

**CITY COUNCIL
COMMUNICATION:**

03-377

AGENDA:

AUGUST 11, 2003

SUBJECT:

VOIP UPGRADE

TYPE:

RESOLUTION

ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

MICHAEL ARMSTRONG
CHIEF INFORMATION
OFFICER

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

SYNOPSIS —

The Information Technology Department recommended utilizing the City's fiber network to provide telephone service to remote facilities as part of the City's budget reduction strategy. The proposal was accepted by Council and this acquisition is for equipment and software that will accomplish that goal.

FISCAL IMPACT —

Cost: \$389,159.82 from Information Technology Capital Improvement Program (CIP) funds, BLD060, IFT990000.

Annual Savings: \$105,000 from City operating funds.

RECOMMENDATION —

Approval.

BACKGROUND —

The City has a number of offices in facilities that cannot, due to distance constraints, be connected to its PBX (telephone switch). These facilities include the Park and Recreation Department, branch libraries, and community centers. In order to provide telephone service and rudimentary connection to the remainder of the City's telephone system, the City must purchase a number of Centerx and T-1 circuits from telephone carriers. The total annual cost of these circuits is approximately \$105,000.

Each of these remote facilities is currently served by fiber-optic cable owned by the City, and are connected to the City's data network.

This project will leverage that fiber cable, and, using a technology known as "Voice-Over-IP" (VOIP), will provide telephone service to these remote facilities using that fiber network. All standard PBX services will be provided to these facilities, including participation in the City's voicemail system, use of ACD (Automatic Call Distribution) groups, and 4-digit dialing for internal calls.

This project will NOT replace the City's existing PBX. It will,

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however, provide a clear migration path to a complete VOIP system and will relieve the City of the potential replacement cost (approximately \$1,000,000) of the PBX switch in two to three years. All phones currently connected to the PBX will remain until such time as the City chooses to complete its migration to a VOIP system.

This project was initially planned for a two-year timeline. However, the current fiscal situation dictates that we move more quickly to achieve the projected savings. We now plan to complete the project by the end of calendar year 2003.

The proposed equipment and software is available from State of Iowa contract #ICN 99-041.

