

Telephone

Purchase.

LEASE

STATE OF ALASKA THE LEGISLATURE

130 Seward Street, Suite 313
Juneau, AK 99801-2197
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

TO: Representative Carl Moses, Chair
House Rules Committee

FROM: Pamela A. Stoops, Director *Jan*
Administrative Services

DATE: May 8, 1993

SUBJECT: House Phones Lease/Purchase

The following information is provided to assist you in making a decision on the House's purchase of phone equipment. We have received information from the Department of Administration, Division of Information Services that if Agencies are planning to purchase phone equipment and optional features in FY 93 we need to notify them prior to June 1, 1993.

In order to have sufficient time to notify the Division of Information Services with a detailed purchase report by extension please respond by May 24, 1993.

The House has already purchased 15 phones from the Capitol wiring credit. The fifteen already purchased are not in the below calculation.

	<u>House Phones</u>	<u>Annual Lease Cost</u>	<u>FY 93 Purchase Cost</u>	<u>FY 94 Purchase Cost</u>
Model 2008	110	\$5,500	\$33,110	\$34,430
Model 2616	44	\$3,080	\$18,436	\$20,768
Model 2616D	4	\$320	\$1,896	\$2,184
Model 2616M	9	\$810	\$5,571	\$5,571
Model 2616DM	<u>8</u>	<u>\$800</u>	<u>\$4,472</u>	<u>\$5,624</u>
	175	\$10,510	\$63,485	\$68,577

It would be to our advantage to purchase the phone sets rather than lease them since lease rates pay for the equipment/installation in six to seven years. There is also a 8% savings by purchasing the phones by June 1, 1993 versus purchasing them in FY 94. Session Expenses has sufficient funds to purchase this equipment. A Rules Committee meeting would be required to approve the purchase.

You might want to consider purchasing a portion of the House phones at this time. I am recommending that we lease voice mail at this time. It is not in the above calculation. It would take ten years to pay for voice mail if we lease it.

I am anticipating that the Session Expenses appropriation will lapse over \$300,000. There is language in the reappropriation bill to reappropriate this \$300,000 from FY 93 to FY 94. This will increase your FY 94 authorized funding by the amount that is reappropriated. If your Rules Committee approves this purchase it would lower the anticipated balance by the amount approved.

It is recommended the House look at purchasing 75% of their phones for the following reasons:

1. Session funds are available now and a purchase will reduce our future operating costs when budgets could be smaller;
2. Maintenance on the equipment is covered whether we purchase or lease the equipment;
3. Purchasing 75% of the equipment will give us some flexibility on reducing the number of phones or types of equipment in future years; \$47,600 would be the purchase price of approximately 75% of the current House phones;
4. The Division of Information Services says the new phone system will continue to be upgraded with software and additions and will not be obsolete 15 years from now.

A similar memo with their calculation was sent to the Senate. This morning, Senate Rules Committee approved the purchase of approximately 75% of the Senate phones. The amount approved was \$29,000.

Please call me at 465-6622 if you have any questions.

Alaska State Legislature

Representative Carl E. Moses



CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL FISHERIES COMMITTEE

MEMBER
FINANCE SUBCOMMITTEES
FISH AND GAME
PUBLIC SAFETY

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MEMORANDUM

DATE: May 8, 1993

TO: All Committee Members
House Rules Committee

FROM: Rep. Carl E. Moses, Chairman
House Rules Committee *CEM*

RE: Committee Meeting - Telephone Purchase/Lease

We will have a Rules Committee meeting on Monday, May 10th, at 9:30am in the Speaker's Chambers. The topic we will discuss is whether to purchase or lease telephone equipment for the Legislative Affairs Agency. Please review the attached summary prior to the meeting.

If you have any questions, please call Tim Benintendi of my staff at 3764, or Pam Stoops at 3850.

CEM/tb/m13


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It is recommended the House look at purchasing 75% of their phones for the following reasons:

1. Session funds are available now and a purchase will reduce our future operating costs when budgets could be smaller;
2. Maintenance on the equipment is covered whether we purchase or lease the equipment;
3. Purchasing 75% of the equipment will give us some flexibility on reducing the number of phones or types of equipment in future years; \$47,600 would be the purchase price of approximately 75% of the current House phones;
4. The Division of Information Services says the new phone system will continue to be upgraded with software and additions and will not be obsolete 15 years from now.

A similar memo with their calculation was sent to the Senate. This morning, Senate Rules Committee approved the purchase of approximately 75% of the Senate phones. The amount approved was \$29,000.

Please call me at 465-6622 if you have any questions.

Alaska State Legislature

Representative Carl E. Moses



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A similar memo with their calculation was sent to the Senate. This morning, Senate Rules Committee approved the purchase of approximately 75% of the Senate phones. The amount approved was \$29,000.

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