

Department of Public Works

City Hall
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Racine, WI 53403
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Richard M. Jones, P.E.
Commissioner of Public Works

Thomas M. Eeg, P.E.
Asst. Comm. of Public Works/Operations

John C. Rooney, P.E.
Asst. Comm. of Public Works/Engineering

August 28, 2007

Ald. Ronald D. Hart
Chairman, Public Works
and Services Committee
Racine, Wisconsin

Dear Ald. Hart:

Submitted for your review are the details on the proposed modification to the current AT&T service agreement for telephone service for the City of Racine. This agreement covers the trunk lines on the new phone system that was installed in 2002 as well as other remote sites which have been incorporated with the new phone system either over a T-1 line or our fiber optic cable service such as the Library, DPW Field Offices, Parks Field Offices, Parks Community Centers, Cemetery, Civic Centre, Memorial Hall and remote Fire Stations that provide both phone and data services to these sites.

This agreement is calling for the installation of DS-3 service at City Hall which essentially covers the way T-1 and ISDN services are provided to the City. A DS-3 port essentially supports 24 remote lines and we currently only have (9) T-1 lines and (1) ISDN line at City Hall. The benefit to the DS-3 is that the rates on the ISDN line here is reduced by \$151.55 per month, the T-1 line cost for the 9 services are reduced by \$1,720.00 per month while the cost for the DS-3 adds \$1,500.00 per month which is a savings of roughly \$371.55 per month or \$4,458.60 per year. The other positive means of this agreement is that future T-1 lines will only cost \$98 per month and not impact the DS-3 cost where currently, they have a monthly cost in the range of \$224 to \$298 per month depending on location, so this gives us a means to look at adding additional sites to the system at a lower rate which is a request of the Police Department to handle the COP Houses throughout the City. Since we did not have an adequate number of T-1 lines when we first entered into the agreement with AT&T, we did not consider this option as we did not initially have a need for this number of T-1 lines to make this cost effective, but that has upgraded over the years.

I would recommend that this new agreement be approved which extends the agreement with AT&T for another 5 year period at the revised rate. Our current long distance agreement with them does continue as we are still at their minimal rate of \$0.035 per minute anywhere in the United States.

Sincerely,

A handwritten signature in black ink that reads "Thomas M. Eeg".

Thomas M. Eeg
Asst. Comm. of Public Works/Operations

TME:das

Attachment



Proposal for The City of Racine

For monthly Services Provided by at&t

<u>Current Service</u>	<u>Current Cost (Per Month)</u>	<u>Proposed Cost (Per Month)</u>
1 ISDN Prime (City Hall)	\$ 439.55	\$ 288.00
1 ISDN Prime (Safety Bldg)	\$ 439.55	\$ 439.55
1 New DS3		\$ 1,500.00
9 T-1 Circuits	\$ 2,602.00	\$ 882.00
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Total	\$ 3,481.10	\$ 3,109.55
Monthly Savings (per month):		\$ 371.55
Annual Savings:		\$4,458.60

Installation of new DS3 circuit eliminates ½ charge for T-1's, all circuits ride new DS3.

Equipment needed to install DS3, **\$4,865.55**

Credit will be issues in the amount of \$7,032 for previous overcharges. This will offset the cost of the equipment.