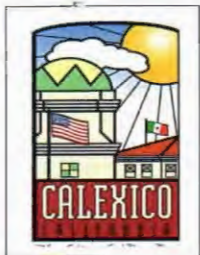


AGENDA  
ITEM

**18**



# CITY COUNCIL

## AGENDA STAFF REPORT

**DATE:** September 4, 2019

**TO:** Mayor and City Council

**APPROVED BY:** David B. Dale, City Manager *DD*

**PREPARED BY:** David B. Dale, City Manager

**SUBJECT:** Authorize the City Manager to Sign Agreement for Professional Services Between the City of Calexico and 180 Solutions, LLC for Telecommunications Cost Management and Cost Reduction

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### Recommendation

Authorize the City Manager to Sign Agreement for Professional Services Between the City of Calexico and 180 Solutions, LLC for Telecommunications Cost Management and Cost Reduction.

### Background:

The City of Calexico currently incurs expenses for Telecommunications; local and long-distance telephone services, internet service connections, and wireless cell phones. Due to the shortage of staff in the City of Calexico Finance Department, it is recommended to enter into a services agreement with 180 Solutions, LLC to review accounts, identify cost-saving measures and implement saving opportunities with the City's telecommunication vendors.

### Discussion and Analysis

The purpose of this engagement is to provide the City with cost reductions and maximize efficiencies with its telecommunications costs. 180 Solutions, LLC will perform the following functions:

- Review of all telecommunications expenditures for errors. When identified, best practices will be followed to quantify the total lost revenue and negotiate for maximum credit amount.
- Negotiate maximum credit amount if applicable.
- Provide recommendations on ways to maximize current service and possibly elimination of services or features that may not be needed.
- Provide an expert review and validation of monthly invoices (when available) for elimination of additional billing errors and erosion of price points.

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The project investment entering into a service agreement with 180 Solutions, LLC will be:

- Credit/Refund Fee: 50/50 Share of actual credits and refunds recovered/received by the City
- Ongoing Savings Fee: 50/50 Share of actual savings, beginning the date savings first appears on City accounts and continuing for 24 months.

**Fiscal Impact:**

The project investment entering into a service agreement with 180 Solutions, LLC will be:

- Credit/Refund Fee: 50/50 Share of actual credits and refunds recovered/received by the City
- Ongoing Savings Fee: 50/50 Share of actual savings, beginning the date savings first appears on City accounts and continuing for 24 months.

**Coordinated With:**

None.

**Attachments:**

1. 180 Solutions, LLC Telecommunications Cost Reduction Services Proposal/Agreement.
2. Letter of Agency.
3. 180 Solutions, LLC F.A.Q.'s.

## **Telecommunications Cost Reduction Services Proposal/Agreement Statement of Work Agreement**

The purpose of this engagement is to provide the client with significant cost reductions and to maximize efficiencies with its telecommunications costs as well as provide an ongoing support for invoice validation.

### **No Affiliations**

We are not affiliated nor compensated by any telecom provider. We are only compensated by our clients. This allows us to remain unbiased in our recommendations and interactions with our clients.

### **Project Objectives**

- Provide a review of all other telecommunications expenditures to determine if errors are in existence. When identified, best practices will be followed to quantify the total lost revenue and negotiate for maximum credit amount.
- Provide quick and efficient resolution to client's ongoing outstanding credit issue using best practices to negotiate maximum credit amount if applicable.
- Provide recommendations on ways to maximize current service and possibly elimination of services or features that may not be needed.
- Provide significant cost reductions with existing service providers utilizing best practices to negotiate lower price points, discounts, promotional credits and more favorable terms and conditions with current and or new service providers.
- Provide implementation, verification, and documentation of error corrections and items that are approved by client.
- Provide an expert review and validation of monthly invoices (when available) for elimination of additional billing errors and erosion of price points.

### **Project Methodology**

- Collection of one month of all invoices for review for all vendors and their invoices including Local, Long Distance, Pagers, Wireless cell-phones, Data Services (including Frame Relay), VPN, Internet Service Connection (including cable, T-1, DS-3), Phone and Voice Mail maintenance agreements, and Advertising.
- Ordering, cataloging, and auditing of all applicable current service providers and the corresponding tariffs to detail contract errors and regulatory oversights.
- Order and review all Customer Service Records (CSR's) comparing each billing element and the corresponding Universal Service Code (USOC code) to detail invalid charges, duplicate charges, and to identify charges for services of any feature(s) your organization did not order, or do not utilize but are paying for.
- Negotiate with applicable vendors for lower rates, consolidation of services, greater discounts and more favorable terms and conditions.
- Negotiate with applicable vendors to correct errors, overcharges, and standard inefficiencies to eliminate inappropriate charges from client's invoices moving forward.
- Remove and secure credits for all errors and fraudulent charges that have already been billed to Client (where applicable).
- Review monthly invoices (when available) for additional billing errors, overcharges, and better pricing points that come available.

