REPORTS

161. From the Chief Financial Officer
Report 2002/02/26

Award of Contract for the Provision of Voice Mail System - RFP No. 912-2001

File GL-9 (Vol. 17)

Recommending:

1. That the Offer from AT&T Canada be determined to be non-responsive.
2. That the Offer from Norstan Canada Inc., be determined to be non-responsive.
3. That the contract for voice mail system for the period be awarded to the offerer whose proposal has been determined to be the most advantageous to the City-based upon the criteria for evaluation set out in the Request for Propoals as follows:

    MTS Communications Inc. (nineteen month contract)

    Contract duration - May 1, 2002 to November 30, 2003

    - Voice Mail System

    Total Conditional Contract Amount Before Taxes $317,414.00
4. That the proper officers of the City be authorized to do all things necessary to effect the intent of the foregoing.

Moved by Councillor Angus,

That the recommendation be concurred in and forwarded to Council.

Carried

Re: **AWARD OF CONTRACT FOR THE PROVISION OF VOICE MAIL SYSTEM – RFP NO. 912-2001**

For submission to: **EXECUTIVE POLICY COMMITTEE**

Submitted by: CHIEF FINANCIAL OFFICER

Report date: February 26, 2002

In camera item: ☐ Yes ☒ NO

Recommendations:

That the Offer from AT&T Canada be determined to be non-responsive.

That the Offer from Norstan Canada Ltd be determined to be non-responsive.

That the contract for voice mail system for the period be awarded to the offerer whose proposal has been determined to be the most advantageous to the City based upon the criteria for evaluation set out in the Request for Proposals as follows:

MTS Communications Inc. (Nineteen month contract)

Contract duration – May 1, 2002 to November 30, 2003

- Voice Mail System
  Total Conditional Contract Amount Before Taxes $317,414.00

Report Summary

Key Issue(s):

- That contracts for a voice mail system for the period be awarded to the offerer whose proposal has been determined to be the most advantageous to the City based upon the criteria for evaluation set out in the Request for Proposals.

- That the proper officers of the City be authorized to do all things necessary to effect the intent of the foregoing.

Implications of the Recommendation(s):

General Implications

	None
X	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
X	Involves a multi-year contract

Comment: The City of Winnipeg's requirement for voice mail extends to all departments. This need is expected to increase in the next two years. The proposed 19 month contract provides the City with continued service at the best rate possible and aligns the contract date with the current five year general telephone contract expiry date.

Policy implications

X	No
	Yes

Financial implications

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Report

Recommendations:

1) That the Offer from AT&T Canada be determined to be non-responsive.

2) That the Offer from Norstan Canada Inc be determined to be non-responsive.

3) That the contract for voice mail system for the period be awarded to the offerer whose proposal has been determined to be the most advantageous to the City based upon the criteria for evaluation set out in the Request for Proposals as follows:

MTS Communications Inc. (Nineteen month contract)

Contract duration – May 1, 2002 to November 30, 2003

- Voice Mail System
  Total Conditional Contract Amount Before Taxes $317,414.00

4) That the proper officers of the City be authorized to do all things necessary to effect the intent of the foregoing.

Reason for the Report:

As the total conditional amount, including PST and GST net of rebates, to be paid by the City pursuant to the contract for an interdepartmental purchase committing payments by the City from future operating budgets over multiple years, the award of contract must be approved by Council.

History:

Existing contracts for these services were with AT&T Canada and will expire on February 28, 2002. Corporate Information Technology and Materials Management issued a Request for Proposals for these services in November of 2001, closing in December of 2001.

Final Receipt of offers took place on December 14, 2001 with proposals being received from four offerers.

Discussion:

VOICE MAIL SYSTEM

Five Proposals were received from four companies:

AT&T Canada
MTS Communications Inc. (two proposals)
Accord Communications
Norstan Canada Ltd.

