTED TO RECORD** the Permanent Watermain Easement with the Oakland County Register of Deeds, and copy of both Easement and Permit shall be **ATTACHED** to the original Minutes of this meeting.

E-10 Final Street Vacation Application (SV-173) – A Portion of Hanover Street, from Leetonia Street Extending North Between Lots 85 and 86 of McCormick and Lawrence Little Farms Subdivision 5, North of Wattles Road and East of Livernois, Section 15

Resolution #2005-04-149-E-10

WHEREAS, A request has been received for the vacation of a portion of the 50-foot-wide platted but unopened Hanover Street right-of-way, extending north 217.05 feet from Leetonia Street (platted Loraine Avenue), and abutting lots 85 and 86 of McCormick and Lawrence Little Farms Subdivision 5, Section 15 (Liber 20, page 30 of Oakland County Plats).

WHEREAS, The portion of Hanover Street to be vacated is described as:

A portion of the 50-foot-wide platted but unopened Hanover Street right-of-way, extending north 217.05 feet from Leetonia Street (platted Loraine Avenue), and abutting lots 85 and 86 of McCormick and Lawrence Little Farms Subdivision, Section 15 (Liber 20, page 30 of Oakland County Plats).

WHEREAS, The 20-foot wide Public Right-of-Way for Public Utilities and Public Walkway to be retained from the Hanover Street Vacation, is shown in the attached Street Vacation & Right-Of-Way Sketch” and is described as:

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.

E-6 Amendment – Ameritech Voice and Data Communication

Resolution #2002-02-053-E-6

WHEREAS, On Monday, October 15, 2001, Troy City Council authorized the City Manager to execute contracts with Ameritech for communication service as outlined in Council Memorandum dated October 9, 2001, in an estimated amount of \$34,467.00 for three years, Resolution #2001-10-499-E-14; and

WHEREAS, Ameritech would provide improved internet access service with less concern about the volatility of the marketplace at an estimated annual savings of \$2,472.00, as outlined in Appendix A;

NOW, THEREFORE, BE IT RESOLVED, That the contract with Ameritech be amended to include Internet Service is hereby approved resulting in a change of \$4,668.00 per year, for a new estimated total annual cost of \$39,135.00, to expire in 2004.

E-7 Standard Purchasing Resolution 7 – Proprietary Maintenance Service Contract – GIS Software

Resolution #2002-02-053-E-7

RESOLVED, That a one-year software maintenance contract for the City of Troy's GIS Software System is hereby approved to Environmental Systems Research Institute (ESRI), for proprietary software at an estimated total cost of \$13,200.06 expiring March 23, 2003.

E-8 Standard Purchasing Resolution 3: Exercise Renewal Option – Printing Service of the 2002 Summer/Winter Tax Bills

Resolution #2002-02-053-E-8

WHEREAS, On May 7, 2001 a contract for the printing of the 2001 Summer/Winter Tax Bills with an option to renew for one additional tax year was awarded to the low bidder, Whitlock Business Systems, Resolution #2001-05-232-E-8; and

WHEREAS, Whitlock Business Systems has agreed to exercise the option to renew this contract for the 2002 Summer/Winter Tax Bills under the same pricing, terms, and conditions;

NOW, THEREFORE, BE IT RESOLVED, That the option to renew the contract is hereby exercised with Whitlock Business Systems to provide printing and mailing services of the 2002 Summer//Winter Tax Bills under the same pricing, terms, and conditions for the 2002 tax year, expiring December 31, 2002.

E-10 Mon Jin Lau Fireworks

Resolution #2002-02-053-E-10

January 23, 2002

TO: Honorable Mayor and City Council

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

SUBJECT: Amendment - Ameritech Voice And Data Communication

Recommendation:

Staff recommends amending the Ameritech Voice and Data Communication contract to include Internet Service. This will add \$4,668 per year to the original approved amount of \$34,467 per year. However, the City's overall cost for Internet access will decrease by \$2,472 per year.

Background:

The City has had T1 level Internet access for several years. Two vendors have been utilized to provide this service. Ameritech supplies the T1 data communication line to our Internet Service Provider's (ISP) closest point of presence (POP), at a cost of \$550.00 per month. Our current ISP is World Wide Net, the low bidder resulting from an RFP process. They provide the actual access to the Internet at a cost of \$595 per month. Therefore the total cost for Internet access is \$1,145.00 per month.

Recently, World Wide Net asked the City to move the Ameritech T1 from its current POP to another location due to a buyout then subsequent bankruptcy of one of their business partners. We have been considering changing our Internet service provider anyway, due to support and speed concerns plus the instability of vendors in that marketplace. When we contacted Ameritech to move the T1 they provided pricing on their combined data communications plus Internet access at a price of \$939 per month. We feel that the move to Ameritech would provide improved service and less concern about the volatility of the marketplace.

The data communications piece is already budgeted at \$550.00 per month. Including Internet Service would add an additional \$339 per month to the Ameritech contract, but would decrease our current overall cost of Internet access by \$206 per month (see Appendix A).

Budget:

Funds are budgeted in the Information Technology account #258.7802.070.

Appendix A

Internet Access Pricing Comparison

Service	Current		Recommended	
	Vendor	Monthly Cost	Vendor	Monthly Cost
T1 data communications	Ameritech	\$550	Ameritech	\$550
Internet Access	World Wide Net	595	Ameritech	389
Total		\$1,145		\$939
Monthly Savings				\$206
Annual Savings				\$2,472