

City of Fayetteville Staff Review Form

A. 13
RFP #12-02 Cox Arkansas
Telecom, LLC DBA Cox Business
Page 1 of 8

City Council Agenda Items
and
Contracts, Leases or Agreements

6/19/2012

City Council Meeting Date
Agenda Items Only

Sharon Waters
Submitted By

Telecommunications & I.T. Division
Division

Utilities & Finance
Department

Action Required:

A resolution approving a contract for Telecommunication Services based on proposals received from RFP #12-02.

197,036.40
Cost of this request

Category / Project Budget

I.T. Technology Improvements
Program Category / Project Name

Various 5310-01
Account Number

Funds Used to Date

Telecommunications System Upgrade
Program / Project Category Name

Project Number

\$ -
Remaining Balance

Various Operating Funds
Fund Name

Budgeted Item

Budget Adjustment Attached

[Signature]
Department Director

1 Jun 12
Date

Previous Ordinance or Resolution #

[Signature] (senate)
City Attorney

6-4-12
Date

Original Contract Date:

Original Contract Number:

Paula A. Becher
Finance and Internal Services Director

6-4-2012
Date

Received in City Clerk's Office
06-01-12 P02:23 RCVD
[Signature]

[Signature]
Chief of Staff

6-4-12
Date

Received in Mayor's Office
ENTERED
6/4/12

[Signature]
Mayor

6/4/12
Date

Comments: Contract documents must be re-routed for review once a proposal selection is made. *[Signature]*

CITY COUNCIL AGENDA MEMO

To: Mayor and City Council

Thru: Don Marr, Chief of Staff
David Jurgens, Utilities Director 

From: Sharon Waters, Parking and Telecommunications Manager 

Date: June 1, 2012

Subject: A Resolution Approving a Contract for Telecommunications Services

PROPOSAL:

Staff recommends approving a contract for telecommunications services based on proposals received from RFP #12-02. This contract is for a term of three (3) years, with the option of two (2) additional annual renewals.

RECOMMENDATION:

The City of Fayetteville solicited proposals for new telecommunications services to provide voice communications (dial-tone), long distance, wide area network connectivity and internet service to serve multiple locations throughout the City. There were 3 vendors that submitted bids for this service; AT&T, Cox Business, and Windstream.


RFP documents were prepared by Plante & Moran, the I.T assessment group contracted by the City to review all the City wide network and telecommunications processes, procedures and systems. Plante & Moran is participating in the selection process, as well as contract negotiations. It is imperative that this item is added to the June 19 Council Agenda, as there will be a significant amount of construction work to be completed before our existing contracts expire in September. This memo is a "place holder" for the June 19 Council Agenda. All finalized documents will be provided before the Agenda Session.


BUDGET IMPACT:

The City will recognize a savings of over \$100,000.00 in annual operating budgets for General Fund, Transportation Fund, Solid Waste Fund and Water/Sewer Fund.

CITY COUNCIL AGENDA MEMO

To: Mayor and City Council

Thru: Don Marr, Chief of Staff
David Jurgens, Utilities Director 

From: Sharon Waters, Parking and Telecommunications Manager 

Date: June 6, 2012

Subject: A Resolution Approving a Contract for Telecommunications Services for \$197,036.40
And Approve a \$10,000.00 Project Contingency

RECOMMENDATION

Staff recommends approving a contract with Cox Business for telecommunications services based on proposals received from RFP #12-02, and pricing as outlined in Appendix A, and approve a project contingency of \$10,000.00.

BACKGROUND

The City of Fayetteville solicited proposals for new telecommunications services to provide voice communications (dial-tone), long distance, wide area network connectivity and internet service to serve multiple locations throughout the City. There were 3 vendors that submitted bids for this service; AT&T, Cox Business, and Windstream. Through the City's formal selection process, Cox Business was selected as the provider for our telecommunications services.

RFP documents were prepared by Plante & Moran, the I.T assessment group contracted by the City to review all the City wide network and telecommunications processes, procedures and systems. Plante & Moran participated in the selection process, as well as contract negotiations. The new contract will provide a substantial increase in band width at all city facilities, an increase in internet services from 20MB to 50MB, and a 50% increase in call trunking for voice services. This contract is for a term of three (3) years, with the option of two (2) additional annual renewals.

