

SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET

ITEM NO: D-1

DATE: May 28, 2009

SUBJECT: Comcast Phone and Internet Service Proposal

CONTACT PERSON: Deborah Knight, City Administrator

ISSUE:

The issue before the City Council is to consider changing from Verizon to Comcast as the City's phone and Internet service provider.

STAFF RECOMMENDATION:

Direct staff to negotiate with Comcast for phone and Internet service and return to Council with a contract for consideration.

SUMMARY:

Comcast is offering business phone and Internet service. The Comcast representatives provided a quote (Attachment A) for phone and Internet service to City Hall for a flat rate of \$169.80 per month including both unlimited local and long distance calls. Similar service would need to be negotiated for the public works shop, waste water treatment plant and water treatment plant.

Verizon is the City's current phone and Internet service provider. An analysis of the phone and Internet invoices shows the City could save approximately \$600.00 per month by switching to Comcast. The primary savings would be the elimination of long-distance calls. Currently the City pays .17 per minute for long-distance during peak periods.

Under a contract with Comcast, the City would continue to use its existing phone hardware and software. There may be some ancillary costs associated with changing providers. Verizon may continue to provide service for the fire alarm, elevator and direct dial in-coming calls. These costs would be identified during final negotiations with Comcast.

City staff are seeking Council direction and interest in continuing negotiations with Comcast.

FISCAL IMPACT:

The City pays approximately \$1,200 per month for Verizon basic local and long distance phone and Internet service for City Hall. There are separate phone and Internet service lines to the public works shop, waste water treatment plant and water treatment plant which are approximately \$500.00 per month.

The City has the opportunity to negotiate with Comcast and potentially reduce the City's phone and Internet service costs by approximately 50%.

DISCUSSION:

There are pros and cons with switching phone and Internet service providers. Perhaps the biggest issue is cost versus reliability. While Comcast offers a better price with unlimited long-distance calls at no charge, some users have reported problems with reliability. The Comcast phone service has been on the market since 2006 so some of the major issues have been resolved. An August 2006 article titled "Comcast Digital Voice vs. Verizon Phone Service" (Attachment B) offers an analysis of the problems and benefits of both companies. An Internet search of Comcast versus Verizon for this agenda cover indicates Comcast service is still an issue for some users.

The main benefit is the cost break offered by Comcast. City staff would seek to negotiate a long-term contract with parameters, such as the consumer price index, for any proposed price increases during the life of the agreement.

The Comcast proposal could save the City up to \$12,000 per year. The question is whether the short-term difficulties with changing providers and any long-term difficulties with service and reliability are worth the cost savings.

ALTERNATIVES:

1. Direct staff to negotiate with Comcast for phone and Internet service and return to Council with a contract for consideration.
2. Direct staff to negotiate with Comcast for phone and Internet service and return to Council for further discussion.
3. Direct staff to stop negotiations with Comcast.
4. Direct staff to meet with Verizon and discuss other phone and Internet options to further reduce costs with Verizon.

RECOMMENDED ACTION:

Direct staff to negotiate with Comcast for phone and Internet service and return to Council with a contract for consideration.

ATTACHMENTS

- A – Comcast Business Class Service Order
- B - Comcast Digital Voice Vs. Verizon Phone Service



BUSINESS CLASS SERVICE ORDER

Account CITY HALL,SULTANID#: 826112**CUSTOMER INFORMATION (Service Location)**

Address 1 703 1ST ST City Sultan
 Address 2 _____ State WA
 Primary Contact Name Deborah Knight Zip Code 982949424
 Business Phone (360) 793-2231 County _____
 Cell Phone _____ Email Address deborah.knight@ci.sultan.wa.us
 Pager Number _____ Primary Fax Number _____

Technical Contact First Name/Last Name _____ Tech Contact On-Site No
 Technical Contact Business Phone _____ Technical Contact Email _____

Property Manager First Name/Last Name _____ Property Mgr. Phone _____

COMCAST BUSINESS CLASS SERVICES AND OPTIONS

| Product Name | Monthly |
|---|-----------------|
| Comcast Business Class Internet | \$59.95 |
| Comcast Business Class TV* <small>*Not available in home offices</small> | \$24.95 |
| Comcast Business Class Digital Voice: | \$109.85 |
| Multi-Product Discount | -\$24.95 |
| Total Monthly Service Charge | \$169.80 |

Internet Options Monthly
 Static IP _____
 Microsoft Outlook Office Email _____
 Business Class Web Hosting _____

