



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org**

Legislative File No: 2005-0778 Version 2

TO: Mayor and City Council Members
FROM: Vince Foisy
DATE: September 19, 2007
SUBJECT: Telecommunication Utility Contract

REQUEST:

City Council is requested to authorize the increase to the blanket purchase order to AT&T, Aurora, Illinois for PRI Circuits, Local, POTS, Centrex and circuits in the amount of \$75,000 for a new not-to-exceed total of \$225,000 through December 31, 2008.

REASON FOR PURCHASE:

On November 30, 2005 City Council authorized a blanket purchase order to SBC Global Services (now AT&T) for the City's wired services in the amount not-to-exceed \$150,000 through December 31, 2008. The request for \$150,000 anticipated the following:

- (1) The two T-1 lines feeding the Public Safety Building and the Department of Public Services Facility would be dropped within the first year.
- (2) The discontinuance of several lines subsequent to the IP deployment the first year
- (3) A number of departmental lines would no longer be required.

Unfortunately, the IP build out with Comcast to the City's remote beta sites is not complete, requiring the unanticipated continued use of T-1 lines and delaying the discontinuance of several other lines. Additionally, some departments decided that lines, identified to be dropped were needed. The Fire Department added another radio circuit, which resulted in installation fees and a monthly charge for the circuit.

Due to the unanticipated continuance of lines and circuits, the authorized blanket purchase order amount has been depleted. It is estimated that \$75,000 is needed for the remainder of the term (December 31, 2008).

PROCESS:

Vendor Name and Address:

AT&T
PO Box 8100
Aurora, IL 60507-8100

Reason for Selection:

Mi-Deal (State of Michigan Extended Contract)
Best Overall Value

Method of Purchase:

Contract/Blanket Purchase Order

BUDGET:

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Facilities	631.922000	Telephone Expense	2007 Budget \$120,000	\$75,000	\$45,000
Facilities	631.922000	Telephone Expense	Proposed 2008 Budget \$90,000	\$50,000	\$40,000

RECOMMENDATION:

It is recommended that City Council authorize the increase to the blanket purchase order to AT&T, Aurora, Illinois for PRI Circuits, Local, POTS, Centrex and circuits in the amount of \$75,000 for a new not-to-exceed total of \$225,000 through December 31, 2008.

RESOLUTION**NEXT AGENDA ITEM****RETURN TO AGENDA**

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		