

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

99-135

SYNOPSIS -

AGENDA:

APRIL 5, 1999

SUBJECT:

US WEST
COMMUNICATIONS
CONTRACT

The City uses 48 DID (Direct Inward Dialing) trunks for calls into and 32 CO (Call Out) trunks for calls out of the City's internal phone system. This contract with US West Communications, Inc., (Sol Trujillo, President, Denver, CO) replaces existing contracts that would expire in April 2000. Renegotiating this contract will result in cost savings of \$1,080 per month.

FISCAL IMPACT -

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

An amount of \$2,849.98 per month for 60 months (\$170,998.80 contract total) from the Telephone Communications budget (Index Code: 110361) in the Information Technology Department. Current contract costs are \$3,929.98 monthly (\$235,798.80 contract total). The new contract represents a cost reduction of \$1,080 per month and a total cost reduction of \$64,800 over the life of the contract.

SUBMITTED BY:

MICHAEL
ARMSTRONG
INFORMATION
TECHNOLOGY
DIRECTOR

RECOMMENDATION -

Approve renegotiated contract.

BACKGROUND -

The City and US West Communications, Inc., entered into two contracts in 1992 and one contract in 1995 for DID trunk lines to provide a total of 48 trunk lines for direct inward calling and 32 CO trunks for outward dialing through the City's PBX.

Changes in technology, particularly the availability of Digital Switched Service (DSS), and recent tariff filings by US West Communications, Inc., have made consolidation of these contracts and renegotiations of contract rates very attractive to

the City. The contract includes provisions for renegotiating the contract as the City's needs may change. The contract also requires US West to provide the City with the lowest tariffed cost for services, and the contract terms may be modified at any time to reflect tariff changes.

US West Communications, Inc., is a public utility. Procurements of services from public utilities are exempt from competitive requirements (Ordinance 2-86(a)(4)).

The proposed renegotiated contract reduces the City's monthly cost for these trunk lines by \$1,080 per month. Total cost reduction for the 60-month contract term will be \$64,800.