

"I am happy to share with your company that not only did you meet our expectations, but in many ways you exceeded them! We will be significantly reducing our telecommunications costs and because of that, able to fund our new VoIP telephone system. Best of all, we will be securing very advanced communication capabilities, which will result in improved productivity and better service to our community."

David G. Kline • Mayor



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Challenge

The City of Tallmadge wanted to enhance their voice and data communications capabilities, improve efficiency, enhance services to their community, and reduce telecommunications costs. The city had very out of date telecommunications infrastructure consisting of multiple types of end of life systems, numerous lines and circuits, limited communications capabilities and high costs. The city had, over 8 years, deployed a privately owned fiber network, but they were unable to effectively utilize this asset in meeting these objectives.

HTEEx Approach

HTEEx conducted a comprehensive review and assessment of in-place conditions, equipment and LAN infrastructure, services, contracts, fiber and WAN network and costs. HTEEx conducted an assessment of advanced VoIP applications that would improve internal capabilities and services to the community. HTEEx conducted a cost savings analysis, across all services, leveraging the in-place fiber network and a new state-of-the-art telecommunications equipment infrastructure. HTEEx evaluated multiple new VOIP telecommunications systems and recommended the system that best suited the short and long term needs of both the city and the community from both a cost and functionality perspective.

Results

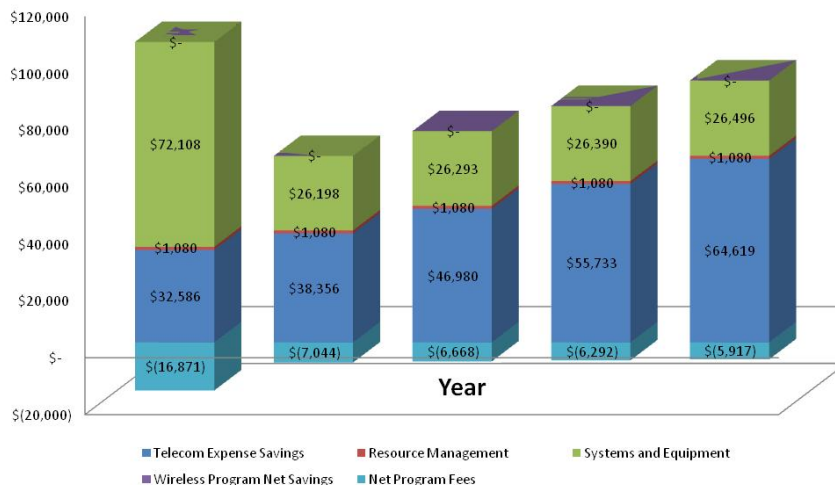
HTEEx achieved 25% total cost savings which was able to totally fund the new telecommunications solution. The city was also able to avoid an emergency capital cost of \$46,000 to replace safety services equipment by embedding like functionality as an operating cost in the new solution.

Strategic Benefits

- HTEEx created a long term cost/benefit and ROI analysis which indicated that, over the long term, the HTEEx generated cost savings will totally fund the new telecommunications solution with a net cost savings.
- HTEEx provided a new system/network implementation plan and serves in a project management capacity.
- HTEEx is now working with the city to leverage the new VoIP solution to provide better services within the City of Tallmadge.
- HTEEx is working with the city to establish unique collaborative ventures with the surrounding communities.

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|---------------------|-----------|----------|----------|----------|-----------|-----------|
| Member Value | \$105,800 | \$65,600 | \$74,400 | \$83,200 | \$ 92,200 | \$421,200 |
| Member Fees | (16,900) | (7,000) | (6,700) | (6,300) | (5,900) | (42,800) |
| Net Program Benefit | \$ 88,900 | \$58,600 | \$67,700 | \$76,900 | \$ 86,300 | \$378,400 |

HTEEx Program Member Value vs. Member Costs



Initial Cost Savings 23.2%
Payback in Months 6.2
Five Yr. Internal Return 1,888%



www.htexch.com