

City of Ballwin

Memo

To: Robert Kuntz, City Administrator

From: Thomas H. Aiken, AICP, Assistant City Administrator / City Planner

Date: 9/8/14

Re: Telephone equipment purchase

The attached memorandum from Paula Reeds outlines her recent investigation into purchasing replacement telephone equipment to allow the conversion of the telephone system from an analog system to an internet (VOIP) based system. This was approved by the Board and the first part of the conversion cost is in the 2014 budget.

The Mitel system that Ballwin presently owns can be reprogrammed to convert from analog to VOIP protocol so all that Ballwin needs to acquire to accomplish the conversion is the new telephones and the rewiring of the buildings. The 2014 budget was adopted with funding to purchase half of the telephones and rewire the Government Center. The balance of the acquisitions was to be done in the 2015 budget. Due to the question of the remodeling of the Government Center this work has not been done in 2014 because there is no purpose served in rewiring and tearing it all out to remodel. The telephones however are on sale for half price. It will be possible to purchase all of the telephones needed from the 2014 budget allocation if we act now.

Only Mitel phones can be used with the Mitel system, so if we're going to convert the existing PBX we have to purchase Mitel equipment. Three prices are shown in Paula's memorandum. Paula would like to make the purchase from Tech Electronics. Tech Electronics and Fulton Communications are both Mitel authorized equipment providers in the St. Louis area. Ligas is an on-line provider. Because Mitel and Fulton are authorized Mitel dealers in the area they can also sell the licenses necessary to operate the phones. Ligas and other on-line sellers of equipment will typically not be able to sell licenses so we would have to purchase them from Tech or Fulton to make the new phones operational. This license acquisition would introduce an additional cost to any purchase from an on-line seller and push their phones above the Tech Electronics price. Additionally, the new phones will come with a one year warranty, but any maintenance after that would be billed as it occurs, or would be subject to a supplemental maintenance agreement. Tech Electronics, because we already have an equipment maintenance agreement with them, will cover the new phones under this agreement at no additional cost if we purchase the phones from them. This is a substantial potential savings and I believe it pushes the purchase well into Tech Electronics' favor.

When Paula began looking into making this purchase she discovered the sale. She was not aware of it prior. It ends on September 30, 2014, so approval of the purchase as soon as possible is recommended to take advantage of the sale. Tech Electronics is also recommended on the basis of the strong relationship it has with the personnel of the company. It has been involved in the installation of Ballwin's computer and telephone systems and is very responsive to Ballwin's needs in emergency situations; especially given that the police department relies on the telephone system it services. Finding similar responsiveness will be virtually impossible and losing this relationship is clearly not in the city's overall best interests. I recommend, therefore, that the Board authorize the purchase of the telephones with licenses from Tech Electronics in time to take advantage of the sale.

Mitel IP Phones

Part #	Model	Total	Tech Electronics		Fulton Communications		Ligas Enterprises Inc.	
			Unit Price	Total	Unit Price	Total	Unit Price	Total
50005991	5360	0	\$558.35	\$0.00	\$0.00	\$0.00	\$429.00	\$0.00
50006478	5340e	8	\$464.51	\$3,716.08	\$0.00	\$0.00	\$349.00	\$2,792.00
50006476	5330e	65	\$370.67	\$24,093.55	\$0.00	\$0.00	\$265.00	\$17,225.00
50006634	5320e, w/ backlight	14	\$304.98	\$4,269.72	\$0.00	\$0.00	\$220.00	\$3,080.00
51011571	5304	7	\$154.84	\$1,083.88	\$0.00	\$0.00	\$119.00	\$833.00
	# of Phones	94		\$33,163.23		\$31,398.12		\$23,930.00
54004976	Licensing	94	\$162.79	\$15,302.26		included		n/a
SubTotal				\$48,465.49		\$31,398.12		\$23,930.00
			* Special Buy	50%				
Total - Mitel Phones and Mitel Licensing				\$24,232.75		\$31,398.12		\$23,930.00

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*Special Buy - Buy One, Get One - Includes phones and license. Ends September 30th, 2014

** 5320e w/o backlight

Tech Electronics includes telephones under existing maintenance agreement.

Fulton Communications includes 1 yr Warranty.

Ligas Enterprises does not offer licensing.