

**TO:** CITY MANAGER **DATE:** 2006 July 10

**FROM:** DIRECTOR FINANCE **FILE:** 14-01/06

**SUBJECT:** TELECOMMUNICATIONS REPLACEMENT PROJECT

**PURPOSE:** To request funding and to obtain approval to award a contract for the supply and installation of a comprehensive telephony solution for the City of Burnaby.

**RECOMMENDATION:**

1. **THAT** the City enter into a contract with Bell Canada to supply and install new telephony equipment for the City of Burnaby for a total net cost of \$1,162,765.00.
2. **THAT** a Capital Reserves Expenditures Bylaw in the amount of \$235,000 (inclusive of 6% GST) be enacted to complete financing of the project.

**REPORT**

The Telecommunications Strategic Plan completed in December 2005 identified the need to replace the City's obsolete telephony equipment, and begin a phased implementation of Voice over IP telephony. Council at its regular meeting of 2006 January 09 approved \$1,045,000 (inclusive of 7% GST) for the estimated project cost. Through a Request for Proposal process the City has now obtained the firm and final quoted cost. The following outlines the bylaw funding request:

	<u>Contract</u>	<u>Funding</u>
Total contract price	\$ 1,162,765	
Contingency (10%)	<u>117,235</u>	
	1,280,000	1,280,000
Funding in place – Bylaw #12043		<u>(1,045,000)</u>
Funding required		\$ <u>235,000</u>
6% GST rebate	<u>(72,453)</u>	
Net cost to the City	\$ <u>1,207,547</u>	

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The City issued a Request for Proposals that resulted in submissions from Bell Canada, Blackbox, Compugen, IBM and Telus. The proposed solutions varied in implementation strategies from a “big-bang” approach to the preferred staged implementation over four years.

The work of this contract involves the phased supply and installation of new telephony equipment over a four year period, covering 25 sites throughout the municipality. The requirement is for a solution that eliminates technological obsolescence, improves cost- and service delivery effectiveness and positions the City to benefit from future technological advancements.

Bell Canada was selected for the work following a two-stage evaluation process that included presentations from short-listed proponents. Although Bell Canada’s total cost was not the least, its proposal was ranked highest based on its full solution including equipment, implementation strategy, resources and non-cost criteria.

Bell Canada will assume responsibility for telephony systems covered under an existing maintenance agreement (due to expire 2006-Aug-31) resulting in the elimination of current telephone maintenance agreement costs. Bell Canada will also assume the risks associated with replacement of the current obsolete parts and equipment until new equipment has been installed. Bell Canada’s proposal best addresses the migration process from the City’s current technology to Internet Protocol technology with respect to learning curves, work culture and manageability of dual platforms. The Bell/Nortel solution also ensures that all functionality of the existing Nortel equipment will be maintained as the various phases are implemented over a four year period.

Staff and the technical consultants retained by the City for this project, Acumen Consulting Engineers, are satisfied that Bell Canada has the experience and resources to complete the work of this contract.

The evaluation committee recommends awarding a contract to Bell Canada in the amount of \$1,162,765.00.

Sufficient Capital Reserve funds are available and this project is included in the 2006 Financial Plan. It is further recommended that a Capital Works Expenditure Bylaw in the amount of \$235,000 be enacted to complete the financing of this project. This bylaw appears elsewhere on the agenda.

  
FOR Rick Earle  
DIRECTOR FINANCE

cc. Chief Information Officer