

OFFICE OF THE CITY MANAGER
DES MOINES, IOWA

CITY COUNCIL COMMUNICATION 97-049
JANUARY 27, 1997 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
AUTHORIZATION TO PROCEED WITH TELEPHONE BILLING AUDIT REQUEST FOR PROPOSALS	◆ RESOLUTION ORDINANCE RECEIVE/FILE	MIKE MATTHES MANAGEMENT INTERN

SYNOPSIS —

Authorization to proceed with Request for Proposals (RFP) to engage a consultant to perform an audit and analyze current City telephone operations.

FISCAL IMPACT —

It is intended that funding for this consultant be supplied through the savings that their recommendation will engender, once implemented. When savings are achieved, funds will be removed from the budget allocation for telephone expenses and used to pay for the services rendered by the consultant. Staff anticipates the potential for significant savings through the audit of telephone expenditures. The consultant fee should represent a small percentage of the anticipated savings. It is estimated that a consultant would charge up to 50 percent of the one-time savings, and up to 50 percent of the first two years of recurring savings, to complete the necessary work.

RECOMMENDATION —

Authorize the City Manager to proceed with RFP for consulting services, to evaluate proposals received, and to submit a recommendation to Council.

BACKGROUND —

In November of 1996, staff in the City Manager's Office began preliminary research into the City of Des Moines telephone usage and expenditures. That research has concluded that there is significant potential for cost-savings in this area. Because of the detailed technical nature of this industry, sufficient expertise does not currently exist in the organization to fully effect potential savings. Many consultants exist that do have the required expertise and have achieved significant cost reductions in cities with closely comparable situations to the City of Des Moines. Retaining one of these experts has the potential to help reduce the City of Des Moines \$422,000 per year bill for telephone usage.

**REQUEST FOR PROPOSALS
FOR CONSULTING SERVICES**

**ANALYSIS OF THE CITY OF DES MOINES
TELECOMMUNICATION COSTS**

Requests For Proposals

The City of Des Moines, Iowa, is seeking the services of a consultant to provide auditing and recommendations regarding the City's telecommunication billing and rates, for potential savings. The consultant selected from this Request for Proposal (RFP) will be engaged after competitive evaluation by the selection committee.

This request invites qualified consultants to submit proposals for accomplishment of the items of work specified below under Scope of Services. Proposals should be prepared and submitted in accordance with the guidelines and requirements set forth in this request.

General Provisions

This Request for Proposals does not obligate the City of Des Moines to award a contract to any firm, nor to pay any cost incurred in the preparation of proposals submitted in response to this request. The City of Des Moines reserves the right to accept or reject any or all proposals received as a result of this request. All information and material submitted in response to this request will become the property of the City of Des Moines.

Background Information

- Des Moines has a population of nearly 200,000 people and a City Staff of nearly 2,000.
- Des Moines' 1996-1997 budget allocation for telephone usage is \$422,135.
- The City is in process to develop a cell-phone usage policy for its employees.

Proposal Requirements

Four (4) copies of each Proposal submitted in response to this request must be received by Michael Matthes, City Manager's Office, City Hall, 400 East First Street, Des Moines, Iowa, 50309-1891, on or before Friday, February 21, 1997. At least one copy of each proposal, or an appropriate transmittal letter, must be signed by an official empowered to contractually obligate the proposing firm.

Proposals submitted shall include but not be limited to the following:

1. The consultants name and address, and a brief history of the firm.
2. A description of services you feel would need to be provided by (a) the consultant, and (b) subcontractors (if any), along with a discussion of consultant's (and subcontractor's) experience(s) with municipal telephone usage analysis.
3. Names of specific individuals who would be assigned to this project, and their relevant experience.
4. Ability to complete services by deadline provided in the Schedule.

Fees

The City would prefer the following fee schedule:

- A. The responding bidder will provide a percentage of actual refunds or credits they would require to perform the necessary work. This percentage would be applied to all overcharges actually recovered in the form of a refund or credit, billed upon the City's receipt of a refund check or of an invoice reflecting the credit.
- B. The responding bidder will also provide a percentage required to perform necessary work that would be applied to any recurring savings. This savings would take the form of future savings resulting from the cancellation or modification of inefficient services currently used by the City. This savings percentage would be paid to the consultant for one year only upon implementation of consultant's recommendation.

If a respondent requires a different fee schedule, it should be detailed in the response.

Scope of Services

The consultant selected for this project will provide the following services:

- 1. Perform an audit of the existing bills and billing practices for local telephone bills, long distance bills, and cell phone/pager bills, to determine inefficiencies and identify overcharges.
- 2. Conduct an analysis and prepare a detailed report to include recommendations of approaches that would reduce the City's recurring costs of telephone use to include local telephone costs, long distance costs, and cell phone/pager costs.

Selection Criteria

Selection of the consultant will be based on the following criteria:

Services to be Provided: Ability to complete Scope of Services steps:	30 points
Prior Experience:	30 points
Time Frame and Fee: Schedule for completion of Scope of Services steps and proposed fee:	20 points
References from past work:	10 points
Quality of Response: Demonstrated understanding of work to be performed; completeness and reasonable nature of the plan/proposal for accomplishing Scope of Services steps:	10 points

Schedule

The City prefers to have Scope of Services completed by May 31, 1997.

Additional Information

Proposals will be reviewed by an Evaluation Committee. The Committee may conduct discussions with any respondent who submits an acceptable proposal. Respondents shall be accorded fair and

equal treatment with respect to any opportunity for discussion. Discussions may be conducted by telephone or through an interview. The City will not be liable in any way for any costs incurred by respondents in replying to the RFP or attending an interview.

Bidders may request clarification or changes to the requirements in writing by the close of business, Friday, February 7, 1997.

Letters in this regard shall be mailed to:

Arthur C. Goodale
Purchasing Agent
City Hall, 400 East First Street
Des Moines, IA 50309

Any addenda resulting from the requests for clarification will be mailed to all bidders by the close of business Wednesday, February 12, 1997.

Consultant List

The Mercer Group, Inc.
One Lakeside Commons
990 Hammond Drive, N.E., Suite 510
Atlanta, GA 30328

Telecom Corporation
7301-A W. Palmetto Pk. Rd., Suite 204-B
Boca Raton, FL 33433

RAM Communications Consultants, Inc.
10 Woodbridge Center Drive
Woodbridge, NJ 07095

Bill Cook
Deloitte & Touche LLP
1200 Two Ruan Center
Des Moines, IA 50309

Martens & Company
4949 Pleasant St
West Des Moines, IA 50265

McGladrey & Pullen LLP
400 Locust, Suite 640
Des Moines, IA 50309

Karen Thatcher
TelCon Associates, Inc.
7939 Floyd, Suite 100
Overland Park, KS 66204-3725