DISCUSSION

It is imperative that this item is added to the June 19 Council Agenda, as there will be a significant amount of construction work to be completed before our existing contracts expire in September. Appendix A of the contract has been provided with this memo that details all associated costs for services. The contract terms are still under review by our legal council. The finalized contract will be provided to the Council at the Agenda Session on June 12.

BUDGET IMPACT

The City will recognize a savings of \$53,502.00 in annual operating budgets for the General Fund, Transportation Fund, Solid Waste Fund and Water/Sewer Fund.

RESOLUTION NO. _____

A RESOLUTION AWARDED RFP #12-02 AND APPROVING A CONTRACT FOR A PERIOD OF THREE YEARS, WITH TWO ONE-YEAR AUTOMATIC RENEWAL OPTIONS, WITH COX ARKANSAS TELECOM, LLC DBA COX BUSINESS IN AN ANNUAL AMOUNT OF \$197,036.40 (SUBJECT TO A \$7,000.00 CREDIT IN YEAR ONE), AND FOR THE OPTIONAL MODIFICATION AND/OR EXPANSION COSTS AND LONG DISTANCE CHARGES QUOTED, FOR CITY TELECOMMUNICATIONS SERVICES

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That the City Council of the City of Fayetteville, Arkansas hereby awards RFP #12-02 and approves a contract for a period of three years with two one-year automatic renewal options with Cox Communications, LLC dba Cox Business in an annual amount of \$197,036.40 (subject to a \$7,000.00 credit in year one), and for the optional modification and/or expansion costs and long distance charges quoted, for City Telecommunications Services. A copy of the contract is attached to this Resolution as Exhibit "A".

PASSED and APPROVED this 19th day of June, 2012.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

City of Fayetteville, AR
 RFP 12-02, Telecommunication Services
 CONTRACT - APPENDIX A
 PRICING DETAILS - COX COMMUNICATIONS

SECTION A: PROPOSAL COST SUMMARY (BASE BID + SELECTED OPTIONS)

COST SUMMARY	Non-Recurring Cost	Monthly Recurring Costs	Annual Cost (MRC * 12)	Total 36 Month Cost (NRC+(MRC * 36))	Total 60 Month Cost (NRC+(MRC * 60))
Wide Area Network	\$0.00	\$13,443.00	\$161,316.00	\$483,948.00	\$806,580.00
Voice Services					
SIP Trunking	\$0.00	\$1,166.70	\$14,000.40	\$42,001.20	\$70,002.00
DIDs	\$0.00	\$60.00	\$720.00	\$2,160.00	\$3,600.00
Managed Internet	\$0.00	\$1,750.00	\$21,000.00	\$63,000.00	\$105,000.00
Credits					
Managed Internet - 4 mos MRCs				-\$7,000.00	
TOTAL CONTRACT COST* (See Below)	\$0.00	\$16,419.70	\$197,036.40	\$584,109.20	\$985,182.00

*NOTE: Year #1 of contract will have a credit of \$7,000. Annual cost for year #1 = \$190,036.40 (Annual Cost - \$7,000). Annual cost for years 2-5 = \$197,036.40.

SECTION B: PROPOSAL COST DETAIL (COST DETAIL - BASE BID ITEMS)

