

**CITY OF GAUTIER  
MEMORANDUM**

**To:** Samantha Abell, City Manager  
**From:** Jason Pugh, Human Resources Director  
**Date:** 11/19/13  
**Subject:** City Hall Phone System

---

**REQUEST**

Comm-Tech Solutions, Inc. has provided the city with a proposal to replace our aging phone system with a like-new system at a cost of \$7,304.34. The hardware and all handsets for the phone system are used, but are in like-new condition. The software will be new and will be updated to the most current firmware available. The system will come with a standard one (1) year warranty and the cost includes installation and setup.

(For comparison; a brand new system of exact type and capabilities with the same warranty was also quoted at \$9,942.93)

**BACKGROUND:**

The phone system at Gautier City Hall is aging and has not been in proper working condition for quite some time. Due to the age of the current phone system and the availability of parts, maintaining this system has become a challenge and is no longer cost effective.

**DISCUSSION:**

By upgrading our phone system the city will be able to cancel 23 seven (7) digit phone lines and replace them with three (3) digit extensions at a savings of \$357.36 per month. This savings can be applied to a new phone system enabling us to purchase the system at no additional cost to the city. Over the course of 24 months, this savings would total \$8,576.64.

Merchant and Marine Bank has provided an interest rate of 2.25% for 24 months to pay for the phone system. The city Comptroller recommends the best course of action is to finance the system in two (2) annual payments of \$3,716.90. The first payment would be due on March 1, 2014 and the final payment on March 1, 2015.

**RECOMMENDATION:**

Staff requests council approval to proceed with the purchase of a phone system for city hall in the amount of \$7,304.34 and to enter into a loan agreement for 24 months with Merchant and Marine Bank. Total cost with interest is \$7,433.80.

**ATTACHMENT(S):**

Comm-Tech Solutions, Inc. quote  
Amortization Schedule (M&M Bank)

**Estimate For:**

Date: 10/21/2013  
Cust: Administration  
Comp: City of Gautier  
Addr: 3330 Hwy. 90  
City: Gautier  
Tel: 497-8000

St: MS      Zip:  
Fax: 497-8028

**Comm-Tech Solutions, Inc.**

**COMMUNICATION SERVICES**

P.O.Box 6553, Gulfport, MS 39506  
Office 228-868-6550 / Fax: 228-868-6775

OPTION: 2 (Used Eq.)

**Scope of Work:**

Provide material and labor to install a telephone system. To include Voice Mail /Auto-Attendant & Analog Ports. All ports to be Caller ID compatible. System to be initially configured to support a minimum of 19 telephone units & 14 Centrex Lines with the ability to expand if needed. Include Battery Back-Up.

Units	P/N	Description of Materials and Labor:	Price
1		NEC DSX-160 Common Equipment	
19		NEC DSX 34btn Keysets	
1		NEC DSX 16 Station Digital PCB	
2		NEC DSX-8 port CO Card	
2		NEC Octopus Cables	
1		NEC Analog Station Card 8-port	
1		CO Protector 25 port	
1		NEC Intra-Mail 4P8H	
1		AC Protector 4-port	
1		Installation, Setup, Programming	
1		Battery Backup -- 1100VA	

<b>Sub-Total</b>	<b>\$7,304.34</b>
<b>Tax</b>	<b>exempt</b>
<b>Total</b>	<b>\$7,304.34</b>

**Notes:**

The above is configured for 16 CO ports, 32 Digital Ports and 8 Analog ports. The Voice mail supports up to 128 ports including Auto-Attendant. As Discussed, some of the Equipment above is used and in excellent condition. It comes with a One Year Warranty.

The information contained above is proprietary and intended for the person named. Any distribution of this information is prohibited without the consent of CTS. By signing below the customer authorizes CTS to provide the products and/or services offered above and agree to payment upon completion. The prices above are good for 30 days from date. All labor and material provided is covered by a One Year Warranty.

David R. Stewart  
Quoted By: \_\_\_\_\_

Customer Name: \_\_\_\_\_

Authorized Signature \_\_\_\_\_ Date \_\_\_\_\_

Customer Signature \_\_\_\_\_ Date \_\_\_\_\_

<b>Funding Date:</b>	11/19/2013	<b>Compounding:</b>	Actuarial	<b>Principal:</b>	7,304.34
<b>First Payment Date:</b>	03/01/2014	<b>Period:</b>	Actual/360	<b>Initial Interest Rate:</b>	0.000%
		<b>Pmt Schedule:</b>	Annually	<b>Interest Rate:</b>	2.250%
				<b>Pmt Amount:</b>	3,716.90

Payment Number	Payment Date	Days	Payment Amount	Interest Amount	Principal Reduction	Outstanding Balance	Equity Built
1	03/01/2014	102	\$3,716.90	46.57	3,670.33	3,634.01	\$3,670.33
2	03/01/2015	365	\$3,716.90	82.90	3,634.00	.01	\$7,304.33
2015	<b>Totals:</b>		7,433.80	129.47	7,304.33		
	<b>Grand Totals:</b>		7,433.80	129.47	7,304.33		

*This amortization schedule is provided to you for your convenience. The amortization may include estimates based upon information provided by you. Actual terms of credit offered by us may vary from this amortization schedule. The outstanding balance shown above will vary from your actual outstanding balance owed to the Bank because of the timing of payments.*