FOR BOARD ACTION

Agenda Item # 8 **Meeting Date:** 12/16/04

SUBJECT: Telephone System Replacement

PREPARED BY: Mary Tompkins, Customer Relations Manager

ITEM DESCRIPTION:

Our current telephone system was originally installed when the Service Center was built in 1988 and is now 17 years old. The installed cost of the initial system including voice mail and communications equipment was approximately $210,000. It was designed to provide basic, traditional telephone service and basic tools to support high-volume customer call traffic. Our voice mail system is obsolete. A recent partial system failure during an emergency outage highlighted the potential impact on our customers. Fortunately it was a small outage and we were able to handle the call volume in our customer service area.

Our telephone system is a critical component of all business processes that serve our customers. This includes providing basic telephone service to the entire organization as well customer contact tools to manage high-volume customer call traffic during normal business hours and during emergencies such as major service outages. Telephone systems today are designed to turn your "voice" into "data". This allows them to share the same data network as other computer systems. It also means that phone calls can be incorporated into the business processes so that we can reliably serve our customers on their terms.

Our customer base continues to grow and become more diverse as we now serve five generations of customers. One of the goals of our Customer Contact program will be to provide our customers with the same options for accessing information and services that they have for personal banking, shopping and paying bills. This will include offering options ranging from face-to-face contact at our Service Center to 24/7 access on the internet where customers can serve themselves. Employees will need access to tools that allow them to respond to our customers from a variety of contact sources including in-person, telephone, email and instant messaging. This will also mean ready access to business information from any place employees can connect a computer including at our Service Center, in our service vehicles and in their homes for after-hour emergency outage support.

The telephone project was originally budgeted for $160,000 for 2004. The requested amount is $230,000. The purchase will be made from a vendor (Enventis Telecom) on the State of Minnesota contract which expires December 31, 2004.

UTILITY BOARD ACTION REQUESTED:

The Board is requested to approve a contract agreement with Enventis Telecom for the purchase and implementation of a Cisco IP Telephony solution for $230,000.

Larry Koshiol
General Manager

12/14/04
Date

ROCHESTER PUBLIC UTILITIES

Enventis Telecom

SCHEDULE II– IP Telephony Professional Services

THIS SCHEDULE is made and entered into as of this day of December 16, 2004, by and between Enventis Telecom, Inc., a Minnesota corporation ("Enventis"), and City of Rochester, a Minnesota municipal corporation, acting through its Rochester Utility Board ("Customer").

1. Scope of Services.

Customer retains Enventis to perform, and Enventis agrees to perform, the services described in this section for the fees described in Section 4. Any change to the scope of services shall require approval by Enventis of an Enventis change order form.

Planning, Design, and Implementation Overview

Enventis Telecom shall implement an IP Communications solution consisting of a multiservice network infrastructure and IP telephony system at RPU's two locations; Service Center and Silver Lake. Our proposed service includes assistance with implementation, hardware procurement, staging and testing, training and knowledge transfer for these locations. This solution includes a multiservice, standards-based IP infrastructure design that supports voice, video, data and storage—based on Cisco System's Architecture for Voice, Video and Integrated Data (AAVID).

The solution designed for the Service center location includes:

- Centralized call processing with two CallManager MCS7835 servers
- Voice messaging with one Unity MCS 7835 server
- Contact center with one IPCC Express MCS7835 server
- Data core with one Cisco Catalyst 6500 switch and 3560-48 powered edge switches
- Station side analog services with one VG248 for faxes and modems
- Approximately 125 Cisco IP phones
- Approximately two IPCC Express call center scripts
    - Customer service queuing with up to 10 desktop agents
    - Outage management with up to 15 IP phone agents handling outage tasks

The solution designed for Silver Lake location includes:

- Switching is provided by a combination of existing and new 3560 and 3750 switches
- Approximately 20 Cisco IP phones
- Approximately 10 number of CAD agents

Implementation Phase Service Description and Deliverables

Enventis will share responsibility for implementing the solution with the following implementation services in cooperation with customer's staff. Enventis' deployment methodology is well-tested and has been developed to leverage the design documentation to help ensure customer satisfaction.

