



DEPARTMENT OF
**INFORMATION
TECHNOLOGY**

MEMORANDUM

Date: July 24, 2024

To: HR/IT Committee, Common Council

From: Corey Popp, I.T. Director

Subject: Request to Approve RingCentral SaaS for \$209,000

I am seeking approval to convert the City of Appleton telephone systems and service to a 5-year agreement with RingCentral, a Software-as-a-Service (SaaS) telephone service provider.

RingCentral is estimated to cost \$80,000 annually plus one-time hardware procurement and implementation fees estimated at \$102,000 for a Year 1 total of \$182,000.

I am requesting a 15% contingency budget of \$27,000 for a grand total Year 1 budget not to exceed \$209,000.

Cost Summary

The City's current three Mitel phone systems running on two AT&T telephone circuits cost the City \$136,000 annually to maintain. To continue using this system into 2025, the City must spend \$144,000 to replace an out-of-support voicemail server and 300 desk phones that are incompatible with the newest network security protocols. The total cost to run the City's existing telephone system into 2025 is \$280,000.

The annual cost savings to move to RingCentral is estimated to be \$56,000, and the total cost savings over the next 12 months, including hardware, implementation, and annual costs, is \$98,000 (\$71,000 if the contingency is used).

Technology Overview

On RingCentral, most desk phones are eliminated. Staff use a USB headset plugged into their computer to operate a softphone, a telephone application that runs on computers and smartphones. The City retains all of its existing telephone numbers, and any potential new numbers will be within the City's standard 920 area code. The service includes voicemail, voicemail transcription, voicemail via email, hunt groups, automated attendants, call recording, e911 service, and HIPAA compliant faxing.

Encrypted telephone calls ingress and egress over any high-speed Internet connection, so calls are facilitated by way of the softphone wherever the user resides. Callers on the other

end remain unaware of the connection type. RingCentral untethers staff from City premises, intrinsically solving telephone access for work-from-home staff and continuation of City services in the event an emergency prevents staff from entering the workplace.

I.T. has been researching this technology for 15 months, including discussions with RingCentral competitors and local companies using similar services. During this time, the entire I.T. Department, Dr. Charles Sepers of the Health Department, Valley Transit General Manager Ron McDonald, and Mayor Woodford successfully completed a 45-day proof-of-concept using the RingCentral service.