

OFFICE OF THE CITY MANAGER
DES MOINES, IOWA

ITEM 80

CITY COUNCIL COMMUNICATION 97-089
FEBRUARY 24, 1997 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
MAINTENANCE AGREEMENT FOR CITY'S TELEPHONE SYSTEM	◆ RESOLUTION ORDINANCE RECEIVE/FILE	ALLEN MCKINLEY RESEARCH & BUDGET OFFICER

SYNOPSIS —

On August 11, 1996, the City's telephone maintenance agreement with Norstan Communications expired. Therefore, approval of an addendum to extend the maintenance contract with Norstan Communications, retroactive to August 11, 1996 through August 10, 1997, is requested. The cost of this agreement is based on rates reflecting the pricing bid accepted by the State of Iowa for their annual contract.

FISCAL IMPACT —

For the City's maintenance agreement, based on equipment currently installed, the initial monthly cost will be \$4,621.46. (Annual cost: is \$55,457.52.) Funding is provided for in the 1996-97 Operating Budget under Telephone Communications Services.

For the Wastewater Reclamation Facility (WRF), based on equipment currently installed, the initial monthly cost will be \$749.07. (Annual cost is \$8,988.84.) Funding is provided for in the 1996-97 Operating Budget, WRF.

RECOMMENDATION —

Approval.

BACKGROUND —

On June 1, 1992, Norstan Communications completed installation of a ROLM digital telephone switch and campus wiring replacing the rotary dial centrex system for the City. The original bid included a warranty which expired on August 10, 1993. The City then entered into a three-year maintenance agreement with Norstan Communications for post-warranty corrective and preventive support of the telephone system. This agreement expired on August 11, 1996, and Norstan Communications has continued to honor the provisions on an interim basis.

Proposed is a one-year extension to the maintenance agreement with Norstan Communications retroactive to August 11, 1996. The cost is based on pricing included in the State of Iowa contract. The pricing represents a three percent increase with a four percent discount if paid on an annual basis which is provided for in the current adopted budget.

In June 1995, Norstan Communications completed installation of the ROLM system at the WRF. The original bid on this project also included a warranty which expired in August 1996.

Also proposed is a one-year agreement with Norstan Communications retroactive to August 11, 1996 covering the WRF system. As with the City contract, the cost is based on pricing included in the State of Iowa contract. The pricing allows for a four percent discount if paid annually which is provided for in the current adopted budget for the WRF.

In addition to the 24-hour/day, seven-day/week response to calls for service, this agreement also includes periodic on-site preventive maintenance, corrective maintenance on equipment and software, remote monitoring of system alarms, performance of periodic remote diagnostics, and technical support via a toll-free number. This is the same level of service as was provided during the initial first-year warranty period.

By entering into an extension of the existing telephone maintenance agreement, the City will be able to maintain current service levels on our telephone switch and related equipment. This will allow us time to prepare the necessary documents for implementation of the bid process prior to the expiration of this agreement. The intent of coordinating the timing on these extensions is to coincide the expiration of these two contracts with the like contract for the Airport. This will allow us to expedite the process in the future and handle renewal/renegotiation more efficiently.