1. **Procurement and Staging**—Enventis will procure the equipment and provide staging services at our facility office for the solution including:
    - 1.1 Order equipment per the timing provided in the project plan
    - 1.2 Test relevant equipment to ensure proper basic operation (power-up)
    - 1.3 Implement initial software configurations for switches, routers, CallManager servers, Unity server, etc. per the *Design Documentation*
    - 1.4 Initiate maintenance coverage, if applicable

2. **Station Reviews**—Enventis will validate a station review template(s) to collect the station information.
   2.1 Assist Customer in the process of collecting the station review information from customer employees
3. **Production Solution Implementation**—Enventis will provide services including:
   3.1. Complete the following deliverables at the Customer Service Site and Silver Lake facility. The majority of the staging and configuration will be completed at Enventis' Plymouth, Minnesota office
      3.1.1 Rack and stack hardware in customer data center and/or closets [Customer's Responsibility]
      3.1.2 Cross-connect all closet switching infrastructure to cabling infrastructure [Customer's Responsibility]
      3.1.3 With assistance from Customer, validate and confirm server network connectivity
      3.1.4 Configure and test software (IOS) for switches and routers
      3.1.5 Configure Quality of Service (QoS) elements of solution
   3.2. Voice System
      3.2.1 Configure voice gateways
      3.2.2 Configure Cisco CallManager Publisher and Unity server per *Solution Design Document*
      3.2.3 Connect telephony servers and gateway devices to switching infrastructure via patch cables
      3.2.4 Connect telephony gateways to PSTN circuits via patch cables
      3.2.5 Turn-up PSTN circuits.
      3.2.6 Configure IP phones per station review documentation
      3.2.7 Deploy phones to desktops [Customer's Responsibility]
      3.2.8 Install, connect and test fax and modem devices per assumptions
      3.2.9 Configure and test 911 solution (not E911)
      3.2.10 Load and configure one Attendant Console instance
      3.2.11 Configure Multi-Level Administration on the CallManager
      3.2.12 Install Cisco Security Agent (with free version supplied by Cisco) on CallManager
      3.2.13 Configure Unity server
   3.3. Unity Messaging System
      3.3.1 Load and configure one end-user Unity software instance (Customer configure remaining systems, only required for Unified Messaging)
      3.3.2 Configure Call Handlers per design documentation
      3.3.3 Record call handler menus if applicable [Customer's Responsibility]
   3.4 IPCC Express ACD
      3.4.1 Configure IPCC-Express software and server per *Solution Design Document*
      3.4.2 Load and configure end-user Agent Desktop instance and one Supervisor Desktop (Customer configure remaining systems)
      3.4.3 Provide IP Phone Agent capability to phones as specified in station review documentation
4. **Solution Testing / Customer Acceptance**—Enventis will test the solution as designed and document the test results per the defined solution acceptance criteria. Customer must report any post-cutover issues within 7 days of the cutover date. Enventis will add these items to a punch list and manage them to resolution.
5. **Cutover (Day 1) User Support**—Enventis will provide an onsite resource(s) to assist with user issues for the cutover day. For each cutover type, Enventis will provide the following on-site resources
   5.1 Customer Service Center: Enventis will provide one Engineers and one support person for the first and second day of service.
   5.2 Silver Lake Location: Enventis will provide one Engineer for the first day of service.
6. **Create Documentation**—Enventis will document the as-built solution including enterprise and per site configuration and topology. The document will include a Visio drawing of the network and voice components as well as an updated Design Document.

