

Department of Public Works

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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

May 14, 2009

Honorable Mayor and Members of the Common Council
730 Washington Avenue
Racine, WI 53403

Ladies and Gentlemen:

Submitted for your review is a revised agreement with AT&T for telephone service. This agreement covers our standard telephone lines, which weren't amended in the original agreement. This revised agreement converts them to the lower Centrex telephone line rate including free local calls.

This was reviewed and determined applicable to a majority of the standard telephone lines, so the recommendation is to implement this where applicable. This will result in an annual estimated saving of \$2,400.00.

Sincerely,

A handwritten signature in blue ink, which appears to read "Thomas M. Eeg", is written over a blue horizontal line.

Thomas M. Eeg
Assistant Commissioner of Public Works

RMJ:mt



**AT&T ILEC Network Services Discount
 Provided Pursuant to Tariff, Guidebook,
 Catalog or AT&T Retail Service Guide –
 Pricing Schedule**

Master Agreement date last signed 12/24/2007

Customer ("Customer")	AT&T ("AT&T")
City of Racine 730 Washington Ave Racine WI 53403 USA Main Billing Telephone Number (if applicable): Enter Main Billing Telephone Number, or clear field	For purposes of this Pricing Schedule, AT&T means the Service Provider specifically identified herein.
Customer Contact (for notices)	AT&T Sales Contact Information and for Contract Notices <input checked="" type="checkbox"/> Primary Sales Contact
Name: Tom Eeg Title: Commissioner of Public Works / Operations Telephone: Fax: E-mail: <u>Address for notices, if different from above:</u> Street Address City State Zip Code USA	Account Rep Name: Robert Gagliano Title: Account Manager Fax: 866-332-3094 Telephone: Email: rg2452@att.com Street Address: 17950 W. Corporate Dr City: Brookfield State: WI Zip Code: 53045 <u>With a copy to:</u> AT&T Corp. One AT&T Way, Bedminster, NJ 07921-0752 Attn: Master Agreement Support Team E-mail: mast@att.com
AT&T Authorized Agent or Representative Information (if applicable) <input type="checkbox"/> Primary Sales Contact	
Name: Company Name: Agent Street Address: City : State: Zip Code: Telephone: Fax : Email: Agent Code	

This Pricing Schedule ("Pricing Schedule") is effective as of the date of the last signature below ("Effective Date") and is an Addendum to the Master Agreement between AT&T and Customer, and is part of such Agreement. The Parties acknowledge and agree that this Pricing Schedule represents individual case pricing that is offered to Customer because of the unique size or configuration of the AT&T business services purchased by Customer, and, where required, that this Pricing Schedule will be filed with the state public utilities commission with competent jurisdiction over the service offering provided hereunder.

AT&T Affiliate: Affiliates applicable are those in the following list provided the applicable states are included in Attachment A: Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, Michigan Bell Telephone Company, The Ohio Bell Telephone Company, Wisconsin Bell, Inc., Pacific Bell Telephone Company d/b/a AT&T California, Nevada Bell Telephone Company, Southwestern Bell Telephone Company, and The Southern New England Telephone Company

Attachments:
 Attachment A – Eligible Services
 Attachment B –Customer Affiliates
 Attachment C – Site Directory

(SIGNATURES ON FOLLOWING PAGE)



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Catalog or AT&T Retail Service Guide –
Pricing Schedule**

Master Agreement date last signed 12/24/2007

Customer (by its authorized representative)	AT&T (by its authorized representative)
By: _____ Name: _____ Title: _____ Date: _____	By: _____ Name: _____ Title: _____ Date: _____



1. SCOPE OF PRICING SCHEDULE

This is a network services volume discount plan Pricing Schedule that sets forth the terms and conditions for the plan. Customer must separately purchase the "Eligible Services" and the "Contributory Services" (as hereinafter defined later) through Tariff, Catalog, Guidebook, Business Service Agreement or other standard ordering requirement of the AT&T Affiliate providing the Eligible or Contributory Service. **No services or products are subscribed to or provisioned under this Pricing Schedule, except in California.**

2. TERM

The commencement date shall be the date this Pricing Schedule is approved by a regulatory agency with competent jurisdiction over this Pricing Schedule, or no later than 30 days after the last signature on this Pricing Schedule, whichever is later ("Commencement Date"), and shall continue for sixty (60) months ("Term"). Discounts under this Pricing Schedule will appear on Customer's first bill rendered after the Commencement Date. The right to any discounts under this Pricing Schedule is terminated as of the expiration date of the Term. Unless expressly provided to the contrary elsewhere in the Agreement, this Pricing Schedule is not subject to an automatic extension or renewal of the Term.

