

**CITY COUNCIL COMMUNICATION 98-025
JANUARY 26, 1998 AGENDA**

SUBJECT:

**CONTRACT WITH TELCON ASSOCIATES
FOR PROVISION OF TELEPHONE AUDIT
SERVICES**

SUBMITTED BY:

**KEVIN RIPER
FINANCE DIRECTOR**

SYNOPSIS –

This contract will enable Telcon Associates, Bruce D. Thatcher, President, to audit all aspects of the City of Des Moines' telephone usage characteristics and recommend changes to reduce the cost of such services.

FISCAL IMPACT –

This service is conducted on a contingency basis. Telcon' s fee is 45 percent of all one-time savings (refunds), and 45 percent of all recurring savings for the first 18 months of implementation of their recommendations. The City currently budgets \$422,135 for telephone usage. If the City were to save \$100 over the course of 18 months, Telcon would receive \$45.

RECOMMENDATION –

Approve contract for telephone audit services with Telcon Associates.

BACKGROUND –

The Council approved the Request for Proposals (RFP) regarding telephone audit services at its January 27, 1997 meeting. Seven bids were mailed, and two proposals were received on March 6, 1997. It is believed that there was not wide interest in the RFP due to the low cost the City currently enjoys for long distance phone use (seven cents per minute). However, Telcon Associates indicated interest in focusing attention on the City' s cellular telephone usage. Therefore, while their audit will be all inclusive, it will focus on cellular telephone use.

The process used to pick Telcon involved an evaluation criteria provided in the RFP and a corresponding evaluation committee review. The evaluation committee included representatives from the Community Development Department, the City Manager's Office, and Risk Management. The four-member committee reviewed the RFPs (using the criteria outlined in the RFP) and awarded Telcon with the highest number of points.

This item was delayed to this agenda due to contract negotiations.