

MEETING DATE 5/22/06

AGENDA ITEM Authorization to enter into a five-year contract with Standard Tel, Inc for maintenance and repair of the City's telecommunications equipment

ATTACHMENTS

	<u>Pages</u>
1 Standard Tel Old and New Contract Comparison	1-3

Standard Tel Old and New Contract Comparison

The following are highlights of the new five-year Standard Tel contract in comparison to the old five-year contract

A Repair and Maintenance Costs

First year maintenance, compared to prior year The new contract reflects a minimum \$62,925 savings over the term of the agreement

Old Contract per year	\$49,545
New Contract Year	\$36,960
Yearly Savings	\$12,585

Additional Equipment Maintenance	
Old Contract	\$1.73 per port, per month
New Contract	\$1.50 per port, per month

The new contract includes structured voice and data cabling and Uninterruptible Power Supply (UPS) batteries The City anticipates seven such battery units will require replacement over the coming 5-year term, an anticipated \$12,600 in savings

B Equipment Cost Comparisons

Historically, the city purchases approximately \$5,000 per year in new equipment The Standard Tel pricing structure reflects Mitel's GSA pricing structure (Government Service Account) This has not changed dramatically since the previous contract was also GSA price structure and cost savings due to purchases will be minimal under the new contract Listed are the most commonly purchased hardware components

Component	Old Prices	New Prices	% Change
ONS Line Card (16)	1,248.05	1,238.33	-1%
OPS Line Card (8)	1,405.37	1,780.17	+26%
DNI Line Card (16)	943.90	936.64	-1%
Superset 4001	79.44	80.53	-1%
Superset 4015	155.50	136.29	-12%
Superset 4025 Backlit	202.50	201.32	-1%
Superset 4150 Backlit	365.77	303.10	-17%

C Labor Rate Comparisons

Labor rates are unchanged from the old contract

Standard Tel old rates	Standard Tel new rates
Technician on-site, 1 st hour \$ 144 Each additional hour \$ 96	Technician on-site, 1 st hour \$ 144 Each additional hour \$ 96
Remote Technician, hourly \$ 96	Remote Technician hourly \$ 96

Summary

Staff estimates that the new contract will save approximately \$80,525 over the term of the agreement versus the old contract, calculated as follows

Maintenance and Repair Reduction \$12,585/yr X 5 years = \$62,925
New Equipment Purchase Reduction \$1,000/yr X 5 years = \$5,000
UPS Battery Replacements \$2,520/yr X 5 years = \$12,600

TOTAL 5 YEAR SAVINGS. \$80,525

Recommendations

The Mitel SX-2000 PBX is a legacy TDM PBX product that although has not been sunsetted Mitel and other PBX vendors are shifting to development of Voice over Internet Protocol (VoIP) based systems. VoIP technology integrates voice communications with the data network, voice mail, faxes, and video conferencing/collaboration in other words, voice and data convergence. A possible application for the City is Customer/Client/Citizen Relations Management (CRM). The City has Mitel SX-2000s at City Hall, Police Department, Transportation and the Veterans Memorial Complex.

The Mitel SX-200 PBXs located at Fire Stations 2 and 3 are no longer supported by the manufacturer. The SX-200 is supported by our current PBX vendor though parts will become harder to acquire as time passes.

The Octel VMX-200 voice mail system is no longer supported by the manufacturer, Avaya. Software updates/upgrades and expansion hardware are non-existent. This voice mail system is antiquated by today's standards and may put the City in a precarious position in case of catastrophic failure.

Staff recommends allocating funds for replacement/upgrading of systems no longer supported by manufacturers and to position the City for emerging communications standards involving VoIP