

COMMITTEE OF THE WHOLE MONDAY JUNE 17TH, 2002

REQUEST FOR PROPOSAL 02-092 **WIRELESS COMMUNICATIONS**

Recommendation

The Commissioner of Economic & Technology Development and Corporate Communications and the Manager of Technology Development in conjunction with the Director of Purchasing Services recommend:

That the proposal submitted by Telus Mobility for Wireless Communications be selected as the successful proponent submission.

That Council direct staff to negotiate an agreement for a 3 year term between the City of Vaughan and Telus Mobility.

That Council direct staff to review the requirements of each current cellular phone user, identify appropriate hardware for each, and migrate each to the "Phone 40" or "Work 40" Telus MiKE iDEN airtime plan. Furthermore, that staff review the requirements of each current user, to determine appropriateness of high end converged hardware to permit all voice and data applications on a Blackberry RIM type device scheduled for release later this year.

Notwithstanding the City's Purchasing Policies and Procedures, that Council direct staff to continue current arrangements with Rogers AT&T for "Paging Services" for those users where a multi-purpose MiKE handset is not appropriate, in order to realize cost efficiencies.

Purpose

At the direction of the Commissioner of Economic & Technology Development and Corporate Communications, staff issued RFP02-092 for Wireless Communications for the City of Vaughan, Hydro Vaughan Distribution Inc. and Vaughan Public Libraries. The intent of the RFP was to select a proponent solution to:

- Integrate wireless communications to the extent possible through a single vendor.
- Integrate wireless communications, voice and data, where possible on a single handset.
- Demonstrate commitment to non-obsolescence and progressiveness through research and development to migrate to future technologies as they become available.
- Optimize the "cost per minute" usage for all City of Vaughan, Hydro Vaughan Distribution Inc., and Vaughan Public Libraries users as well as obtain the best cost for the user communication devices (hardware).
- Enhance customer service to Wireless user community by expediting handset replacements and/or new activation on a 24-hour basis.
- Identify a carrier whose service coverage area meets our user community needs.
- Designate three (3) standard user device (hardware) models.

Background - Analysis and Options

The Request for Proposal for Wireless Communications was issued on Thursday April 11th, 2002 and closed on Thursday May 2, 2002. The City's Purchasing Services Department received a total of three (3) responses to the Request For Proposal:

Bell Mobility

Telus Mobility

Microcell Solutions (FIDO) – disqualified as proposal security was not submitted with the proposal submission

Rogers AT&T – disqualified as proposal was not received in the Purchasing Services Department on time

A Wireless Communications Evaluation Team was established to review the proposals of Bell Mobility and Telus Mobility. The Evaluation Team consisted of:

Lucille King, Manager, Technology Development, ETDD, City of Vaughan

Michael Long, Senior Business Analyst, Voice Communications Systems, ETDD, City of Vaughan

Louise Blakelock, Buyer, Purchasing Services Department, City of Vaughan

Rick Soo, Revenue Supervisor, Revenue Department, Hydro Vaughan Distribution Inc.

The Evaluation Team reviewed the wireless environment of the City of Vaughan, Hydro Vaughan Distribution Inc. and Vaughan Public Libraries. The current wireless needs are being met by four (4) vendors, which inhibits the opportunity for volume pricing discounts and support capabilities for both the vendor and the Voice Communications Group:

- Rogers AT&T currently provides 162 cellular phones and 124 pagers to City of Vaughan users.
- **Telus Mobility currently provides 78 wireless handsets on the MiKE iDEN network for two-way radio capability in the Building & Facilities, Information Technologies Services, Fire, and Hydro Vaughan Departments.**
- Bell Mobility currently provides 15 cellular phones to City of Vaughan users.
- Pagenet currently provides 13 pagers to City of Vaughan users.

The Evaluation Team rated the two (2) proposals based on the criteria in the RFP and in conjunction with Purchasing Policies and Procedures.

Conclusion

There were several contributing factors to the selection of Telus Mobility as the recommended proponent based on the following rating criteria.

1. The Company

- Telus Mobility is a subsidiary of Telus Corporation and traded on NYSE
- Revenue for 2000 in excess of \$1.7 billion
- More than 2.1 million subscribers across Canada
- More than 4000 employees
- Over \$800 million in capital expenditures in 2001
- Currently operates 2600 fully digital cell sites and 11 major digital switching centres across Canada with 33 MiKE iDEN sites in the City of Vaughan area.
- Telus Mobility references and City of Vaughan users provided strong references

2. The Solution

The Evaluation Team has recommended the Telus Mobility proposal of MiKE on their iDEN network. MIKE iDEN, Integrated Digital Enhanced Network, is an all-in-one business communications solution:

- cellular telephone
- digital two-way radio
- pager (numeric and alphanumeric)
- data enabled (receive faxes, emails, alerts from web)
- functions as a modem when connected to a laptop, Palm, or Blackberry

MiKE is a customizable solution. Upon activation, any of the above functions can be implemented dependent on user requirements. For the existing cellular phone user the committee is recommending the Motorola i700, i85, or i90 handset dependent on the user's requirements.

