



500 West Big Beaver  
Troy, MI 48084  
troymi.gov

## CITY COUNCIL AGENDA ITEM



Date: March 15, 2021

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Assistant City Manager  
Robert C. Maleszyk, Chief Financial Officer  
Lisa Burnham, Controller  
Gert Paraskevin, Information Technology Director  
Emily Frontera, Purchasing Manager

Subject: Bid Waiver - SIP Service for the City's New Telephone System

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### **Background**

The City's current telephone service provider, Telnet Worldwide of Madison Heights, MI, has worked with the City since 2011. Their contract has been extended several times over the years after market studies have been completed to ensure they are competitive, and because of their continued reliable and responsive service (Resolution# 2017-09-145-J-4b).

The latest contract has expired; however, we continue at the same rate on a month to month basis as we prepare to upgrade our telephone system. The new system will support SIP trunking rather than the traditional PRI trunks used in the past. PRI trunks are being phased out and becoming more expensive.

Telnet is offering SIP services at a cost of \$640.25 per month for a 3-year contract as detailed in the attached Telnet Proposal. This would include unlimited local calling, however additional fees would apply for long distance and any regulatory fees, applicable taxes, or administrative/service fees. We currently average about 2,600 minutes per month of long distance at a cost of \$58.26.

Our current base PRI costs are \$817.15 per month, so this contract represents a decrease of \$176.90 per month, or \$2,120 annually.

Both services would be active for a short period of time as we transition over to the new telephone system. Having the same provider through that transition would facilitate a smooth process.

### **Purchasing**

- Telnet has provided the City with reliable service through the years and converting to a new service within the same company would provide a simpler, more efficient transition.
- A market survey was recently conducted to verify that the current pricing offered by Telnet Worldwide continues to be competitive and the best value for the City.

### **Financial**

Funds are available in the City Hall operating budget, account 101.264.265.7920.040.



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## **CITY COUNCIL AGENDA ITEM**

### **Recommendation**

City Management recommends in the best interest of the City that the bid process be waived and a three (3) year contract for SIP service for the City's telephone system be awarded to *Telnet Worldwide of Madison Heights, MI* for an estimated monthly cost of \$640.25 plus long distance, regulatory fees, taxes and administrative/service fees.



TELNET

# TelNet Proposal

TelNet Worldwide  
31700 Research Park Drive  
Madison Heights, MI 48071

<b>TelNet Worldwide Quote Prepared for CITY OF TROY - 500 W BIG BEAVER RD</b>		<b>Term: 36Months</b>
Prepared on: March 5, 2021	Expires on: February 2, 2021 Payment terms: Net 20	

<b>Quote Prepared for:</b>	<b>Quote Prepared by:</b>
Gert Paraskevin 500 W Big Beaver RD TROY, MI 48084 P: 2485243416 gert@troymi.gov	Will Luchin TelNet Worldwide Customer Account Manager  P: (248) 485-1238 wluchin@telnetww.com

COAX Access				
PRODUCT	UNIT PRICE	QTY	Monthly Total	Non Recurring Total
<b>IPv4 Address Block (1 assignable IP address)</b>	\$0.00	1	\$0.00	\$0.00
<b>30MB/5MB Coax</b>	\$165.00	1	\$165.00	\$0.00
<b>Subtotal:</b>		<b>2</b>	<b>\$165.00</b>	<b>\$0.00</b>

SIP Trunking				
PRODUCT	UNIT PRICE	QTY	Monthly Total	Non Recurring Total
<b>SIP Path</b>	\$9.50	39	\$370.60	\$0.00
<b>Telephone Number</b>	\$0.15	581	\$87.15	\$0.00
<b>Domestic LD Metered Rate Plan</b>	\$0.00	39	\$0.00	\$0.00
<b>Call Bursting</b>	\$2.50	7	\$17.50	\$0.00
<b>Subtotal:</b>		<b>666</b>	<b>\$475.25</b>	<b>\$0.00</b>

<b>MONTHLY TOTAL:</b>	<b>NON RECURRING TOTAL:</b>
<b>\$640.25</b>	<b>\$0.00</b>



TELNET

TelNet Worldwide  
31700 Research Park Drive  
Madison Heights, MI 48071

Rates will only apply to the services that have been purchased

<b>SIP Trunk Call Plan</b>	<b>Local</b>	<b>Intralata</b>	<b>Interstate</b>	<b>Intrastate</b>	<b>Toll Free</b>	<b>Intl</b>
Unlimited Nationwide Calling	0.00	0.00	0.00	0.00	0.022	Market Rate
International Calling	0.00	0.00	0.00	0.00	0.00	Market Rate
Domestic LD Rate Plan	0.00	0.00	0.019	0.019	0.022	Market Rate

<b>MS Teams Call Plan</b>	<b>Local</b>	<b>Intralata</b>	<b>Interstate</b>	<b>Intrastate</b>	<b>Toll Free</b>	<b>Intl</b>
Unlimited Nationwide Calling	0.00	0.00	0.00	0.00	0.022	Market Rate
International Calling	0.00	0.00	0.00	0.00	0.00	Market Rate
Domestic LD Rate Plan	0.00	0.00	0.019	0.019	0.022	Market Rate