3. DEFINITIONS

For purposes of this Pricing Schedule, the following definitions apply. In addition, any terms previously defined in the Agreement shall have the same meaning in this Pricing Schedule unless otherwise defined below.

- A. **"Affiliate"** means an entity owning, owned by or under common control of the Party, in each case to an ownership extent of fifty percent (50%) or more. Notwithstanding the preceding sentence, Customer Affiliates that the Parties agree are a part of this Pricing Schedule are set forth in Attachment B, incorporated by reference herein, and only the Customer Affiliates identified in Attachment B shall be considered in the calculations of Contributory Services, and shall be eligible to receive any benefits under this Pricing Schedule. The parties acknowledge that the terms and conditions of this Pricing Schedule, including, but not limited to, price terms, are based upon the Customer Affiliates identified in Attachment B, and any modifications to the list (i.e., additions, deletions, legal name change of an affiliate) requires a request in writing to AT&T from Customer describing the requested modification. The modification of the list is effective upon the date AT&T acknowledges in writing by AT&T that the list of Customer Affiliates under this Pricing Schedule has been modified as requested. Parties further acknowledge and agree that a modification to Attachment B may require an adjustment to the commitment levels agreed to herein, and AT&T shall solely determine if such an adjustment is necessary.
- B. **"Annual Local Usage Commitment"** means Customer's annual billing commitments for AT&T local usage. For purposes of satisfaction of the Annual Local Usage Commitment, the Annual Local Usage Commitment shall be calculated after the application of any Contracted Rates, but before the application of any Service Level Discounts or Total Volume Discounts.
- C. **"AT&T Incumbent Local Telephone Company Affiliates" ("ILEC")** means Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, Michigan Bell Telephone Company, The Ohio Bell Telephone Company, Wisconsin Bell, Inc., Pacific Bell Telephone Company d/b/a AT&T California, Nevada Bell Telephone Company, Southwestern Bell Telephone Company, The Southern New England Telephone Company, and BellSouth Telecommunications, Inc.
- D. **"Billed Rate" or "Contracted Rate"** means the charge to Customer for a particular service prior to the application of any Service Level Discount or Total Volume Discount. Contracted Rates are listed in this Pricing Schedule next to the Service to which the Contracted Rate applies.
- E. **"Contributory Service(s)"** means regulated network services which are provided by an AT&T ILEC pursuant to Tariff, Catalog, Guidebook, or Business Service Agreement. In the event an AT&T ILEC adds a new network service to its Tariff, Catalog, or Guidebook, the new service shall be considered a Contributory Service for purposes of this Pricing Schedule as of the date the new service is available to the retail market. The Parties agree and acknowledge that the actual Contributory Services under this Pricing Schedule is determined by Customer's subscriptions at any point in time during the Term to such services. Upon Customer's written request, AT&T will provide Customer a list of the Contributory Services under this Pricing Schedule as of the date of the written request, and Customer agrees such access to the specific list of Contributory Services is reasonable. For purposes of this Pricing Schedule, an ILEC network service is considered a Contributory Services *only* when the network service is purchased for and used by Customer or its Affiliates for its administrative or internal use. Network

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services that are resold in any form or manner are not considered Contributory Services or Eligible Services under this Pricing Schedule. Taxes, surcharges or fees which are assessed against any Contributory Service are not contributory toward Customer's satisfaction of its MARC or any Sub-Commitment under this Pricing Schedule. Examples of surcharges and fees include, but are not limited to, LNP, USF or UCC, Federal Subscriber Line Charges, or fees or surcharges related to public safety such as 911.

- F. **"Eligible Services"** means the Services under this Pricing Schedule which are eligible for Service Discounts, or Total Volume Discounts as specified under Attachments A1-A13, which are incorporated by reference herein, as modified from time-to-time upon the Party's agreement. The application of any discount under this Pricing Schedule is subject to approval by any state public utilities commission or other agency with competent jurisdiction.
- G. **"Minimum Annual Revenue Commitment ("MARC") and Sub-Commitment"** means Customer's minimum annual billing commitment for Contributory Services (as defined hereinafter) during each 12 consecutive month period of the Term. For purposes of satisfaction of the MARC, the billings for Contributory Services shall be calculated after the application of any Contracted Rates (as hereinafter defined), but before the application of any Service Level Discounts or Total Volume Discounts (as hereinafter defined).
- H. **"Resale"** means rebranding of the Service by Customer to sell/provide to an end user for their use, which may or not include charging the end user a different rate than AT&T charges Customer for the Service.
- I. **"Service Level Discount"** means a Service-specific discount that Customer receives under this Pricing Schedule stated as a percentage off of the Billed Rate for the Service. Service Level Discounts are listed on Attachments A1-A13.
- J. **"Sub-Commitment"** means the Annual Local Usage Commitment as defined above.
- K. **"Total Volume Discount"** means a discount that is given to a group of Services identified on a state-specific Attachment to this Pricing Schedule. The Total Volume Discount is applied to the Billed Rate or Contracted Rate, and when applicable after any Service Level Discount has been applied.