TV Options
 Additional Outlets \$0.00
 HDTV Box Charges \$0.00
 Music Choice _____
 Sports Pack _____
 Other Programming \$0.00

Voice Options
 Directory Listing Suppression Fee \$0.00
 Auto Attendant Fee _____

| | |
|-----------------------|----|
| Service Term (Months) | 36 |
|-----------------------|----|

COMCAST BUSINESS CLASS TOTAL SERVICE CHARGES

| Installation | Monthly |
|------------------------------|---------|
| Business Class Installation | \$50.00 |
| Digital Voice Activation Fee | \$0.00 |
| Auto Attendant Setup Fee | |
| Voice Jack Fee | |

| | |
|--------------------------------|-----------------|
| Total Monthly Service | \$169.80 |
| Total Optional Services | \$0.00 |

Promotion Code (if applicable) _____

Total Installation Charges:* \$50.00

* Does not include Custom Installation Fees referenced below

Total Recurring Monthly Bill:* \$169.80

*Applicable federal, state, and local taxes and fees may apply.

CUSTOM INSTALLATION AND CONSTRUCTION ADDENDUM*

As set forth in Section 2.6 of the Comcast Business Class General Terms and Conditions, Comcast has determined that Custom Installation is necessary for the service Location described above as follows:

Total Custom Installation Fees: \$0.00
 Less Fees Paid by Comcast:* \$0.00
 Fees Due Comcast: \$0.00

*Any Custom Installation Fee amount absorbed by Comcast must be immediately paid by you to Comcast if the applicable Sales Order is terminated prior to the end of the Service Term.

SPECIAL INSTRUCTIONS



BUSINESS CLASS SERVICE ORDER

Account CITY HALL,SULTAN

ID#: 826112

COMCAST BUSINESS CLASS INTERNET CONFIGURATION DETAILS

| | |
|--|---------------|
| Microsoft Office Communication Services | |
| Microsoft Office Outlook E-mail Included with Internet Service | |
| Business Class Internet Lite | 2 Web Access |
| Business Class Internet Standard | 4 Web Access |
| Business Class Internet | 8 Full Access |

| |
|---|
| Business Class Web Hosting Services |
| Starter Web Hosting Package is Included with Internet Service |
| Web Hosting Upgrade Options |
| Business <input type="checkbox"/> |
| Commerce <input type="checkbox"/> |
| Professional <input type="checkbox"/> |

| | |
|--------------------------------|----|
| Transfer Existing Comcast .net | No |
|--------------------------------|----|

| | |
|-----------|----|
| Static IP | No |
|-----------|----|

| | |
|---------------------|------------|
| Equipment Selection | IP Gateway |
|---------------------|------------|

| | |
|----------------------|--|
| Number of Static IPs | |
|----------------------|--|

*If 5 or 13 Static IP's are requested a static IP justification form is

COMCAST BUSINESS CLASS TV CONFIGURATION DETAILS

| Outlet Details | Location | Outlet Type | A/O Cost | HD Box Cost |
|----------------|----------|-------------|----------|-------------|
| Primary | office | Analog | \$0.00 | \$0.00 |
| AO 1 | | | | |
| AO 2 | | | | |
| AO 3 | | | | |
| AO 4 | | | | |
| AO 5 | | | | |

COMCAST BUSINESS CLASS DIGITAL VOICE CONFIGURATION DETAILS

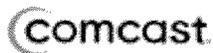
| Phone # | Phone or Fax | V-mail | Per Line |
|------------|--------------|--------|----------|
| 3607938509 | Voice | Yes | \$39.95 |
| | Voice | | \$39.95 |
| | Fax | | \$24.95 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

| | |
|---|------------|
| Directory Listing and Yellow Page Details | |
| Directory Listing <small>Published, Non-Published, Non-</small> | Published |
| Directory Listing Phone Number | 3607938509 |
| Directory Listing Display Name | |
| Yellow Page Header Text Information | |
| Yellow Page Header Code Information | |

| | |
|--|----|
| Caller ID and Call Blocking Details | |
| Caller ID (Yes/No) | |
| Caller ID Display Name (max 15 characters) | |
| Call Blocking (Yes/No) | |
| Auto Attendant(Yes/No) | No |

| |
|---|
| Customer Equipment |
| Phone System Type (Key System, PBX, Other) |
| Phone System Manufacturer |
| Fax Machine Manufacturer |
| Alarm System Vendor |
| Point of Sale Device |
| Telco Closet Location |
| Number of Voice Jacks |
| 0 |

| |
|---|
| Hunt Group Configuration Details |
| Hunt Group Features (Yes/No) |
| Yes |
| Hunt Group Configuration Type |
| Hunt Group Pilot Number |