Proposals were from eighteen months to five years proposed duration. Proposals were received for the provision of a voice mail system. The Offer received from AT&T Canada should be determined to be non-responsive because AT&T did not conform with a mandatory requirement listed in Clause 16.1 (a) (iii). They did not sign the Offer, agreeing to be bound by the City's terms and conditions. The Offer received from Norstan Canada Ltd. should be determined to be non-responsive because Norstan included a statement limiting liability. These matters are significant and should not be waived.

All three proposals that were deemed responsive were thoroughly analyzed (Appendix B – Evaluation of Offers). A comparison of existing and recommended spending is attached (Appendix A). The recommended offerer (MTS Communications Inc.) and terms (19 month contract to terminate at the same time as the current five year Centrex contract) are the lowest cost and highest value solution. The lowest cost MTS solution (Trilogue) is a new and less proven offering than their Octel solution. In negotiations with MTS, allowances for potential problems with the Trilogue system were discussed and an agreement reached whereby the City would receive the older Octel solution at the same or less cost than the Trilogue solution if the Trilogue solution was found not satisfactory. The City will realize an overall increase in the cost of Voice Mail Services of approximately $360.00 per month over current rates.

The Offers remain open to the end of April allowing Council to consider the award before the bids expire. AT&T Canada, the current voice mail provider, will extend the contract at the same price until such time as a cut-over to the new system is complete.

The requirements for Bid and Performance Securities were waived for this purchase in accordance with the authority delegated to the Director of Purchasing by the Board of Commissioners on April 9, 1992 and February 9, 1995.

MTS Communications Inc. has demonstrated that they have the necessary qualifications and resources to perform the work of this contract.

Although the proposed voice mail system operates very much like the existing system, the conversion to the recommended system will involve minor operational changes for all users of voice mail.

Financial Impact Statement — February 12 2002

Project Name: — **First Year of Program** **2002**

Award of contract for the provision of voice mail system - RFP NO. 912-2001

	2002	2003	2004	2005	2006
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 133,648	$ 183,766	$ -	$ -	$ -
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ 133,648	$ 183,766	$ -	$ -	$ -
Less: Existing Budget Amounts	133,648	183,766	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Funding for the voice mail contract will be provided for within the existing budget.

"Original signed by Radhika Abeysekera"
Manager of Finance & Administration

This Report Submitted By:

Department: Corporate Information Technology
Division: Information Technology – Operations & Infrastructure
Prepared by: Leo Boiteau
File No.

Appendix A – Cost Comparison

FINANCIAL COST COMPARISON CHART

CURRENT CONTRACT vs. RECOMMENDED

Voice Mail System

	Est. Monthly Avg.	19 Month contract
Current Contract	$16,345.58	$310,566.00
MTS Communications Inc.	$16,706.00	$317,414.00

Appendix B – Evaluation of Offers

COST EVALUATION SUMMARY CHART

Voice Mail System

Company	Est. Monthly Avg.	19 Month contract
Current Contract	$16,345.58	$310,566.00
MTS Communications Inc. Trilogue System	$16,706.00	$317,414.00
MTS Communications Inc. Octel System	$18,835.40	$357,872.61
Accord Communications Hardware and Software Bid		$693,697.00

Appendix B – Evaluation of Offers

RFP 912-2001 – Evaluation of Proposals

Cellular Telephone Network Services

	Trilogue MTS	Octel MTS	Accord
Conformance with Mandatory Requirements	Pass	Pass	Pass
Qualifications of Offerers	10	10	10
Functionality of System	30	30	30
Support Services	15	15	15
Schedule of Work	10	10	10
Total Contract Cost	35	31	18.1
TOTAL	100	96	83.1

