

NO: **R155**

COUNCIL DATE: **July 9, 2012**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 5, 2012**

FROM: **General Manager, Finance & Technology**

FILE: **1355-30**

SUBJECT: **Contract for Wide Area Network Services**

RECOMMENDATION

The Finance and Technology Department recommends that Council approve a contract with Telus Communications Company for a five-year term commencing on November 1, 2012 for the provision of wide area network connectivity services across City facilities and sites as generally described in this report, at a price not to exceed \$2,300,000 plus applicable taxes over the full five-year term (i.e. approximately of \$460,000 plus applicable taxes per year).

BACKGROUND

The City has a contract with Telus Communications Company to provide wide area network connectivity that includes enterprise-wide access to the City's internal network and internet service. The contract expires at the end of October 2012.

DISCUSSION

In May 2012 staff issued a Request for Proposals (RFP # 1220-030-2012-025) to renew or replace the City's current contract for wide area network services. The terms of reference for the RFP requested quotations for the current network speed and for higher network speeds. The RFP was advertised on each of the BC Bid website and the City of Surrey website. In response to the RFP, the City received a proposal from each of the following companies:

1. Urban Communications Inc.; and
2. Telus Communications Company.

An evaluation process was undertaken that rated each of the proposals against a set of pre-determined criteria as follows:

- Experience of the proponent;
- Reputation of the proponent;
- Resources of the proponent;
- Technical specifications related to the delivery of the service; and
- Cost of the solution as proposed.

Based on these criteria, the evaluation team has determined that the proposal from Telus offers the best value to the City.

The City's current municipal area network services provide a maximum data transfer of up to 100 Mbps. The proposed *Telus IP Networks* services will provide data transfer of up to 1,000 Mbps. The service is based on Multi-Protocol Label Switching (MPLS) technology. Telus is well positioned to provide the contracted service and offers the following key features:

- Scalability: - data transfer of up to 1,000 Mbps;
- Reliability: - Robustness of architecture that uses redundant network elements and diverse logical paths throughout the network for robustness and survivability;
- Availability: - provides proactively-monitored, industry-leading network availability at the level of 99.9% of the time at the site level and 99.999% of the time at the core servers; and
- Quality of Service/Class of Service: - Prioritization of different types of network traffic (i.e., data, voice, video, and internet communications) to ensure the use of the available network capacity is maximized.

The City's high speed sites will be upgraded to the proposed *Telus IP Networks* services and Telus Internet service. The City has incorporated in the contract allowances for the addition of sites to the contract in the future growth as the number of City facilities continues to grow. Over the term of the five-year contract, forecasts include the necessary funding for connection to four additional sites and for having the flexibility to increase bandwidth services at those new sites.

The contract also includes migration services and technologies for transitioning the City's existing network access control services to an enhanced network solution, which is required for Multi-Protocol Label Switching (MPLS) technology. This will provide flexibility for the City to expand its services to new sites, receive move services and increase bandwidth where required.

The cost of the proposed contract over the full five-year term is \$2.3 million (\$460,000 per year) plus applicable taxes.

Funding:

Funding for the 2012 component of the contract is available within the approved 2012 annual operating budget and funding for the remainder of the contract is allocated within the approved Five Year (2012-2016) Financial Plan.

SUSTAINABILITY CONSIDERATIONS

The recommendations of this report will assist in achieving the objectives of the City's Sustainability Charter; more particularly, the following scope action items:

- EN4: "Employee Trip Reduction" in that Internet connectivity services enable employee field automation, which will allow employees to access information remotely from their office and thereby reduce trips and trip lengths that has the effect of reducing greenhouse gas emissions; and
- EC1: "Corporate Economic Sustainability" that focuses on ensuring the City's resources are used efficiently and responsibly.

CONCLUSION

Based on the above discussion, it is recommended that Council approve a contract with Telus Communications Company for a five-year term commencing on November 1, 2012 for the provision of wide area network connectivity services across City facilities and sites as generally described in this report, at a price not to exceed \$2,300,000 plus applicable taxes over the full five-year term (i.e. approximately of \$460,000 per year plus applicable taxes).

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