BUSINESS CLASS SERVICE ORDER

Account CITY HALL,SULTAN

ID#: 826112

BILLING INFORMATION

| | | | |
|-----------------------------------|-------------------------|-----------------------|--------------------------|
| Billing Account Name | <u>CITY HALL,SULTAN</u> | City | <u>Sultan</u> |
| Billing Name (3rd Party Accounts) | <u></u> | State | <u>WA</u> |
| Address 1 | <u>703 1st St</u> | ZIP Code | <u>982949424</u> |
| Address 2 | <u></u> | County | <u></u> |
| Billing Contact First Name | <u>Mark</u> | Billing Contact Email | <u></u> |
| Billing Contact Last Name | <u>Larson</u> | Billing Contact Phone | <u>(253) 473-1111 X0</u> |
| Tax Exempt* | <u>No</u> | Billing Fax Number | <u></u> |

*If yes, please provide and attach tax exemption certificate.

AGREEMENT

1. Agreement. This Comcast Business Class Service Order Agreement sets forth the terms and conditions under which Comcast Cable Communications Management, LLC and its operating affiliates ("Comcast") will provide the Services to Customer. This Comcast Business Class Service Order Agreement consists of this document ("SOA"), the standard Comcast Business Class Terms and Conditions ("Terms and Conditions"), and any jointly executed amendments ("Amendments"), collectively referred to as the "Agreement". In the event of inconsistency among these documents, precedence will be as follows: (1) Amendments, (2) Terms and Conditions, and (3) this SOA. This agreement shall commence and become a legally binding agreement upon Customer's execution of the SOA. The agreement shall terminate as set forth in the Terms and Conditions(<http://www.comcast.com/business/legal>). All capitalized terms not defined in this SOA shall reflect the definitions given to them in the Terms and Conditions. Use of the Services is also subject to the then current High-Speed Internet for Business Acceptable Use Policy located at <http://work.comcast.net/legal/aup.asp> (or any successor URL), and the then current High-Speed Internet for Business Privacy Policy located at <http://work.comcast.net/legal/privacy.asp> (or any successor URL), both of which Comcast may update from time to time.

2. Each Comcast Business Class Service (Service) carries a 30 day money back guarantee. If within the first thirty days following Service activation Customer is not completely satisfied, Customer may cancel Service and Comcast will issue a refund for Service charges actually paid by Customer, custom installation, digital voice usage charges and optional service fees excluded. In order to be eligible for the refund, Customer must cancel Service within thirty days of activation and return any Comcast-provided equipment in good working order. In no event shall the refund exceed \$500.00.

3. IF CUSTOMER IS SUBSCRIBING TO COMCAST'S BUSINESS CLASS DIGITAL VOICE SERVICE, I ACKNOWLEDGE RECEIPT AND UNDERSTANDING OF THE E911 NOTICE :

E911 NOTICE

Comcast business class digital voice service (Digital Voice) may have the E911 limitations specified below:

* In order for 911 calls to be properly directed to emergency services using Digital Voice, Comcast must have the correct service address for the Digital Voice Customer. If Digital Voice is moved to a different location without Comcast's approval, 911 calls may be directed to the wrong emergency authority, may transmit the wrong address, and/or Digital Voice (including 911) may fail altogether.

* Digital Voice uses electrical power in the Customer's premises. If there is an electrical power outage, 911 calling may be interrupted if the battery back-up in the associated multimedia terminal adapter is not installed, fails, or is exhausted after several hours.

* Digital Voice calls, including calls to 911, may not be completed if there is a problem with network facilities, including network congestion, network/equipment/power failure, or another technical problem.

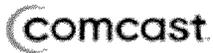
Comcast will need several business days to update a Customer service address in the E911 system. All change requests and questions should be directed to 1- 800- COMCAST. USE OF DIGITAL VOICE AFTER DELIVERY OF THIS DOCUMENT CONSTITUTES CUSTOMER ACKNOWLEDGEMENT OF THE E911 NOTICE ABOVE.

4. To Complete a Digital Voice order, Customer must execute a Comcast Letter or Authorization (LOA) and submit it to Comcast, or Comcast's third party order entry integrator, as directed by Comcast.