MTS Trilogue Voice Mail - 19 Month Evaluation

DATE	no. of mailboxes	cost per new mailbox	Month service charge	deletes	profile change	service charge	transfer mailbox	month cost	new transfer mailboxes	service charge	25 msg ext cap	cost per month	service charge	new extended capacity	extra msg length	cost per simult month	cost per access	information manager	cost per month	Total cost per month	Accumulated cost
May-02	2229	$6.00	29	$0.00	10	13	$0.00	50	$6.00	1	$0.00	50	$6.00	$0.00	0	1	$13.00	3	$13.00	80	$20.00	$15,626.00	$15,626.00
Jun-02	2248	$6.00	29	$0.00	10	13	$0.00	50	$6.00	0	$0.00	51	$6.00	$0.00	1	1	$13.00	3	$13.00	80	$20.00	$15,746.00	$31,372.00
Jul-02	2267	$6.00	29	$0.00	10	13	$0.00	51	$6.00	1	$0.00	51	$6.00	$0.00	0	1	$13.00	3	$13.00	80	$20.00	$15,866.00	$47,238.00
Aug-02	2286	$6.00	29	$0.00	10	13	$0.00	51	$6.00	0	$0.00	52	$6.00	$0.00	1	1	$13.00	3	$13.00	80	$20.00	$15,986.00	$63,224.00
Sep-02	2305	$6.00	29	$0.00	10	13	$0.00	52	$6.00	1	$0.00	52	$6.00	$0.00	0	1	$13.00	3	$13.00	80	$20.00	$16,106.00	$79,330.00
Oct-02	2324	$6.00	29	$0.00	10	13	$0.00	52	$6.00	0	$0.00	53	$6.00	$0.00	1	1	$13.00	3	$13.00	80	$20.00	$16,226.00	$95,556.00
Nov-02	2343	$6.00	29	$0.00	10	13	$0.00	53	$6.00	1	$0.00	53	$6.00	$0.00	0	1	$13.00	3	$13.00	80	$20.00	$16,346.00	$111,902.00
Dec-02	2362	$6.00	29	$0.00	10	13	$0.00	53	$6.00	0	$0.00	54	$6.00	$0.00	1	1	$13.00	3	$13.00	80	$20.00	$16,466.00	$128,368.00
Jan-03	2381	$6.00	29	$0.00	10	13	$0.00	54	$6.00	1	$0.00	54	$6.00	$0.00	0	1	$13.00	3	$13.00	80	$20.00	$16,586.00	$144,954.00
Feb-03	2400	$6.00	29	$0.00	10	13	$0.00	54	$6.00	0	$0.00	55	$6.00	$0.00	1	1	$13.00	3	$13.00	80	$20.00	$16,706.00	$161,660.00
Mar-03	2419	$6.00	29	$0.00	10	13	$0.00	55	$6.00	1	$0.00	55	$6.00	$0.00	0	1	$13.00	3	$13.00	80	$20.00	$16,826.00	$178,486.00
Apr-03	2438	$6.00	29	$0.00	10	13	$0.00	55	$6.00	0	$0.00	56	$6.00	$0.00	1	1	$13.00	3	$13.00	80	$20.00	$16,946.00	$195,432.00
May-03	2457	$6.00	29	$0.00	10	13	$0.00	56	$6.00	1	$0.00	56	$6.00	$0.00	0	1	$13.00	3	$13.00	80	$20.00	$17,066.00	$212,498.00
Jun-03	2476	$6.00	29	$0.00	10	13	$0.00	56	$6.00	0	$0.00	57	$6.00	$0.00	1	1	$13.00	3	$13.00	80	$20.00	$17,186.00	$229,684.00
Jul-03	2495	$6.00	29	$0.00	10	13	$0.00	57	$6.00	1	$0.00	57	$6.00	$0.00	0	1	$13.00	3	$13.00	80	$20.00	$17,306.00	$246,990.00
Aug-03	2514	$6.00	29	$0.00	10	13	$0.00	57	$6.00	0	$0.00	58	$6.00	$0.00	1	1	$13.00	3	$13.00	80	$20.00	$17,426.00	$264,416.00
Sep-03	2533	$6.00	29	$0.00	10	13	$0.00	58	$6.00	1	$0.00	58	$6.00	$0.00	0	1	$13.00	3	$13.00	80	$20.00	$17,546.00	$281,962.00
Oct-03	2552	$6.00	29	$0.00	10	13	$0.00	58	$6.00	0	$0.00	59	$6.00	$0.00	1	1	$13.00	3	$13.00	80	$20.00	$17,666.00	$299,628.00
Nov-03	2571	$6.00	29	$0.00	10	13	$0.00	59	$6.00	1	$0.00	59	$6.00	$0.00	0	1	$13.00	3	$13.00	80	$20.00	$17,786.00	$317,414.00