### **Implementation & Provisioning**

180 Solutions will implement all Client approved credits, refunds and reductions with the applicable service provider.

- Provide reports detailing Cases Findings for expected and estimated credit(s)/refund(s) and monthly savings.
- Seek approval from client for any opportunities (cases) that may require a change in service or commitment (billing errors and standard will automatically be corrected).
- Implement, verify, and document all requested error corrections with applicable vendor for correction of error and over billing.
- Implement, verify, and document all client approved cost reductions with applicable vendor.

### **Billing Documentation**

180 Solutions will provide, with its invoicing, documentation of monthly savings for all items for the first month as well as all credits and refunds. (when online access to invoices is granted by client)

### **Project Deliverables & Estimated Time Frames**

Client will receive detailed reports throughout this project as outlined below:

- Initial Reports
  - Summary Inventory
  - Initial Bill Log
  
- Ongoing Reports
  - Initial Case Finding Reports
  - Ongoing Case Finding Reports
  - Impact Reports

*Time frame:* 10 Days from receipt of Client Account information

***Time frame:*** 90 days for initial savings and credits however, efforts will continue for the remainder of the relationship. *Time frame(s):* Based on items identified and complexity of services reviewed.



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Suite #9  
Greenwood, IN 46142

### **Project Requirements from Client**

*To successfully meet the proposed project objectives, Client shall provide the following:*

- ❑ One complete month of all your most recent invoices including:
  - **Local**
  - **Long Distance**
  - **Wireless cell-phones**
  - **Data services** (including Frame Relay, MPLS)
  - **Internet service connection** (including cable, T-1, DS-3)
  - **VoIP service** (Hosted, Sip Trunks, PBX)
  - **Pagers**
  - **Phone and Phone Equipment** maintenance agreements
  - **Advertising** (Listings & Yellow Pages)
- ❑ Online login and pass codes to all accounts (180 Solutions will set up if none exists).
- ❑ A signed Letter of Agency (LOA).
- ❑ All contracts with service providers (if available).
- ❑ A site location map detailing all locations' main phone number and physical address.
- ❑ Complete list of phone numbers (if available) for all locations.
- ❑ Any written correspondence with vendors regarding identified disputes (if applicable).
- ❑ The support and cooperation of Client personnel at different phases of the project.
- ❑ Timely follow up on opportunities and cases presented for action.
- ❑ The cooperation of Client vendor(s) and assistance from Client to ensure this cooperation via a signed letter of agency (LOA) and if requested a verification phone call to the applicable vendor(s).

**Project Investment**

**Credit/Refund Fee:** 50/50 Share of actual credits and refunds recovered/received by Client.

**Ongoing Savings Fee:** 50/50 Share of actual savings, beginning the date savings first appears on Client account and continuing for 24 months.

**Account Initiation Fee:** ~~\$500.00 due upon execution of agreement. Check#~~  
WAIVED  
~~This is not a retainer and is in addition to the fees outlined above.~~

**Guarantee:** ~~If we cannot identify savings, credits or refunds in the amount equal to or greater than your initiation fee, we will refund your entire Account Initiation fee at the conclusion of this agreement. This is not a retainer fee.~~

Initial: \_\_\_\_\_

**Approval**

We look forward to beginning this project immediately. Please indicate your approval of this proposal by signing and dating below.

_____	<b>180 Solutions, LLC</b>
Company Name	_____
By _____	By _____
Printed _____	Printed _____
Title _____	Title _____
Date _____	Date _____

## Letter of Agency

Re: Bill Review and Negotiations of Telecommunications

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To

Date

We have contracted 180 Solutions, LLC. for the purpose of correcting, reducing and negotiating our telecommunications cost. Upon their request, please provide them with copies of our Service and Equipment records, traffic studies, billing records, term agreements and/or any information or materials they require concerning our telecommunications service for the following accounts:

Please deal directly with 180 Solutions LLC. on all matters pertaining to said project.

