

CITY OF PALMER ACTION MEMORANDUM No. 09-030

SUBJECT: Authorize the Manager to Enter into a Three Year Lease Agreement with Avaya Financial Services & MTA for the Internet Protocol (IP) Telephone Equipment System

AGENDA OF: April 28, 2009

Council action:	Authorized
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Approved for presentation by B. B. Allen, City Manager B. B. Allen

Route To:	Department/Individual:	Initials/Date:	Remarks:
X	Originator – City Manager	<i>BB</i>	
X	City Clerk	<i>JH</i> 4/17/09	
X	City Attorney	<i>AA</i> 4/17/09	
X	Director of Administration	<i>DA</i>	
	Director of Community Development		
	Director of Community Services		
	Director of Public Safety		
	Director of Public Works		

Attachment(s): Summary of Economic Impact

Certification of Funds:

	No fiscal impact.	
X	Funds are budgeted from this account number:	XX-XX-XX-6031
	Funds are not budgeted. Budget modification is required. Affected account number:	

Director of Administration Signature: *Kelli Vlach*

Summary statement:

The City of Palmer Council authorizes the City Manager to enter into a three year lease for the Internet Protocol (IP) telephone system with the option to purchase for \$1 at the end of the lease. The City of Palmer is currently operating with a Centrex telephone system which requires several individual dial tones and is more expensive to operate than the IP PBX system. The current system does not tie all the City phones together so callers cannot easily be transferred within the City offices unless they are located in the same building. With the Avaya system, the monthly service and maintenance savings to the City would be approximately \$1,300 per month. MTA and Avaya are offering a zero percent lease agreement through April 30, 2009. The administration recommends taking advantage of this zero percent lease offer to avoid

purchasing the same equipment for approximately \$52,300. The costs relating to leasing the equipment over the three years ranges from \$1,400 to \$3,000. The leased equipment is covered under warranty for the first year at no cost to the City with the maintenance costs beginning the second year at approximately \$500 per year. At the end of the three year lease, the City has the option to purchase the equipment for \$1.

The Avaya IP Telephone Office System, beside being more economical, provides shared calling across locations, voicemail to email, directory dialing built into the phones, hot-desking, mobile twinning, web conferencing and speakerphone capabilities on all sets.

Administration recommendation: Approve action memorandum 09-030.



City of Palmer • Summary of Economic Impact

Proposed Legislative Action:

Action Memorandum 09-030: Authorize the Manager to Enter into a Three Year Lease Agreement with Avaya Financial Services & MTA for the Internet Protocol (IP) Telephone Equipment System

List all of the costs associated with enactment of the legislation:

List the corresponding funding source:

		Source:		Amount:
Implementation:	\$ 1,400	General Fund	\$	1,400
Capital:	\$	1 st lease payment \$1,400; may require first and last for	\$	
Operation:	\$	\$3,000	\$	
Maintenance:	\$ 500	Allocated to various general fund operating budgets	\$	500
Total:	\$ 1,900		Total: \$	1,900

Revenues (list the affected line item name and number):

Operating funds:	FY09	FY10	FY11	FY12
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
Total:	\$	\$	\$	\$

Enterprise funds:	FY09	FY10	FY11	FY12
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
Total:	\$	\$	\$	\$

Capital funds:	FY09	FY10	FY11	FY12
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
Total:	\$	\$	\$	\$

Expenses (list the affected line item name and number):

Operating funds:	FY09	FY10	FY11	FY12
General Fund 01-xx-xx-6031	\$ 1,400	\$	\$	\$
General Fund Maintenance	\$	\$ 500	\$ 500	\$ 500
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
Total	\$ 1,400	\$ 500	\$ 500	\$ 500

Enterprise funds:	FY09	FY10	FY11	FY12
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
Total:	\$	\$	\$	\$

Capital funds:	FY09	FY10	FY11	FY12
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
Total:	\$	\$	\$	\$

Are new positions required? Yes No

Position Title:	Position Type (full-time, part-time, temporary):	Approximate Cost:
		\$
		\$
		\$

List impacts on existing programs created by the proposed legislation:

Improved telephone service for City employees and their ability to serve the public.

Fiscal effects of not passing the legislation:

Higher monthly service costs.