MTS Octel Voice Mail - 19 month evaluation

DATE	no. of mailboxes	cost per new mailbox	Month service charge	deletes	profile change	service charge	transfer	month cost	new transfer mailboxes	service charge	25 msg ext cap	cost per month	service charge	new extended capacity	extra msg length	cost per simult month	access	cost per month	information manager	cost per month	overage charges	Total cost per month
May-02	2229	$6.00	29	$0.00	10	13	$0.00	50	$6.00	1	$0.00	50	$9.00	$0.00	0	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$17,741.19
Jun-02	2248	$6.00	29	$0.00	10	13	$0.00	50	$6.00	0	$0.00	51	$9.00	$0.00	1	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$17,864.19
Jul-02	2267	$6.00	29	$0.00	10	13	$0.00	51	$6.00	1	$0.00	51	$9.00	$0.00	0	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$17,984.19
Aug-02	2286	$6.00	29	$0.00	10	13	$0.00	51	$6.00	0	$0.00	52	$9.00	$0.00	1	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$18,107.19
Sep-02	2305	$6.00	29	$0.00	10	13	$0.00	52	$6.00	1	$0.00	52	$9.00	$0.00	0	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$18,227.19
Oct-02	2324	$6.00	29	$0.00	10	13	$0.00	52	$6.00	0	$0.00	53	$9.00	$0.00	1	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$18,350.19
Nov-02	2343	$6.00	29	$0.00	10	13	$0.00	53	$6.00	1	$0.00	53	$9.00	$0.00	0	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$18,470.19
Dec-02	2362	$6.00	29	$0.00	10	13	$0.00	53	$6.00	0	$0.00	54	$9.00	$0.00	1	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$18,593.19
Jan-03	2381	$6.00	29	$0.00	10	13	$0.00	54	$6.00	1	$0.00	54	$9.00	$0.00	0	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$18,713.19
Feb-03	2400	$6.00	29	$0.00	10	13	$0.00	54	$6.00	0	$0.00	55	$9.00	$0.00	1	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$18,836.19
Mar-03	2419	$6.00	29	$0.00	10	13	$0.00	55	$6.00	1	$0.00	55	$9.00	$0.00	0	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$18,956.19
Apr-03	2438	$6.00	29	$0.00	10	13	$0.00	55	$6.00	0	$0.00	56	$9.00	$0.00	1	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$19,079.19
May-03	2457	$6.00	29	$0.00	10	13	$0.00	56	$6.00	1	$0.00	56	$9.00	$0.00	0	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$19,199.19
Jun-03	2476	$6.00	29	$0.00	10	13	$0.00	56	$6.00	0	$0.00	57	$9.00	$0.00	1	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$19,322.19
Jul-03	2495	$6.00	29	$0.00	10	13	$0.00	57	$6.00	1	$0.00	57	$9.00	$0.00	0	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$19,442.19
Aug-03	2514	$6.00	29	$0.00	10	13	$0.00	57	$6.00	0	$0.00	58	$9.00	$0.00	1	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$19,565.19
Sep-03	2533	$6.00	29	$0.00	10	13	$0.00	58	$6.00	1	$0.00	58	$9.00	$0.00	0	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$19,685.19
Oct-03	2552	$6.00	29	$0.00	10	13	$0.00	58	$6.00	0	$0.00	59	$9.00	$0.00	1	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$19,808.19
Nov-03	2571	$6.00	29	$0.00	10	13	$0.00	59	$6.00	1	$0.00	59	$9.00	$0.00	0	1	$13.00	3	$13.00	80	$9.00	$2,845.19	$19,928.19

