

670145

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda
BIDS AND PROPOSALS

TO: President and Village Board of Trustees
FROM: William T. Lichter, Village Manager
DATE: February 28, 2007 Agenda Date: March 15 2007
TITLE: 3 Year Contract Telephone Service

SUBMITTED BY: Larry Mcginnis, IT Manager

RESULTS:

Date Bids Were Published: Date Bidding Closed: / /
Total Number of Bids Received
Total Number of Bidders Meeting Specifications
Bid Security Required
Performance Bond Required
Were Any Bids Withdrawn
Explanation
If yes, explain:
Waiver of Bids Requested?
If yes, explain: Current vendor had the lowest rate quote. A change in vendor would result in additional installation charges.
Award Recommended to Lowest Responsible Bidder
If no, explain:

FISCAL IMPACT:

There would be a reduction in the monthly rates as outlined in attached memo.

BACKGROUND/RECOMMENDATION:

Has Recommended Bidder Worked for Village Previously ☒ Yes ☐ No
If yes, was quality of work acceptable ☒ Yes ☐ No
Was item bid in accordance with Public Act 85-1295? ☐ Yes ☐ No
Waiver of bids - Public Act 85-1295 does not apply ☒ Yes ☐ No

REVIEW (as needed):
Finance Director XX *[Signature]* Date 03/06/07
Village Manager XX *[Signature]* Date 3/17/07
NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 Noon, Wednesday, prior to the Board Agenda distribution.



To: Leonard Flood
Director of Finance

From: Larry McGinnis
I.T. Manager

Date: February 28, 2007

Subject: Phone Service Contract with Cimco

The three-year contract for phone services has expired as of February 28, 2007. I have obtained proposals from AT&T and Cimco. Cimco is currently our phone service provider. AT&T's proposal shows rates that are higher than Cimco however to off-set these, AT&T is offering a \$17,500 signing bonus, dispersed in increments. To obtain the signing bonus AT&T requires a minimum of \$50,000 per year or about \$4,200 a month for local services, including access, usage and circuits plus a \$2,400 a year in long distance charges. Our estimated local charges are approximately \$4,000 a month. Our estimated annual long distance charges are \$1,300 per year. If the Village doesn't meet the minimums then the signing bonus would be retracted. Below is the proposed rate structure of both companies.

Rate Structure			
Type of service	AT&T	CIMCO	Current Rates
PRI Lines	400.00 each	295.00 each	475.00 each
Business Lines	10.80 each	11.95 each	15.63 each
POTS Lines	10.80 each	17.47 each	17.47 each
A Band	0.0100 per minute	0.00900 minute	0.0250 minute
B Band	0.0240 per minute	0.01500 minute	0.0300 minute
C Band	0.0390 per minute	0.02500 minute	0.0400 minute
Line charge/DIDs		1.00 blocks of 10	1.00 blocks of 10
Caller ID w/name		75.00 per PRI	75.00 per PRI
Long Distance Rates			
Interstate	0.039 per minute	0.028 per minute	0.040 per minute
Intrastate	0.039 per minute	0.028 per minute	0.040 per minute
Data Circuits	1669.52 all circuits per month	1033.12 all circuits per month	1664.00 all circuits per month

Based on the above rate structure and utilizing the usage from our January 2007 bill, AT&T estimated 3 yr cost is \$141,888 including the signing bonus. Utilizing the same usage information the estimated 3 yr cost for Cimco is \$140,290. These costs do not include taxes.

I.T. has been very satisfied with the service Cimco has provided the Village over the past three years. There have been no billing issues and service has been very responsive to our requests. I.T. recommends a three-year contract be awarded to Cimco based on the listed rate structure.



Customer: Village of Lombard
 Address: 255 E Wilson Ave
 City: Lombard
 State: IL ZIP: 60148
 Contact: Larry McGhinis
 Telephone Number: 630-873-4740

This Agreement authorizes CIMCO Communications, Inc. (hereinafter referred to as "CIMCO") in accordance with the terms and conditions herein set forth of this Agreement; to provide Data Services for the above named Customer.

1. CIMCO will provide communications services to locations designated by the Customer in accordance with CIMCO's Service Offering No. 1, Service Offering No. 2, ICC tariff 4 and 5 and will arrange all functions required to transfer the Customer's Communication Services.
2. Customer understands and agrees that invoices are payable within 30 days of date of invoice. In the event payment is not made, Customer agrees to pay all late charges, costs and expense of collection, including interest and a reasonable attorney's fee. This Agreement shall be construed under the laws of the State of Illinois and any action to construe or enforce this Agreement shall be brought in the courts of the State of Illinois. Customer is responsible for all contract liability incurred from previous carrier.