Wide Area Network	Bandwidth Quoted	Non-Recurring Cost	Monthly Recurring Costs	Annual Cost (MRC * 12)	Total 36 Month Cost (NRC+(MRC * 36))	Total 60 Month Cost (NRC+(MRC * 60))
Data Center (Airport Terminal)	200 Mb	\$0.00	\$1,599.00	\$19,188.00	\$57,564.00	\$95,940.00
Data Center	1 Gb P2P	\$0.00	\$4,200.00	\$50,400.00	\$151,200.00	\$252,000.00
City Hall	100 Mb	\$0.00	\$1,199.00	\$14,388.00	\$43,164.00	\$71,940.00
Transportation /City Shop	20 Mb	\$0.00	\$659.00	\$7,908.00	\$23,724.00	\$39,540.00
Water/Sewer Ops	10 Mb	\$0.00	\$599.00	\$7,188.00	\$21,564.00	\$35,940.00
Fire Station 2	5 Mb	\$0.00	\$399.00	\$4,788.00	\$14,364.00	\$23,940.00
Fire Station 3	5 Mb	\$0.00	\$399.00	\$4,788.00	\$14,364.00	\$23,940.00
Fire Station 4	5 Mb	\$0.00	\$399.00	\$4,788.00	\$14,364.00	\$23,940.00
Fire Station 5	5 Mb	\$0.00	\$399.00	\$4,788.00	\$14,364.00	\$23,940.00
Fire Station 6	5 Mb	\$0.00	\$399.00	\$4,788.00	\$14,364.00	\$23,940.00
Fire Station 7	5 Mb	\$0.00	\$399.00	\$4,788.00	\$14,364.00	\$23,940.00
Fire Marshall office	5 Mb	\$0.00	\$399.00	\$4,788.00	\$14,364.00	\$23,940.00
Yvonne Richardson Ctr	5 Mb	\$0.00	\$399.00	\$4,788.00	\$14,364.00	\$23,940.00
Wash. County Jail	5 Mb	\$0.00	\$399.00	\$4,788.00	\$14,364.00	\$23,940.00
NWA Mall Police Substation	5 Mb	\$0.00	\$399.00	\$4,788.00	\$14,364.00	\$23,940.00
Noland Waste Water	5 Mb	\$0.00	\$399.00	\$4,788.00	\$14,364.00	\$23,940.00
West Side Waste Water	5 Mb	\$0.00	\$399.00	\$4,788.00	\$14,364.00	\$23,940.00
Canterbury Water Tank	5 Mb	\$0.00	\$399.00	\$4,788.00	\$14,364.00	\$23,940.00
WAN TOTAL		\$0.00	\$13,443.00	\$161,316.00	\$483,948.00	\$806,580.00
Voice Services	Qty	Non-Recurring Cost	Monthly Recurring Costs	Annual Cost (MRC * 12)	Total 36 Month Cost (NRC+(MRC * 36))	Total 60 Month Cost (NRC+(MRC * 60))
SIP Trunking	60	\$0.00	\$1,166.70	\$14,000.40	\$42,001.20	\$70,002.00
Burstable SIP Trunking				DETERMINED BY USAGE	DETERMINED BY USAGE	DETERMINED BY USAGE
	20	\$0.00	\$10/ minute			
Cost for adding additional SIP Trunks as needed	As needed with no required contract extension. Dedicated trunks are \$10 MRC per trunk. At certain increased trunking levels the port size at each location would need to be increased as well to provide sufficient bandwidth. Under the current configuration, 50 total (dedicated + burstable) trunks per location can be supported.					
DIDs	600	\$0.00	\$60.00	\$720.00	\$2,160.00	\$3,600.00
VOICE SERVICES TOTAL		\$0.00	\$1,226.70	\$14,720.40	\$44,161.20	\$73,602.00
Voice Usage Rates	Billing Increment	Minimum Billed Increment	Rate	Rate	Rate	Rate
Local	n/a	n/a	n/a	n/a	n/a	n/a
Intra-LATA	6 Sec	6 Sec	\$0.035	\$0.035	\$0.035	\$0.035
Intra-State	6 Sec	6 Sec	\$0.035	\$0.035	\$0.035	\$0.035
Inter-State	6 Sec	6 Sec	\$0.035	\$0.035	\$0.035	\$0.035

SECTION C: PROPOSAL COSTS (OPTIONAL ITEMS)