This letter of Agency rescinds any other Letter of Agency for this type of service only heretofore executed by us and will remain in effect until otherwise notified in writing by us or 180 Solutions. All other LOA's on file are valid and shall remain valid until notified by us. Your cooperation in assisting 180 Solutions LLC. is greatly appreciated.

Sincerely,

---

Client Signature

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Printed Name

---

Title

### **What Kind of Services Does 180 Solutions Provide?**

180 Solutions is an independent, full-service telecommunications consulting firm.

- **Performance Based Services:** A Line-by-line audit & intervention of all telecom services for cost reduction and time savings. Fees based on what we generate in savings.
- **Telecommunications Consulting Services (Block of Time):** We complete requested projects such as technology migrations, trouble/repair, escalations, customized reporting on a time basis.
- **Telecommunications Support Services/Help Desk:** A flat-fee service, that manages all aspects of your telecom services/expenses including a full-service helpdesk to facilitate all vendor requests.

### **Does 180 Solutions Have Any Affiliations with Any Telecom Providers or Technology Organizations?**

180 Solutions is not a vendor or reseller for any telecom provider. We are strictly beholden to our clients interests and business needs. All recommendations provided by 180 Solutions are completely unbiased, and are done with two goals:

1. Providing our clients with the highest level of customer satisfaction possible.
2. To enable us to work in the most positive and ethical manner with all parties involved.

### **How is 180 Solutions Compensated for Their Efforts?**

Our telecom cost reduction opportunity is a Performance Based Service that is solely dependent on 180 Solutions success saving our clients' money, before any compensation is given. 180 Solutions will share in a split of any credits or refunds confirmed due to the customer.

### **What Type of Telecom Services Does 180 Solutions Analyze?**

180 Solutions analyzes invoices for all telecommunications resources, including: traditional phone lines (local and long distance), VoIP-hosted phones, wireless phones, internet, data and maintenance agreements.

### **Why Should I Make Telecom Cost Reduction a Priority?**

According to Gartner, "Telecom vendors are overcharging by 10-15%", with a further report from Gartner stating that "80% of businesses are being overcharged by the telecom carrier. Every month that goes by, organizations are losing money on their telecom expenses.

### **What Realistic Cost Savings Can Be Expected with this Engagement?**

180 Solutions is typically able to identify anywhere from 8 to 30% in savings for companies, on their telecom expenses.

### **How Much Time is Involved with 180 Solutions Analyzes a Client's Telecom Expenses?**

Our clients commit a minimal amount of time to the process, as 180 Solutions works autonomously. We only ask our clients to provide one month of statements for all of their telecom expenses. After that, the only additional time request is for a review of our findings, usually lasting 30 minutes.

**What Kind of Upfront Fees or Unexpected Costs Are Associated This Type of Engagement?**

180 Solutions engagement consists of no surprise fees. In addition to the standard share of the telecom savings that 180 Solutions is able to identify and secure, our engagement starts with a nominal account initiation fee (AIF), which is guaranteed, and fully reimbursed if we are unable to find savings equal to, or above said fee. 180 Solutions guarantees a no-risk, high-reward opportunity. All invoicing for services rendered are provided in an easy-to-read online bill log, with the proper case findings displayed with each occurrence.

**Why Should Businesses Engage with 180 Solutions When They Have Someone In IT/Accounts Payable to Review Telecom Expenses?**

All employees of 180 Solutions are W-2 employees, each with no-less than twenty years of experience working for one or more telecom providers. These individuals have firsthand knowledge of industry billing practices and years of experience analyzing customer service records (CSR's) and validating each universal service ordering code (USOC). Vendor invoices don't contain this, and therefore are missing the necessary information to properly validate telecom expenses.

**Why Should Organizations Have Their Telecom Invoices Analyzed When Vendor Contracts for Services Are in Place?**

There is a common misconception that contractual services for telecom services are the same every month. This is not necessarily true. Often overlooked are the non-contractual fees and rate changes that can occur for services under those contracts, on a month-to-month basis.

**What Can Possibly be Uncovered That We Haven't Already Scrutinized on Our Telecom Bills?**

Telecom providers specialize in the use of vague descriptors, price elasticity and the use of industry specific codes, and more are just a few of the problems that plague telecom invoices. No one without an extensive background in the telecom industry can be expected to identify all, or even most, of the savings opportunities available to your company. 180 Solutions is comprised of former telecom employees who are experienced in reading clients' CSR's and validating each USOC.