Accord Communications – 19 Month Evaluation

VOICE MAIL RFP 912-2001

		MONTHLY	
Accord Communications			
non-redundant system			
Hardware and Software			$466,664.40
Maintenance (2nd year)		$3,335.00	$23,345.00
Trunking	96 Trunks	$3,792.00	$72,048.00
City Administration	$4000 per month	$4,000.00	$76,000.00
19 Month Contract Price			$638,057.40
redundant system			
Hardware and Software			$508,584.00
Maintenance (2nd year)		$5,295.00	$37,065.00
Trunking	96 Trunks	$3,792.00	$72,048.00
City Administration	$4000 per month	$4,000.00	$76,000.00
19 Month Contract Price			$693,697.00

Voice Mail – Evaluation

Voice Mail Cost Evaluation Summary

Company	Contract Cost	POINTS
MTS Trilogue	$317,414.00	**35.0**
MTS Octel	$357,872.61	**31.0**
Accord Communications	$693,697.00	**18.1**

Accord bid a purchase and maintain
system including all hardware and software.

Evaluation of RFPs Specification Criteria

Evaluation of MUST/SHALL criteria	*Weight*	MTS Trilogue	MTS Octel	Accord
General Specifications				
3.1 Integration with telephone system	*1*	1	1	1
4.02 Accomodation of subsribers	*1*	1	1	1
4.03 a) greeting length of 20 seconds	*1*	1	1	1
4.03 b) message length of 3 minutes	*1*	1	1	1
4.03 c) incoming message capacity = 25	*1*	1	1	1
4.03 d) retention 21 days new, 7 archived	*1*	1	1	1
4.04 Audiotex function	*1*	1	1	1
Functions				
4.05 Personal greeting	*1*	1	1	1
4.07 Transfer call on specified keystroke	*1*	1	1	1
4.08 receive voice message int/ext	*1*	1	1	1
4.10 Message waiting indication	*1*	1	1	1
4.11 Outbound Notification to paging device	*1*	1	1	1
4.12 Play and replay received messages	*1*	1	1	1
4.14 archive and separate messages	*1*	1	1	1
4.15 Time and date stamp messages	*1*	1	1	1
4.16 CLID on calling party	*1*	1	1	1
4.15 Playback controls	*1*	1	1	1
4.16 Review contents before deletion	*1*	1	1	1
4.17 Touch tone telephone access	*1*	1	1	1
4.18 Password protection, etc.	*1*	1	1	1
4.19 Clear concise system voice prompts	*1*	1	1	1
4.21 send to subscribers/groups	*1*	1	1	1
4.22 Create and use group lists	*1*	1	1	1
4.23 Forward message with introduction	*1*	1	1	1
Software				
4.29 Provision of required software licences	*1*	1	1	1
Additions, Changes, and Deletions				
4.31 Create new mailboxes/profiles	*1*	1	1	1
Reliability				
4.37 Highly reliable system components	*1*	1	1	1
4.39 Scheduled downtime hours	*1*	1	1	1
4.40 Inform City of scheduled outages	*1*	1	1	1
4.41 a) Outage <6h Monday - Friday	*1*	1	1	1
4.41 b) Outage <12 h per year Mon - Fri	*1*	1	1	1
4.41 c) Outage <12 h Saturday - Sunday	*1*	1	1	1
4.41 d) Outage <36 h per year Sat - Sun	*1*	1	1	1
4.42 Provide availability statistics	*1*	1	1	1
4.43 Detection of failure and restoration	*1*	1	1	1
4.45 Provide instruction material	*1*	1	1	1

4.47 Provision of on-line support	*1*	1	1	1
TOTAL POINTS	*37*	*37*	*37*	*37*