4. DISCOUNT PROGRAM

- A. Discounts and Rewards. Attachments A1-A13, incorporated by reference herein as modified from time-to-time upon agreement of the parties, set forth the state-specific price terms and discounts, and identifies Eligible Services for that state. Customer agrees to the terms and conditions set forth under these Attachments, and hereby acknowledges and agrees that the discounts and rewards described in these Attachments are provided and based solely on Customer's MARC commitment and Sub-Commitments under this Pricing Schedule .
- B. Contributory Services. Customer shall specify the AT&T account numbers under which the Contributory Services are currently or will be billed during the Term of this Pricing Schedule; the list identified by the Customer is set forth under Attachment C hereto, incorporated by reference herein. Customer hereby attests and warrants that the accounts set forth in Attachment C are accounts billed to Customer or its Affiliates. Upon request, AT&T may assist Customer in identifying the accounts, but the Parties hereby agree and acknowledge that the responsibility is solely Customer's for ensuring that all the accounts to be included under this Pricing Schedule are specified in Attachment C. For purposes of this Pricing Schedule, only Contributory Services billed under the accounts specified under Attachment C will be considered in determining the satisfaction of the MARC.
- C. No Resale. Customer's discounts hereunder are based upon Customer's purchase of a minimum volume of Contributory Services for its and its Affiliates own internal or administrative use. Customer understands and agrees that Resale of any Service hereunder is strictly prohibited, and AT&T may deem such a violation a material breach of this Pricing Schedule.
- D. Minimum Annual Revenue Commitment. Customer hereby agrees to the MARC specified in Attachment A for each 12 month period of the Term. In addition, Customer hereby elects an Annual Local Usage Sub-Commitment and Annual Toll Usage Sub-Commitment, and hereby agrees that to the Sub-Commitment levels specified in Attachment A for each year of the Term.
- E. Shortfall. In the event Customer's billings for Contributory Services as of the yearly anniversary date of the Commencement date are less than the MARC, Customer shall be liable for the difference between the MARC and the actual billings for Contributory Services ("Shortfall"). In addition, if Customer elected one or both Sub-

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Commitments under Attachment A and in the event Customer's actual billings for each category of Services covered under the Sub-Commitment(s) are less than the commitment set forth under Attachment A, Customer shall be liable for the difference between the sub-commitment and actual billings for those Services ("Shortfall"). Shortfall charges shall be billed in a lump sum and shall be due and payable within thirty (30) days after the AT&T invoice date. Shortfall billings shall be considered in the calculation of Customer's satisfaction of its MARC or any Sub-Commitment as applicable.

