



Chicago Park District

Legislation Text

File #: 18-3055-0711, **Version:** 1

AUTHORIZATION TO ENTER INTO A CONTRACT WITH ALTAWORX, LLC FOR TELECOMMUNICATIONS SERVICES

To the Honorable Board of Commissioners of the Chicago Park District

I. Recommendation

Pursuant to Chapter XI, Section D, 1, b, (2), (f), (i) of the Code of the Chicago Park District, it is recommended that the General Superintendent and CEO or his designee enter into a contract with Altaworx, LLC to provide telecommunications services to the Chicago Park District. Moreover, it is recommended that competitive bidding be suspended, because it is in the best interest of the Chicago Park District to begin to realize the cost savings as a result of these services in the short term. No work may commence and no payment shall be made to contractor prior to the execution of a written agreement.

II. Award Information

Company: Altaworx
455 Magnolia Ave, Suite B
Fairhope, AL 36532

Company Type: Limited Liability Company

Majority Interests:	Rickie Richie	52.5%
	Donn Greiner	35.0%
	Scott Boykin	7.5%
	Bob Nichols	5.0%

Contract Term: One (1) year initial term with two (2) additional one (1) year extension options

Contract Amount: Not-to-exceed \$660,000.00 for the initial contract term. If extension options are exercised, funding shall be based upon available annual appropriations.

Scope of Services: Telecommunications Services

Affirmative

Action Goals: The Minority- and Women-Owned Participation for this contract will include: 50% Minority-Owned and 0% Women-Owned

Authorization: Authorize the General Counsel to include other relevant terms and conditions in the written Agreement. Authorize the General Superintendent to execute the Agreement and the Secretary to attest as to the signing of the Agreement and keep an original copy of the Agreement on file.

III. Budget and Financial Information

Budget Classification: Operating
Fiscal Year: 2018
Source of Funds: 001.8230.8230.623015.00001.01.01.0001

IV. Procurement Information

Pursuant to Chapter XI, Section D, 1, b, (2), (f), (i) of the Code of the Chicago Park District competitive sealed bidding has been suspended for this purchase.

The goal of this cost-savings initiative is to immediately reduce expense related to POTS (Plain Old Telephone Service) currently provided by AT&T, with no end user impact or capital investment. Through the help of an external consultant, CPD IT identified a market of AT&T service wholesalers via the AT&T Partner Exchange (APEX) program, which allows for solution providers to re-sell AT&T services (including POTS) with improved billing services and rates lower than what CPD is currently billed directly by AT&T. An RFI process was conducted by the consultant on behalf of CPD at no-cost with five APEX-certified vendors responding. Of the five vendors who responded, only three were able to meet the requirements laid out by CPD. Due to the fact that each wholesaler is proposing the same solution (AT&T service), the pricing difference was negligible. However, Altaworx provided the most flexibility with the term of the contract and is therefore being recommended for the award.

V. Explanation

Under the director of the Chief Technology Officer and recent changes to the IT Department and its leadership team, the Chicago Park District Department of Information Technology is implementing cost-savings measures with regard to its overall technology expenses. This contract with Altaworx represents the first phase of CPD IT's Telecomm Modernization Program, which aims to reduce costs immediately with no capital investment. The highest expenses within CPD's portfolio of telecommunications services lay with private analog phone lines (A.K.A. Plain Old Telephone Service, or "POTS" for short).

As of June 2018, the Chicago Park District is billed for 627 POTS lines directly with AT&T. These phone lines are used for voice, fax, and alarm communications at Park District facilities across the city of Chicago. The line charge for POTS lines under the current AT&T agreement has reached approximately \$124 per line per month. At this rate (and when including long distance, surcharges, access charges, taxes, and other fees), the total annual expense for POTS services is projected to total \$1,254,830 in 2018. By migrating the POTS billing service to Altaworx (a reseller of AT&T services) CPD's POTS line charges will be reduced from \$124 to \$63 per line per month (along with reductions in long distance, surcharges, access charges, taxes, and other fees). This will effectively reduce POTS-related expenses by 50%, saving the Chicago Park District approximately \$627,000 annually.

In addition, this migration will require Altaworx to conduct a comprehensive POTS lines inventory and audit to verify successful billing cutover. This will ultimately provide the Chicago Park District with detailed information around how each of the 627 POTS lines are currently being used (i.e., voice lines, fax lines, alarm lines, elevator lines, gas lines, freeze lines, etc.). This information is critical for CPD IT to develop and finalize the phase 2 strategy of migrating off of aging copper wire infrastructure and modernizing our telecommunications platforms (i.e. migrating to VoIP, cellular solutions) and further reducing telecommunications costs.

V. General Conditions

- 1) *Conflicts*: The Agreement shall not be legally binding on the Chicago Park District if entered into in violation of the provisions of 50 ILCS 105, the Public Officer Prohibited Activities Act.
- 2) *Ethics*: The Chicago Park District's Ethics Code, Chapter III of the Code of the Chicago Park District, shall be incorporated into and made part of the agreement.
- 3) *Contingent Liability*: Any agreement lawfully entered into for a period of more than one year shall be executory only for the amounts for which the Park District may become liable in succeeding fiscal years pursuant to 70 ILCS 1505/17(i). The agreement shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year budget.
- 4) *Economic Disclosure Statement* ("EDS"): Contractor has submitted a full and complete EDS.