

CASE STUDY:

"HTEEx has definitely delivered to our city more than you projected at the start. Achieving telecommunications cost savings of 42% is truly impressive. However, we feel that the new VOIP system and network will provide even greater benefits for both our city and the Hudson community. The collaborative manner which you utilized to assess our city's needs was much appreciated. The fact that our new system is funded from the HTEEx generated costs savings is an added bonus."

Tony Bales • City Manager



City of Hudson
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Challenge

The City of Hudson recognized that their current telecommunications system and periodic system failures were negatively impacting internal productivity and their ability to serve their constituents. The city desired a system that would enable collaboration with other communities. However, it had an out of date telecommunications capability and network infrastructure with numerous costly lines and circuits. Existing fiber was underutilized and could not be redeployed under the current system to be more efficient and cost effective. The city wanted to increase communication capabilities and constituent services at lower costs while improving quality.

HTEEx Approach

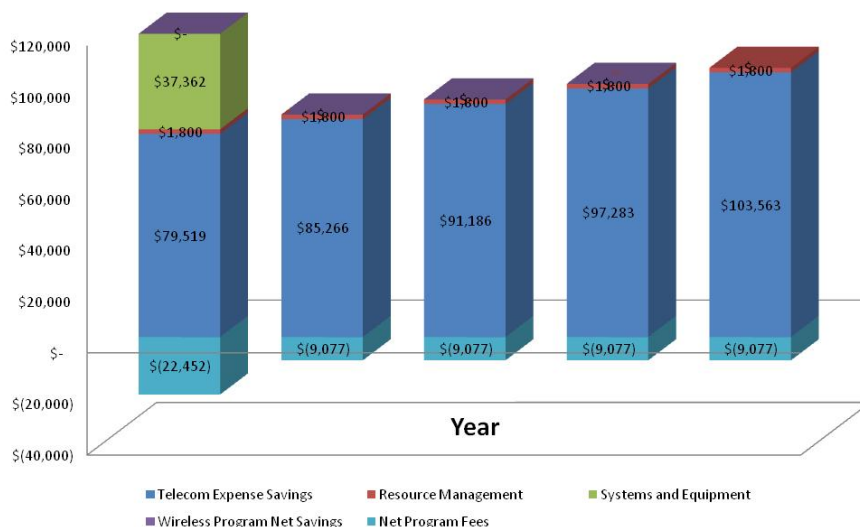
HTEEx conducted a comprehensive review and assessment of in-place telecommunications conditions, equipment and LAN infrastructure, services, contracts, fiber and WAN network and costs. HTEEx redesigned the telecommunications and network services leveraging the in-place fiber assets and new equipment. HTEEx conducted a communications applications needs assessment and development of the specification design in close collaboration with the City Manager and department heads. HTEEx proposed system and vendor options that would provide the city the most functional and cost effective value.

Results

HTEEx achieved 42% total cost savings by implementing the design recommendations and utilizing an HTEEx vendor partner. The cost savings will fully fund the proposed new system solution and provide funding for additional investments.

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|---------------------|-----------|----------|----------|----------|-----------|-----------|
| Member Value | \$118,700 | \$87,100 | \$93,000 | \$99,100 | \$105,400 | \$503,300 |
| Member Fees | (22,500) | (9,100) | (9,100) | (9,100) | (9,100) | (58,900) |
| Net Program Benefit | \$ 96,200 | \$78,000 | \$83,900 | \$90,000 | \$ 96,300 | \$444,400 |

HTEEx Program Member Value vs. Member Costs



Strategic Benefits

- The new proposed VoIP system and network will provide the most efficient functional capabilities at the lowest cost while enabling the desired collaboration with other communities.
- The cost savings, both on-going and the contractual HTEEx partner discounts, enabled the new VoIP system to be deployed at substantial costs savings.
- The city has achieved the ability to increase internal productivity, provide enhanced services to the community and more effectively control on-going costs.
- HTEEx is partnering with the city to manage ongoing costs, evaluate new applications, and advance economic development.

Initial Cost Savings 41.5%
Payback in Months 3.4
Five Yr. Internal Return 2,052%



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