3. Customer agrees to subscribe to this service for a 36 month consecutive term. The term of this Agreement shall commence on the date this Agreement is fully executed and shall continue for 36 months from the cutover date and shall automatically renew to month-to-month terms unless canceled by either party with sixty (60) days written notice. Cimco reserves the right to commence billing upon circuit delivery.

4. Customer acknowledges that CIMCO will commence provisioning of Customer's order for Service and that CIMCO will incur expense in reliance upon Customer's commitment for the Service. Customer agrees that if it Customer cancels this order prior to the time that CIMCO begins providing service to Customer, then Customer will be liable to CIMCO for the expense that CIMCO incurs. Customer further agrees that such expense will be difficult to measure, and that the sum of \$1,000.00 is a reasonable estimate of the amount of expense that CIMCO is anticipated to so incur. Therefore, if Customer cancels this order prior to the time that CIMCO begins providing service to Customer, then Customer will be liable to CIMCO in the amount of the out of pocket expense CIMCO incurred and \$1,000.00, as liquidated damages and not as a penalty.

5. Following are the circuit quotes that apply to this agreement:
 Attached Quote # VSS02142007-MH2

Customer has received a copy of the quote and agrees to the terms and pricing.
 (Customer initials required)

6. The undersigned guarantees payment of all monies due CIMCO Communications, Inc. or its assignee, as a result of any account established for the company named and/or its subsidiaries. Further, he/she guarantees that all statements made herein are true and correct to the best of his/her knowledge. Finally, the undersigned authorizes the release of credit and financial information to CIMCO Communications, Inc. by applicant's bank and other references.

7. In the event of conflict or discrepancy between provisions of this order and provisions of the applicable tariff, the provisions of the tariff will prevail. This order and the applicable tariffs are the complete agreement of the parties and supersede any discussions, representation, or proposals, written or oral, concerning the service.

8. Customers requesting termination of a circuit prior to the expiration date of the 36 month term will be liable for a charge on each individual circuit canceled, calculated as described below, which upon termination shall become immediately due and payable in its entirety. The termination charge for monthly term agreements will be calculated as follows:

- A. LOCAL CIRCUIT Termination:
 1. If a termination of service occurs within the first 12 months of the term of this Agreement, Customer will be liable for an amount equal to 12 times the monthly rate for a one year term less any monthly recurring charges already paid. Any waived installation charges will also be owed.
 2. If termination of service occurs after the 12th month of the term of this Agreement, Customer will be liable for the difference between the applicable monthly rate for the term completed at time of termination and the current monthly rate, times the number of months of actual service. Any waived installation charges will also be owed.
- B. LONG DISTANCE CIRCUIT Termination:
 If Customer disconnects any or all Long Distance circuits prior to the end of the term of this agreement, Customer agrees to pay an early termination charge equal to one hundred percent (100%) of the total Monthly Recurring Charges, for the disconnected circuit times the number of months remaining in the unexpired term of this Agreement. The foregoing early termination charges shall not apply in instances where Customer terminates this Agreement by converting to a new CIMCO agreement that is equal to or greater than its initial term and monthly commitment. All termination notifications must be sent to CIMCO, Director of Sales, 1901 S. Meyers Road, Suite 700, Oakbrook Terrace, IL 60181 in writing, sent by US Postal service, by certified mail with return receipt requested.

9. All termination notifications must be sent to CIMCO: CFO, 1901 S. Meyers Road, Suite 700, Oakbrook Terrace, IL 60181 in writing, sent by US Postal service, by certified mail with return receipt requested.

10. Customer has received and reviewed the Installation Guide and understands the process and responsibilities n/a (Customer initials required)

11. The customer has the option to cancel the order for quote ID n/a for a fiber application (DS3, GigPath, etc.) if once the order is placed and there are special construction non-recurring charges determined and the customer does not want to pay. Customer must provide written cancellation within 3 business days from the time a CIMCO representative contacts the customer. If determined there is no additional charge to the customer for the special construction build then quote ID n/a will continue to process as a valid order. Customer Initials Required n/a (Enter N/A if this is not an application needing fiber.)

This signed Agreement and any other documents transmitted by fax machine shall be treated in all manner and respects as an original document. Any such fax document shall be considered to have the same binding legal effect as an original document.

CIMCO shall not be liable for any general, special, indirect, incidental or consequential damages of any character as a result of the services provided by or not provided by CIMCO.

The undersigned hereby agrees to the terms and conditions set forth herein and is duly authorized to execute this Agreement.

Company: Village of Lombard

By:

Print Name:

Title:

Date:

Save Form and Sign Later



Please complete the information below

Name To Sign: _____
Email Address: _____
I acknowledge that I am applying a legally binding electronic signature in my name to this document, and I have read and agree to the Terms of Service.

Sign Electronically

Print, Sign & Fax