

INDIAN RIVER COUNTY, FLORIDA

MEMORANDUM

TO: Jason E. Brown, County Administrator

THROUGH: Richard B. Szyrka, P.E., Public Works Director

From: Manuel Cabo, Telecommunications Manager

SUBJECT: Extension of Agreement between Indian River County (IRC) and AT&T

DATE: May 1, 2018

CONSENT

BACKGROUND:

On February 16, 2010, the Board of County Commissioners approved three new contract service agreements with AT&T to cover the following County telephone systems: lines in the Vero Beach Central Office area, enhanced 911 Phone System, and lines operating in the Sebastian Central area. These agreements serviced the use of the phone lines by all offices under the Board of County Commissioners and the Constitutional Officers including the Elections Office and Sheriff's office, which benefited multiple individual accounts and created a 25.06% annual savings over previous agreements.

On March 8, 2016 these contract agreements were extended for two years. The agreements are now due to be extended again.

Attached are proposed AT&T service contract extensions, covering PRI (Primary Rate Interface) services, AT&T Centrex Telephone Line Services, 911 ANI (Automatic Number Identification) services, and 911 ALI (Automatic Location Information) services.

ANALYSIS

The attached AT&T Contract renewals are for two additional years, at the discounted rate structure that is currently in place, with an option to extend two additional years. The original contract agreements gave the County a 25% discount over the previous cost of the services provided by AT&T. The renewal of these agreements maintains this discount and shields the County against a Telecommunications rate increase. At current AT&T pricing levels, the county saves more than \$39,079.66 per month with these agreements in place when compared to non-contractual AT&T rates. (See attached spreadsheet - contractual rate = \$18,913.34 per month vs. non-contractual = \$57,993.00 per month). As a utility, AT&T service is Purchase Order exempt, per the IRC Purchasing Manual, and there is not statutory requirement for the County to bid the service.

AT&T is the only area service provider available that can provided the necessary services for the IRC PBX telephone systems currently utilized by the County. In order for the County to utilize other telephone service providers, the County must first convert to a VoIP telephone system that will cost approximately \$500,000.

AT&T PRI services are the main telecommunications format through which all IRC PBX telephone systems communicate with the PSTN (Public Switched Telephone Network). The PRIs handle most County telephone traffic, both incoming and outgoing, for multiple PBX telephone systems throughout the County.

AT&T Centrex Telephone service is the telecommunications format through which most County remote locations, and smaller PBX Telephone service locations, are handled. Centrex lines allow the flexibility to re-direct incoming calls to alternate sites, such as during telephone service outages or emergencies. The AT&T contract extensions proposed here for Centrex services, are divided into two groups. These cover the two AT&T Central Office Exchange locations that currently serve IRC – Vero Beach, and Sebastian.

The 911 services described in these AT&T contract extensions allow dispatchers to identify the address location of the 911 caller. This allows emergency services to be dispatched to the correct site in the event the caller cannot speak or the call is interrupted.

AT&T is currently proposing telecommunications service changes through the FCC, along with other telecommunications providers, in an effort to ultimately retire legacy PSTN formats such as PRI, Centrex, and standard copper-based telephone lines. The effort is geared to replace these types of traditional telephone communications formats with IP based network services. As these efforts move forward, the cost of PSTN legacy telephone services will continue to escalate.

The Telecommunications Division is currently working with NEC, our main PBX telephone systems provider, as well as with AT&T and others, on formats that will serve our Telecommunications systems in the future with formats such as SIP Trunk services, and IP Trunks over fiber optic network links. These new formats convert telephone conversations (voice) into data packets, which would then be transmitted and received over County internet circuits to the PSTN. These are the main PSTN communications formats for the more advanced VoIP (Voice over Internet Protocol) telephone systems that are currently driving the industry.

FUNDING

The agreements will service the use of the phone lines by all offices under the Board of County Commissioners and the Constitutional Officers including the Election's Office and the Sheriff's Office. There are a multitude of individual accounts that will be served through these agreements. Renewal of these agreements will ensure that there will be no change to the existing pricing schedules. The total estimated annual cost is \$226,960.08.

RECOMMENDATION

Staff recommends that the Board of County Commissioners approve the contract extensions to keep the price structure for these AT&T services from increasing.

ATTACHMENTS

AT&T Spreadsheet Comparison of Contractual Rates versus Non-contractual Rates
Contract Extension for 911 Services, Case Number FL18-0545-00
Contract Extension for Centrex Services Sebastian, Case Number FL18-0618-00
Contract Extension for Centrex PRI Services Vero Beach, Case Number FL18-0634-00

DISTRIBUTION

AT&T Business Solutions

APPROVED AGENDA ITEM FOR MAY 8, 2018