

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** 02/15/2018

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Capital Project WO217 Phone and Voicemail Replacement

**FISCAL EFFECT:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
|---|--|

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Years (2-3)
<b>Operating Budget</b>	Expenditure		
	Revenue		
	Net Cost		
<b>Capital Improvement Budget</b>	Expenditure	\$1,212,000.00	\$2,942,000.00
	Revenue		
	Net Cost		

**DESCRIPTION OF FISCAL EFFECT**

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.

*The approval of the requested action will allow Milwaukee County to execute a three-year Master Services Agreement for \$3,300,000 with Integration Partners Corporation (IPC) to implement and deploy Avaya Aura VoIP Phone and Voicemail system throughout the County (includes Milwaukee County (County Proper), Milwaukee County Transit System (MCTS) and General Mitchell International Airport (GMIA)). This will replace the current legacy phone systems most of which were installed in the 1990's and are at or near end of their support (December 2018) by their respective manufacturers.*

- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.

*It is estimated that the overall Capital Project WO217 cost will be \$4,419,000. This includes cost for purchase and license of Avaya Aura VoIP Phone and Voicemail system hardware and software and their implementation under Master Services Agreement, making infrastructure upgrades to County network and cabling, server hardware and software cost, consulting fees and project management fees. This does not include the MCTS and GMIA portion of fees payable to IPC under the Master Services Agreement.*

*County Proper received appropriations of \$1,702,062 for this Capital Project WO217 in Fiscal Years 2014, 2016 and 2017. Out of the aforesaid amount, \$269,302 was paid for discovery, design and project management for the overall initiative. An additional \$195,739 was transferred from WO217 to create new capital project WT117 - MCTS Phone and Voicemail Replacement. \$1,212,000 is still available in WO217 for County Proper's portion of the project under the Master Services Agreement in Fiscal Year 2018.*

*To complete the Countywide implementation under Master Services Agreement, cabling procurement, project management and server hardware and software purchase portion of Capital Project WO217, County Proper will require estimated additional funds in the amount of \$2,942,000 over next 2 - 3 years.*

<b>FUNDS</b>	<b>INTEGRATION PARTNERS</b>	<b>CABLING VENDOR (TBD)</b>	<b>PROJECT MANAGEMENT FEES</b>	<b>SERVER/HARDWARE/SOFTWARE</b>
<i>Future Requirement for County Proper (next</i>	<i>\$1,338,000</i>	<i>Approximately \$1,000,000</i>	<i>\$504,000</i>	<i>Approximately \$100,000</i>

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.

2-3 Years) (WO217)				
Future Funding Requirement of MCTS (WT117)	Approximately \$370,000	Completed in 2017	NA	Approximately \$30,000

- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.

*The 2017 Capital Budget for Project WO217 has \$1,212,000 to be spent in Fiscal Year 2018. GMIA has indicated that it will request to carryover the \$350,000 amount from 2017 into 2018 as part of the County's carry-over process. Assuming the carryover request is approved, the remaining 2018 unencumbered/unexpended available project balance is anticipated to be \$350,000.*

*County Proper (WO217) and MCTS (WT117) will request additional funds in subsequent Fiscal Year 2019/ 2020 to fulfill the entire project funding needs to complete the project in the 3-year proposed timeframe.*

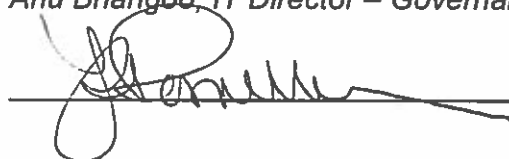
*A separate maintenance and support contract is expected to be signed with IPC in Q2 2018 and is estimated to cost \$120,000 per year once the phone system is fully implemented. The maintenance and support fee associated with our current legacy phone system is \$292,000 per year and provides for limited support. Over a five (5) year period the County will realize an estimated \$775,000 plus in savings.*

- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

*The expected negotiated agreements with IPC have been used to estimate the purchase and implementation costs as well as the ongoing maintenance and support costs associated with the new Phone and Voicemail system. The information provided here is based on the currently defined scope.*

Department/Prepared By *Anu Bhargoo, IT Director – Governance & Strategy, DAS-IMSD*

Authorized Signature



Did DAS-Fiscal Staff Review?  Yes  No

Did CBDP Review?<sup>2</sup>  Yes  No  Not Required