

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** May 11, 2018

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Capital Project WO217 Avaya Aura VoIP Phone and Voicemail Replacement Service and Support Agreement

**FISCAL EFFECT:**

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

*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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year (Fees for June 2018 to December 2019)</b>	<b>Subsequent Years (2-3)</b>
<b>Operating Budget</b>	Expenditure	\$9,569.64 (GMIA)	\$19,139.28 (GMIA) \$144,039.64(January 2021 to December 2021) (County Proper)
	Revenue		
	Net Cost		
<b>Capital Improvement Budget</b>	Expenditure	\$87,933.88 (County Proper)	\$ 56,105.67 (January 2020 to December 2020) (County Proper)
	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 forty-three-month Service and Support Agreement for \$316,788.20 with Integration Partners Corporation (IPC) for maintenance and support of the Avaya Aura VoIP Phone and Voicemail system throughout the County Proper and General Mitchell International Airport (GMIA). There may be additional fees if the Board of Supervisors approve additional funds for the implementation of the Avaya Aura VoIP Phone and Voicemail system for Milwaukee County Transit System (MCTS) under Phase 2.*

- 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 costs for the maintenance and support agreement for Capital Project WO217 will be \$316,788.20. These costs include the proactive remote software and hardware support, web services, updates and service packs, off-board alarm notifications, onsite support 8x5 (during standard business hours), replacement parts 8x5x4 (replacements parts to be delivered within four (4) standard business hours or no later than noon the next day); and, secure access link policy manager (which allows for centralized administration, diagnostics, troubleshooting and network monitoring by IPC).*

*County Proper received appropriations totaling \$1,702,062 for this Capital Project WO217 in Fiscal Years 2014, 2016 and 2017. Out of this amount, \$269,302 was paid to ClientFirst Consulting Group for discovery, design and project management for the overall initiative in 2016. In 2017, \$195,739 was transferred to a new capital project WT117 - MCTS Phone and Voicemail Replacement (These funds were used to pay for infrastructure cabling).*

*In 2018, \$950,513.10 will be encumbered for the Statement of Work under the Master Agreement for County Proper for Phase 1. The maintenance and support fees under the Service and Support Agreement for County Proper of \$87,933.88, shall be encumbered from the balance of this appropriation. In 2019, another Statement of Work under the Master Agreement for Phase 2 will be entered for County Proper for the implementation of the remaining phone and voicemail equipment service; and, the maintenance and support fees of \$56,105.76 will be included in the funding request for second SOW. The Annual Maintenance Fee due in the third year of \$144,039.64 will be paid, it is anticipated, from the IMSD 2021 operating budget.*

<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.

*GMIA allotted \$350,000 from its 2017 operating budget (under major maintenance) for the Phone and Voicemail Replacement System. As part of the County's carry-over process, this sum was carried over from 2017 to the 2018 GMIA budget. The fees to be encumbered for the Statement of Work for GMIA is \$158,345.70. It is expected that the fees for all three years of maintenance and support services for GMIA, \$28,708.92, will be paid from GMIA operating budget.*

<b>INTEGRATION PARTNERS MAINTENANCE AND SUPPORT FEES*</b>		
<b>MILESTONE</b>	<b>COUNTY PROPER</b>	<b>GMIA**</b>
Phase 1(Covers part of County Proper and all GMIA. Expected to continue from June 2018 to December 2019)	\$87,933.88	\$9,569.64
Phase 2 (Covers remaining County Proper. Expected to continue from January 2020 to December 2020)	\$56,105.76***	\$9,569.64
12 Month Maintenance Fee after expiry of Phase 2 (January 2021 to December 2021)	\$144,039.64****	\$9,569.64
<b>TOTAL</b>	<b>\$288,079.28</b>	<b>\$28,708.92</b>

\* Fees shall be charged for only the service and support provided in each Phase.

\*\* GMIA has funds available in its Operating Budget (no additional funding required).

\*\*\* Subject to available funds being allocated for Phase 2 by the Board in 2019.

\*\*\*\* Annual Maintenance Fee for County Proper is expected to be part of IMSD Operating Budget.

- 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 which will be spent in Fiscal Year 2018. GMIA has carried over \$350,000 to the 2018 operating budget for this project.*

*County Proper (WO217) and MCTS (WT117) will request additional funds in Fiscal Years 2019/2020 to fulfill the entire project funding needs as required to complete the project in the three-year proposed time frame.*

*The limited support services for the outdated legacy phone system for County Proper had an annual fee of \$292,000. After the equipment is fully implemented; and, users are on a new system, the service and support fees should be approximately \$144,000. In addition to the state of art phone and voicemail system; and, an efficient and an all-encompassing maintenance and support system, the County will realize an annual savings of approximately \$148,000. Over the next five years, the County will realize a saving of approximately \$740,000.*

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

*The expected negotiated agreement with IPC was used to estimate the fees for the ongoing maintenance and support costs for the new Phone and Voicemail System. The information contained herein is based upon the current defined scope of this agreement. There may be additional maintenance and support fees for MCTS if the Board of Supervisors approve additional funding for implementation of Avaya Aura VoIP Phone and Voicemail System for MCTS during Phase 2 of this project.*

Department/Prepared By Anu Bhangoo, IT Director, Governance and Strategy

Prepared By Signature: Anu Bhangoo

Authorized Signature [Signature]

Did DAS-Fiscal Staff Review?  Yes  No

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