Managed Internet	Bandwidth Quoted	Non-Recurring Cost	Monthly Recurring Costs	Annual Cost (MRC * 12)	Total 36 Month Cost (NRC+(MRC * 36))	Total 60 Month Cost (NRC+(MRC * 60))
	50 Mb	\$0.00	\$1,750.00	\$21,000.00	\$63,000.00	\$105,000.00
POTS Lines (Unit Cost)	Non-Recurring Cost	Monthly Recurring Costs	Annual Cost (MRC * 12)	Total 36 Month Cost (NRC+(MRC * 36))	Total 60 Month Cost (NRC+(MRC * 60))	
	\$0.00	\$22.00	\$264.00	\$792.00	\$1,320.00	
POTS Lines (Usage Rates)	Billing Increment	Minimum Billed Increment	Rate	Rate	Rate	
Local	n/a	n/a	n/a	n/a	n/a	
Intra-LATA	6 Sec	6 Sec	\$0.035	\$0.035	\$0.035	
Intra-State	6 Sec	6 Sec	\$0.035	\$0.035	\$0.035	
Inter-State	6 Sec	6 Sec	\$0.035	\$0.035	\$0.035	
WAN Bandwidth Increments	Bandwidth Quoted	Non-Recurring Cost	Monthly Recurring Costs	Annual Cost (MRC * 12)	Total 36 Month Cost (NRC+(MRC * 36))	Total 60 Month Cost (NRC+(MRC * 60))
	3 Mb	\$0.00	\$219.00	\$2,628.00	\$7,884.00	\$13,140.00
	5 Mb	\$0.00	\$399.00	\$4,788.00	\$14,364.00	\$23,940.00
	10 Mb	\$0.00	\$599.00	\$7,188.00	\$21,564.00	\$35,940.00
	20 Mb	\$0.00	\$659.00	\$7,908.00	\$23,724.00	\$39,540.00
	50 Mb	\$0.00	\$859.00	\$10,308.00	\$30,924.00	\$51,540.00
	100 Mb	\$0.00	\$1,199.00	\$14,388.00	\$43,164.00	\$71,940.00
	200 Mb	\$0.00	\$1,599.00	\$19,188.00	\$57,564.00	\$95,940.00
	1000 Mb	\$0.00	\$2,100.00	\$25,200.00	\$75,600.00	\$126,000.00

Cox Business		
WAN	\$13,443.00	\$161,316.00
SIP	\$1,166.70	\$14,000.40
DID's	\$60.00	\$720.00
MIS	50MB	\$1,750.00
		\$21,000.00
		\$16,419.70
LD	\$280.00	\$3,360.00
	\$16,699.70	\$200,396.40

Current Charges		
WAN	\$9,550.00	\$114,600.00
PRI	\$688.21	\$8,258.52
Plexar	\$7,088.17	\$85,058.04
MIS	20MB	\$1,626.85
		\$19,522.20
		\$18,953.23
LD	\$2,205.00	\$26,460.00
	\$21,158.23	\$253,898.76

New Contract Annual Costs: \$200,396.40
Current Annual Costs: \$253,898.76

Annual Savings: (\$53,502.36)

New Contract Bonuses:

- Increased Band Width at every Location
- Increased Internet Services from 20MB to 50MB
- Increased Call Trunking by 50%

City of Fayetteville, AR
 RFP 12-02, Telecommunication Services
 CONTRACT - APPENDIX A
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Burstable SIP Trunking	20	\$0.00	\$.10/ minute	DETERMINED BY USAGE	DETERMINED BY USAGE	DETERMINED BY USAGE
Cost for adding additional SIP Trunks as needed	As needed with no required contract extension. Dedicated trunks are \$10 MRC per trunk. At certain increased trunking levels the port size at each location would need to be increased as well to provide sufficient bandwidth. Under the current configuration, 50 total (dedicated + burstable) trunks per location can be supported.					
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Intra-State	6 Sec	6 Sec	\$0.035	\$0.035	\$0.035	\$0.035
Inter-State	6 Sec	6 Sec	\$0.035	\$0.035	\$0.035	\$0.035

SECTION C: PROPOSAL COSTS (OPTIONAL ITEMS)

Managed Internet	Bandwidth Quoted	Non-Recurring Cost	Monthly Recurring Costs	Annual Cost (MRC * 12)	Total 36 Month Cost (NRC+(MRC * 36))	Total 60 Month Cost (NRC+(MRC * 60))
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POTS Lines (Usage Rates)	Billing Increment	Minimum Billed Increment	Rate	Rate	Rate	
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Intra-State	6 Sec	6 Sec	\$0.035	\$0.035	\$0.035	
Inter-State	6 Sec	6 Sec	\$0.035	\$0.035	\$0.035	
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	50 Mb	\$0.00	\$859.00	\$10,308.00	\$30,924.00	\$51,540.00
	100 Mb	\$0.00	\$1,199.00	\$14,388.00	\$43,164.00	\$71,940.00
	200 Mb	\$0.00	\$1,599.00	\$19,188.00	\$57,564.00	\$95,940.00
	1000 Mb	\$0.00	\$2,100.00	\$25,200.00	\$75,600.00	\$126,000.00