- F. Early Termination Liability. In the event Customer terminates this Pricing Schedule prior to the expiration date, Customer is liable for an Early Termination charge equal to fifty percent (50%) of the unsatisfied MARC, if any, remaining for the Term ("Early Termination Charge"). The Early Termination Charge shall be billed in a lump sum to Customer's billing statement or final bill for its Main AT&T Billing Telephone Number, as specified elsewhere in this Pricing Schedule. In the event Customer is liable for early termination charges for any Contributory or Eligible Service under Customer's terms of purchase for that Service, and provided those early termination charges are billed to a Billing Telephone Number under this Pricing Schedule, the charges will be considered Contributory Service billings for purpose of MARC satisfaction, and, consequently, will be considered as actual billings in the calculation of the Early Termination Charge described in this Section.
- G. Early Termination Charge Waiver. The Early Termination Charge shall be waived if during the Term of this Pricing Schedule Customer terminates this Pricing Schedule concurrent with the Customer entering into a new pricing schedule or a new agreement for a local network service discount plan or local usage discount plan, provided i) the AT&T local service company providing service under this Pricing Schedule solely determines that the services provided under the new pricing schedule or agreement are a substitute for the service arrangement under this Pricing Schedule, and ii) the new pricing schedule or agreement is for a term that is equal to or longer than the time remaining under this Pricing Schedule, and the Customer's annual spending commitment for local network services and/or local usage services under that new arrangement is equal to or greater than the spending commitment for those same services under this Pricing Schedule.
- H. Customer Locations. Attachment C specifies the Customer locations and the Customer AT&T accounts at each location which are subject to this Pricing Schedule and which are eligible for any applicable discounts under this Pricing Schedule. Customer is responsible for ensuring that the list set forth in Attachment C accurately reflects the locations and accounts it intends to be included. If subsequent to the Commencement Date of this Pricing Schedule, Customer determines that accounts at a specified location should have been included, or additional locations and associated accounts should be included, those accounts or locations will be added; however, unless otherwise agreed to in writing by AT&T, those accounts shall not be eligible for discounts prior to the date of their inclusion, nor shall the billings on those accounts for Contributory Services contribute to the satisfaction of the MARC prior to the date as confirmed by AT&T as the date of their inclusion hereunder. It shall be Customer's responsibility to notify AT&T of any changes to the locations already included under this Pricing Schedule. AT&T may identify locations or accounts that it believes should be included under this Pricing Schedule, and shall inform Customer of this finding, however, such notice shall not constitute an addition or other modification to this Pricing Schedule. Customer may, at its sole discretion, decide to add the locations or accounts to this Pricing Schedule, and shall do so under the same process as described above.

5. APPLICABLE REGULATORY REGULATIONS

If AT&T determines that it is necessary for this Pricing Schedule to be filed with or approved by a regulatory commission or agency, AT&T will seek such approval. If approval is required and not obtained, then this Pricing Schedule will immediately terminate and AT&T shall refund to Customer the non-recurring charges, if any, paid under this Pricing Schedule. Approval of this Pricing Schedule by any regulatory agency with proper jurisdiction does not constitute a determination that the terms and provisions of this Pricing Schedule, including the early termination provisions, will be upheld in a court of law or that the applicable regulatory agency has approved any term or provision contained herein.

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**AT&T Network Services Discount
Pricing Schedule**

**Attachment A
Customer Commitments
Contributory and Eligible Services**

Customer Commitments

A.

Customer agrees to the following MARC:

Year 1	\$55,900.00
Year 2	\$55,900.00
Year 3	\$55,900.00
Year 4	\$55,900.00
Year 5	\$55,900.00

B.

Customer agrees to the following Annual Local Usage Sub-Commitment:

Year 1	\$5,300.00
Year 2	\$5,300.00
Year 3	\$5,300.00
Year 4	\$5,300.00
Year 5	\$5,300.00

Total of All Commitments:

\$55,900.00

**AT&T Network Services Discount
Pricing Schedule**

**ATTACHMENT
A5
WISCONSIN**

"Any service subscribed to by Customer which is provided by an **AT&T affiliate listed on page one (1)** pursuant to local Exchange tariffs, including, but not limited to, those listed on this Attachment A (excluding federal and state fees, surcharges and taxes) shall be provided at the monthly rate(s) described in this Attachment A and shall contribute to the Annual Commitment."

	<u>Discount or Monthly Rate²</u>	<u>Eligible¹ For Total Volume Discount</u>
Local Access Services:		
PBX Trunks (DID, DOD, 2-Way)	Billed Rate	Eligible
Measured Business Lines	Billed Rate	Eligible
Local Usage (excludes ISDN calling plan usage):		
Local Usage	45.8%	Eligible
Extended Community Calling (ECC)	Billed Rate	Eligible
IntraLATA Toll/800 Usage:		
IntraState IntraLATA Toll	\$0.065	Eligible
Toll-Free 800/8XX	\$0.065	Eligible

25.5% Total Volume Discount Customer shall receive off the Services listed above as "Eligible".

¹ Services which are eligible for discount and the applicable discount may vary between States. Attachments A1-A13 are state specific Attachments, and the individual Attachment only applies if there is a Customer location in the relevant state included under this Addendum.

² When a percentage is shown, it is the amount of discount Customer receives off of the Billed Rate. A stated rate means the discounted rate Customer receives pursuant to this Attachment.

**AT&T Network Services Discount
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**Attachment B
Customer Affiliates**

The following Customer Affiliates are eligible for inclusion under this Pricing Schedule.

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**AT&T Network Services Discount
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**Attachment C
Site Directory**

Customer agrees that the following number shall be considered its Main Billing Telephone Number ("BTN") for purposes of this Pricing Schedule:

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