5. New Telephone numbers are subject to change prior to the install. Customers should not print their new number on stationery or cards until after the install is complete.

6. Modifications: All modifications to the Agreement, if any, must be captured in a written Amendment, executed by an authorized Comcast Senior Vice President and the customer. All other attempts to modify the Agreement shall be void and non-binding on Comcast. Customer by signing below, agrees and accepts the Terms and Conditions of this agreement.

| CUSTOMER SIGNATURE | FOR COMCAST USE ONLY |
|---|---|
| By signing below customer agrees and accepts the Terms and Conditions of this Agreement. General Terms and Conditions can be found at http://www.comcast.com/business/legal | Sales Representative: <u>Mark Wright</u> |
| Signature: _____ | Sales Representative Code: <u>4077</u> |
| Print: _____ | Sales Manager/Director Name: <u>Ricardo Pruneda</u> |
| Title: _____ | Sales Manager/Director Approval: _____ |
| Date: _____ | Division: <u>West</u> |
| | Lead ID: <u>826112</u> |



BUSINESS CLASS SERVICE ORDER

Account CITY HALL,SULTAN

ID#: 826112

LETTER OF AGENCY

Please print or type the following information. All blank spaces must be completed.

Billing Name("Company"): CITY HALL,SULTAN

Billing Address: 703 1ST ST

City: Sultan State: WA Zip: 982949424

If Company is switching its current phone number(s) to Comcast, please print the telephone number(s) and the name(s) of Company's current local and long distance phone service providers in the spaces below.

Area code(s) and telephone number(s) Company wants switched to Comcast (you may also insert a number range, e.g., 215-555-0000 thru 215-555-9999):

| Telephone Number | Current Local Provider |
|------------------|------------------------|
| 3607938509 | Verizon |
| new | |
| new | |
| | |
| | |
| | |
| | |
| | |

Please read the following information:

The undersigned is an authorized representative of the Company. Company chooses Comcast for all its landline calling needs across town, across the country and worldwide for the telephone number(s) listed above (if applicable). Company understands that Comcast will take the place of its current landline phone service provider(s) for local, local toll, and long distance services. Company understands that, for each of these services, it may designate only one provider per service for any one telephone number. Company also understands that the service provided by Comcast includes all distances, which means that Company may only designate one provider for all of its calling needs for any one telephone number.

The undersigned signature on this form authorizes Comcast to act as Company's agent in making the changes from Company's current service provider(s), and to switch Company's telephone number(s), listed above (if applicable), to Comcast. Company understands that its current service provider(s) may charge a fee to switch its service to Comcast and that Company may consult that provider as to whether a fee will apply.

Please sign here:

Authorized Representatives Signature: _____ Date: _____

Authorized Representatives Name (Print): _____

Authorized Representatives Title (Print): _____



| Line | Telephone Number | Ported or Native | Current Provider | Voice or Data Line | Public | Directory Listing Display | Hunt | Hunt | Rolls to | # of | Call | Call | Block | Block | Private |
|--------|------------------|------------------|------------------|--------------------|--------|---------------------------|------|----------|--------------|--------|----------|-------------|----------|--------|-----------|
| | | | | | hed | | Y/N | Sequence | this line if | Rings | Waiting* | Forwarding* | Internal | Block | Numbering |
| | | | | | Y/N | | | | Busy | Before | Y/N | Y/N | Y/N | Caller | Plan (4 |
| Line 1 | (360) 793-8509 | Ported | Verizon | Voice | Y | | Y | 1 | 2 | 5 | n | Y | Y | n | |
| Line 2 | | | | Voice | n | | Y | 2 | | | n | n | Y | Y | |
| Line 3 | | | | Fax | n | | n | | | | n | n | Y | Y | |
| Line 4 | | | | | | | | | | | | | | | |
| Line 5 | | | | | | | | | | | | | | | |
| Line 6 | | | | | | | | | | | | | | | |
| Line 7 | | | | | | | | | | | | | | | |
| Line 8 | | | | | | | | | | | | | | | |

Special Instructions

Customer Signature

By signing below the customer agrees and accepts that the information on this phone configuration addendum is accurate. And that they authorize that the Comcast Business Class Digital Voice Phone service will be set per the above configuration.