The Evaluation Team views the MiKE solution as an opportunity for management and staff to communicate with each other using a single handset. MiKE's unique Direct Connect feature provides an instant connection at the touch of a button. Although similar to a two-way radio, Direct Connect is superior because it is digital. Digital service provides secure, private static free conversations. MiKE's built-in speaker handsets let you conduct hands free conference calls anywhere. Just press a button and speak directly to a colleague or set up your personal talk group and press a single button to speak with your entire team.

For the City of Vaughan user who currently carries a cellular phone as well as a Palm or Blackberry device, MiKE can eliminate the requirement for the user to carry multiple devices. A new device that will combine voice and data on the same device will be available later this year.

For the City of Vaughan user community that requires only a paging device, it would be impractical to purchase and carry a MiKE handset. It would cost more to purchase and operate than a pager. The Evaluation Committee is recommending that we continue the current arrangements with Rogers AT&T for "Paging Services" for these users in order to realize cost efficiencies.

Telus Mobility MiKE handsets were tested and worked well within the City of Vaughan and in City buildings. There are currently 16 iDEN cell sites in the City of Vaughan with 10 additional iDEN sites proposed in 2002. There are 17 iDEN peripheral cell sites just beyond Vaughan's boundaries servicing the City of Vaughan with 7 additional iDEN peripheral cell sites proposed in 2002.

3. Service and Support

Telus Mobility will provide a dedicated Major Account Corporate Client Support Team responsible for all subscriber changes, billing, product queries, rate plan analysis, recommendations, activations, and deactivations. Telus Mobility will recommend for the City's approval a local distributor for all hardware acquisitions. Upon the City's approval, this distributor will be administered and managed by Telus to ensure all of our needs are met quickly, effectively and professionally. Telus will host customized training programs specific to our needs.

4. Pricing

Airtime Plans for MiKE iDEN

Work 40 (primary two-way radio user)	\$34/month	267 minutes or messages included	Additional Minute \$0.15 Additional Message \$0.15
Phone 40 (primary phone user)	\$34/month	400 minutes or messages included	Additional Minute \$0.10 Additional Message \$0.20

Long distance rate in North America is \$0.20 per minute.

Work 40 is designed for the user whose primary use is a two-way radio. Messaging is more expensive than talk-time, so less minutes are available in the Work 40 Airtime Plan for the same base price. The Phone 40 Airtime Plan offers more minutes for the phone user at the same price and is designed where the user's bias is towards phone usage. All handset functions are available in each Airtime Plan, it's simply a matter of choosing the most appropriate plan for a user's intended application.

Telus Mobility is offering the City of Vaughan "Government Pricing", which is a 15% reduction from all established published corporate rate plans. This discount is included in Work 40 and Phone 40 rate plans shown above. An Employee Purchase Program is available with a specific employee developed rate plan that is not available to the consumer market and a selection of promotionally priced handsets.

Telus Mobility's unique MiKE plans permit Account Pooling or airtime minute sharing amongst users in the same account number. This permits the unused portions of infrequent users purchased airtime to be used by that of a power user who typically uses many more minutes. An analysis undertaken on behalf of the City of Vaughan using current City of Vaughan cellular phone subscriber data indicates that Account Pooling could save a calculated 17% or \$1100 per month.

Handsets

Motorola i700	\$0.00 based on a 3-year hardware obligation and representing a \$199.99 value accompanied by a \$50 airtime credit upon activation
Motorola i85	\$49.99 based on a 3-year hardware obligation and representing a \$349.99 value accompanied by a \$50 airtime credit upon activation
Motorola i90	\$149.99 based on a 3-year hardware obligation and representing a \$449.99 value accompanied by a \$50 airtime credit upon activation

Additional Benefits of Telus Mobility Wireless proposal

One Vendor Solution

Telus Mobility offers a one-vendor solution for cellular phone, two-way radio, paging and data enabled services which will provide volume discounts, reduced per user cost using "account pooling" and efficient service delivery and expedient repairs.

Commitment to Technology Progressiveness

A new device that will combine voice and data on the same device is currently under development and will be available later this year.

Single Handset Solution

Telus Mobiliy's unique MiKE handsets offer cellular telephone, two-way radio, paging and data enabled capabilities on the same handset. This could eliminate the requirement for an employee to carry multiple devices and result in reduced costs per user.

Conversion Fee Savings

The MiKE handset, the Motorola i700, can be acquired free of charge. The upgraded Motorola i85 handset would cost \$49.99, and the Motorola i90 would cost \$149.99. The cost of each of these phones would effectively be reduced by \$50 by means of a one-time \$50 airtime credit on the first invoice of each new activation.

Improved Service Coverage

There are currently 33 iDEN cell sites in the City of Vaughan area. There are 16 in the City of Vaughan and 17 on the periphery, which also service the area. Telus Mobility has indicated in their response that 17 additional iDEN cell sites are planned for 2002 to support the City of Vaughan including sites at; Kleinburg, Dufferin and Kirby, Dufferin and Rutherford, and Dufferin and Aurora Side Road.

Attachments

1. Motorola i700 MiKE iDEN phone
2. Motorola i85 MiKE iDEN phone
3. Motorola i90 MiKE iDEN phone

Attachments distributed to Mayor & Members of Council ONLY

Report prepared by:

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Voice Communications Systems

Respectfully submitted,

Frank Miele,
Commissioner of Economic & Technology Development and Corporate Communications