



CITY OF VANCOUVER

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ADMINISTRATIVE REPORT

Report Date: Nov 3, 2005
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Meeting Date: November 29, 2005

TO: Vancouver City Council

FROM: General Manager, Corporate Services
Manager, Materials Management

SUBJECT: Award of Contract for RFP PS05074 - Supply of Consulting Services for a VoIP Feasibility Study and Project Initiation

RECOMMENDATION

- A. *THAT, subject to the conditions set out in Recommendations B, C, and D, Council authorize a contract with Planetworks Consulting Corporation to provide consulting services for a VoIP Feasibility Study and Project Initiation at an estimated cost of \$59,250 plus applicable taxes, subject to a contract satisfactory to the Director of Legal Services, the General Manager, Corporate Services, and the Manager of Materials Management, source of funding to be from the 2005 Information Technology operating budget.*
- B. *THAT, the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendation A.*
- C. *THAT, all such legal documents be on terms and conditions satisfactory to the General Manager, Corporate Services, Manager of Materials Management and the Director of Legal Services.*
- D. *THAT, no legal rights or obligations will be created by Council's adoption of Recommendation A, B and C above unless and until such legal documents are executed and delivered by the Director of Legal Services.*

COUNCIL POLICY

Council approval is required for consulting contracts over \$30,000.
Contracts are to be awarded on the basis of best overall value for the City.

SUMMARY

The City wishes to engage the services of an independent consultant to help it develop a corporate telephony strategy. After evaluating responses to a Request for Proposals (RFP), this report recommends that Council award Planetworks Consulting Corporation ("Planetworks") the contract to provide these services.

BACKGROUND

The City's telephone systems, servicing about 6,000 phones, includes 3 Private-Branch Exchanges (PBX's) from two manufacturers and Centrex services provided by two telephone companies, with at least 4 independent voice-mail systems. The City-owned equipment is anywhere from 8 to 20 years old, and in some cases is facing end of manufacturer support.

At the same time, advances in technology and the growth of the City's fibre-optic based data network are presenting opportunities to replace these disparate and largely independent systems with an enterprise-wide telephone system, likely employing technology that uses the data networks already in place, rather than demanding the current distinct phone networks. This technology is commonly referred to as VoIP, or Voice over Internet Protocol.

An integrated state-of-the-art telephone system offers the following potential benefits:

- Customer service improvements through phone services that are City-wide and can be more easily integrated with computer systems;
- Cost savings through reduction in Centrex costs and consolidation of data and voice networks; and
- Internal operational efficiencies through functionality like coordinated dialling plans, shared voice-mail systems, and video-conferencing support.

Recognizing this opportunity and wishing to explore it further, in early January 2005 the City issued RFI PS04113 Enterprise IP Telephony Planning, in which it invited interested and knowledgeable companies to submit their vision of how the City should move forward. Seven responses were received.

In August 2005, the City issued RFP PS05074 for "Consulting Services for a VOIP Feasibility Study and Project Initiation, inviting proponents to:

- Gather information on the City's phone systems and data network;
- Compile requirements by interviewing key stakeholders throughout the City;
- Research and report on current best practices in telephony, particularly in the public sector;
- Review the responses to RFI PS04113;
- Prepare a report presenting findings, addressing key technical and organizational issues, and recommending strategic and technical directions; and
- Develop a business case that supports those recommendations.

The closing date for responses to RFP PS05074 was September 21, 2005.

DISCUSSION

Seven proponents responded to the RFP:

Acumen Engineering Ltd.
Carrie Marsh, Telecommunications Consultant
CGI Information Systems and Management Consultants, Inc.
Deloitte & Touche Inc.
International Business Intelligence Consulting Inc.
Mackin Gibson Consulting Group Ltd.
Planetworks Consulting Corporation

Responses were evaluated by a team of 4 under the guidance of the City's Materials Management representative, following accepted City practices. Evaluation criteria included price, company experience with similar engagements, vendor independence, and project team skills and experience.

All responses met the City's requirements.

Four proponents were interviewed for clarification of their proposals.

The proposal from Planetworks was judged to represent best overall value to the City. Planetworks is a local Vancouver company. Their proposal was the third lowest in price. Both the company and the individual project team members have considerable relevant experience and can reference successful engagements involving strategic telecommunications planning, technology feasibility studies, network review and design, and business case development, in both the private and public sectors. They presented a well thought-out work plan, and demonstrated an appreciation for the importance of relating to the City's business needs, as well as an understanding of the technology. They demonstrated the interpersonal communication skills needed to compile the City's requirements through stakeholder interviews. Finally, their approach to project management was sound.

FINANCIAL IMPLICATIONS

The pricing of the Planetworks proposal is based on an hourly rate, not to exceed \$59,250 in total, exclusive of taxes.

Funding is available in the Information Technology department's 2005 operating budget for consulting services. To the extent that fees are not invoiced and paid in 2005, funding for this purpose will be allocated and carried over into 2006.

IMPLEMENTATION PLAN

The study is expected to take 10 -12 weeks, and should be complete by the end of March 2006.

CONCLUSION

We recommend that Council award this contract for consulting services to Planetworks Consulting Corporation, subject to the development and execution of a satisfactory contract.

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