Signature:

Name:

Title:

Date:

Business Rules to Remember:

- Telephone Number's with Hunting can not have Call Waiting and Call Forwarding
- Only Primary Telephone Number is listed in Yellow Pages
- All Telephone Number's will display the same Caller ID Information
- Fax/Data Lines have no features except Caller ID
- Caller ID will match Directory Listing listing up to 15 Characters
- Private Numbering Plan

Extension Dialing within Hunt Group- Use # and last 4 digits of phone number

| | |
|--|--|
| Phone Vendor or IT Contact Name: | |
| Phone vendor or IT Contact Number: | |
| Current phone system, brand, etc: | |
| Fire Alarm - vendor if applicable: | |
| Security Alarm - vendor if applicable: | |
| Location of phone closet: | |

Comcast Digital Voice Vs. Verizon Phone Service

Comparing a Fairly New Broadband Phone Service with the Old Reliable Classic Telephone Company (August 30, 2006)

By Sean Watts

Takeaways

- ☞ Comcast Digital Voice is slightly cheaper than Verizon
- ☞ Verizon has much better overall quality, but with worse customer service
- ☞ Comcast Digital Voice was a relatively new service, there is much room for improvement

Verizon is, for lack of a better term, “your father’s Oldsmobile.” Around for decades in various incarnations and identities, Verizon is the good old reliable standby. The traditional service, simply plug a phone into the nearest jack and voila: we have contact.

Comcast Digital Voice, on the other hand, is part of the new school. Using next generation technology, Comcast Digital Voice allows the customer to bypass many of the usual aspects of phone service, including toll calling and other fees. Due to the fact that the service is administered through the Internet, it potentially allows Comcast to offer more features for less.

The keyword is potentially. Unfortunately, Comcast Digital Voice is not nearly the price break it should be, especially when you considered that Comcast offers their own high-speed Internet service product. Unlike some of their broadband phone competition, they can keep everything “in house,” which would theoretically allow for some discounts. To be fair, Comcast does offer some introductory specials for Comcast Digital Voice, but they always come with a time limit, at which point the service then jumps back up to its usual \$39.95, which is the same price that Verizon charges for their free long distance phone service. Granted, Comcast Digital Voice has more features than Verizon offers at that same price, but Verizon has an edge in service that more than makes up for any additional cost.

As far as the product was concerned, Verizon was always fairly reliable. One would always know what to expect. By contrast, Comcast Digital Voice was discouragingly inconsistent. Often, calls were either dropped or flat out missed completely. And at times when the connection actually help up, sometimes we had to deal with a loud crackling sound, as if you could hear something being electrocuted. A particularly frustrating experience was often exacerbated by the inferior service Comcast offered.

Now, to be fair, at the time Comcast Digital Voice was a new service for both them and us. More than a few times I was asked to be patient as they continued to try working out whatever issues and problems popped up. The first couple times, I was willing to be nice. However, when the same issue keeps coming up and coming up repeatedly within the span of a few months, patience can easily be exhausted. What made matters worse is that any tech they sent out seemed either unsure of the issue or would provide simply a band-aid solution for that particular problem, which never really resolved anything. Of course, it was only a matter of time before whatever issue I had contacted them about would rear its ugly head again.

Of course, none of the above issues actually deals with the one dilemma when using a broadband Internet phone service. Namely, if you lose your Internet connection in any way, whether via power outage, a modem problem, or any type of issue that causes you to lose service, you will unfortunately lose your phone service as well. Now, this is not an issue that is

unique in any way to Comcast Digital Voice. Indeed, each broadband phone service provider I have had has dealt with that issue. However, when you combine that fact with the various issues listed above, one can easily say that Verizon offers better value for slightly more cost.

The only issues I have had with Verizon is in dealing with their customer service representatives. Sometimes, I get lucky and get someone knowledgeable, fast and effective. But at other times, I get someone who is chomping at the bit to get off the phone for whatever reason, whether that is lunch or break or end of day, whatever. I have worked in customer service before, so I do have some sympathy, but that only stretches so much. It was one of the reasons I am constantly looking to upgrade my phone service. I would be willing to say that Comcast Digital Voice service representatives were more service-oriented than Verizon's, yet the effectiveness of the Comcast Digital Voice reps was limited by their lack of knowledge of their product.

All that being said, I would still prefer Verizon's phone service to Comcast Digital Voice. When Comcast's only advantage is Verizon's relatively poor customer service, well, that is not enough to make up the difference in quality. I would much rather deal with bad customer service with reliable phone service then constantly need to speak with friendly representatives on a cell phone because the Digital Voice service is hiccupping again. Sometimes, the old way is the best way.