7. **Customer Administrator Training**

7.1. Enventis will train the administrators responsible for maintaining the IP telephony system. This will occur in three formal administrator session (up to 4 attendees), one for Unity, Call Manager and IPCC Express Each session will last approximately 3 hours. In addition, informal administrator training will occur while the customer's staff participates in planning, design, staging and implementation of the solution. Enventis also strongly encourages the customer attend Cisco-certified IP telephony training courses. More information on these classes is available upon request.

7.2. Enventis will provide a two hour knowledge transfer session with the customer's help desk personnel

8. **End User Training**

8.1 Training sessions will be conducted in English only. Training sessions will occur at the Customer Service Center location. Training sessions will occur sequentially on consecutive days with a maximum of 5 sessions per day.

8.2 End-user IP phone and voice mail training – Enventis will conduct end-user training sessions for IP phone and voice mail/UM usage. The training sessions last up to 1.5 hours and include up to 15 attendees. The trainer will provide training materials. Customer must provide a room for training with live data jacks, power and phones. Classes will be held during normal business hours.

8.3 Receptionist training— Enventis will conduct training for customer receptionists who typically require advanced understanding of the phone sets. Two-hour sessions with 4 or less attendees are included. Additional sessions can be purchased. Training will cover the IP phone features, voice mail and Attendant Console if applicable. Customer must provide the workstation with Windows 98 or higher for training. Classes will be held during normal business hours.

8.4 IPCC Express Agent desktop / phone training—Enventis will conduct end-user training sessions for IP phone, voicemail and agent desktop usage. Training sessions will be provided in English only. The training sessions typically last 1.5 hours and include up to 15 attendees. Customer must provide a room for training with live data jacks. Classes will be held during normal business hours.

8.5 IPCC Express Supervisor agent desktop training— Enventis will conduct training sessions to train Supervisors on IP phone, voice mail, Supervisor desktop and historical reporting usage. Training sessions typically last 1.5 hours and include up to 10 attendees. Customer must provide a room for training with live data jacks, power, workstation, and phones. Classes will be held during normal business hours.

9. **Project Management**—Enventis will provide Project Management services including:

9.1 Development and management of a project plan

9.2 Conducting appropriate status meetings

9.3 Tracking changes to project scope.

9.4 Customer must provide a Project Lead to coordinate client activities and report status on any client-owned tasks to the Enventis Project Manager.

2. Duration.

Performance of services shall commence on December 1, 2004 and shall conclude upon delivery completion of hourly service. Either party may terminate this Schedule prior to completion, without prejudice to any claim against the other party, in the event of a breach of any material term or condition of this Schedule by the other party which is not cured within 15 days of written notice thereof. All accrued fees and expenses shall become immediately due and payable at termination.

3. Financial Summary.

Solution and Service Pricing

Pricing for services described in this scope of work is based on Revision 5 of the RPU itemized equipment list.

Implementation services are to be billed hourly at the following rates:

- Project Management $ 125/hr (40 Hours Estimate)
- Engineering Services $160/hr (232 Hours Estimated)

Services are to be billed actual per the hours used.

4. Customer Responsibilities.

Customer shall designate a dedicated, knowledgeable, contact person with authority to act on Customer's behalf on all matters under this Schedule. Customer shall also provide Enventis with reasonable workspace during all times of service. Customer shall also provide Enventis with appropriate access to Customer facilities, including badges with proper security and access rights.

IN WITNESS WHEREOF, the parties have caused the execution of this Schedule as of the day and year first above written.

Enventis Telecom, Inc.

By _____

Its _____

Date _____

City of Rochester

By _____

It's Mayor

By _____

It's City Clerk

Date _____

rpu
we pledge, we deliver

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with Enventis Telecom and to request that the Mayor and the City Clerk execute the agreement for

Purchase of Cisco IP Telephony solution for $230,000.

The amount of the contract agreement to be TWO HUNDRED THIRTY THOUSAND AND 00/100 DOLLARS ($230,000.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 16th day of December, 2004.

_____
President

_____
Secretary