




500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM

Date: April 29, 2024

To: Mark F. Miller, City Manager 

From: Robert J. Bruner, Deputy City Manager
Megan E Schubert, Assistant City Manager
Robert C. Maleszyk, Chief Financial Officer
Dee Ann Irby, Controller
Alex Bellak, Information Technology Director
Emily Frontera, Purchasing Manager

Subject: Standard Purchasing Resolution 3: Exercise Renewal Option - SIP Service for the City's Telephone System

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).

Telnet supplies the City with SIP service and local and long-distance calling. SIP is the digital protocol that transports voice traffic over the internet made use by the City's Voice over IP phone system.

This contract includes 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 12,000 minutes per month of long distance for \$48.54.

The current contract for SIP services expires at the end of April but our contract allows us to continue month to month for up to one year without penalty.

Purchasing

Telnet is offering a renewal of SIP services for \$475.25 per month for a 3-year contract as detailed in the attached Telnet Proposal. This cost holds at the same rate we have been paying since our last contract renewal that took place in 2021 (Resolution# 2021-03-038).

Telnet has provided the City with reliable service through the years and has offered to extend the current pricing, terms, and conditions for an additional three (3) years. 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 budgeted and available annually in the City Hall operating budget, account 101.265.265.920.040.



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Recommendation

City Management recommends in the best interest of the City that a three-year contract renewal for SIP service for the City's telephone system be awarded to *Telnet Worldwide of Madison Heights, MI* for an estimated monthly cost of \$475.25 plus long distance, regulatory fees, taxes, and administrative/service fees.