



Request for City Council Committee Action from the Department of BIS

Date February 23, 2006

To: Paul Ostrow, Chair, Ways and Means Committee

Subject: Increase Unisys contract for Voice over Internet Protocol (VoIP) network services

Recommendation: Authorize proper city officials to amend the Unisys Managed Services contract, C-18881 to increase the scope of the agreement by \$218,050.50. The increased scope enables 14 remote sites the ability for Voice over Internet Protocol (VoIP) services.

Prepared by Nancy Larkey 612 673-5494

Submitted by Karl Kaiser _____, 673-3910
Chief Information Officer

Approved by Steven Bosacker _____
City Coordinator

Permanent Review Committee (PRC) Approval – Not Applicable

Policy Review Group Not Applicable

Subject Amend Unisys Contract C-18881

Presenters in Committee Karl Kaiser

Financial Impact: The requested contract amendment consists of: implementation costs of \$50,866.50 (includes design engineering, installation, configuration and remote management certification) and annual on-going support services costs of \$167,184 (\$3,483 per month) for the period 2005 through 2009. Current and on-going support will use existing appropriations of BIS operating funds.

NO CAPITAL/OPERATING BUDGET APPROPRIATIONS REQUIRED.

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information

The City of Minneapolis entered into a seven year, \$56 million Managed Services contract with Unisys Corporation on 12/31/02. The contract value and technical provisions were based on City's technology assets and operations capacity at that point in time. Changes in the City's business requirements create a demand for increased managed services capacity that expands the scope of this contract.

One of the telecommunications upgrade projects included upgrading voice services at 14 remote sites to VoIP systems. The system can allow for convergence of voice and data communications to significantly reduce the city's annual telecommunications cost. Several of these remote sites had 15 to 20 year old phone systems that reached end of life and were no longer supported by the manufacturer.

The City began installing and testing the Voice over Internet Protocol (VoIP) services in 2005 and received approval from City Council on July 22, 2005 to proceed at City remote sites. Unisys furnished, installed and configured the computerized data transmission and relay equipment required to implement VoIP services to these locations, including 48 months of ongoing network management support for a total cost of \$218,050. BIS received City Council approval on July 22, 2005 in the amount of \$78,017.71.

