



TO: Chair and Members of the Board of Health

FROM: Christopher Mackie, Medical Officer of Health/ CEO

DATE: 2019 September 19

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## UNIFIED COMMUNICATIONS – CONTRACT AWARD AND IMPLEMENTATION

### **Recommendation**

*It is recommended that the Board of Health:*

- 1) *Receive Report No. 054-19 for information;*
- 2) *Approve a contractual agreement with Telecom Metric for the provision of a phone system; and*
- 3) *Approve additional costs related to the implementation of a Unified Communication System*

### **Key Points**

- MLHU staff examined options for the provision of competitively priced phone system with a goal to increase productivity and decrease long term capital expenditure.
- Eleven responses were received to the Request for Proposals (RFP) published to Biddingo.
- The contract term is five years commencing November 2019 and the contract value will be \$242,084.
- Additional annual recurring costs of \$19,383 and a one-time cost of \$33,213 are required to achieve unified communications across the organization

### **Background**

The phone system is currently comprised of an on-premise PBX system with annual recurring costs of \$43,541. The Strathroy, King St. and Queens Ave locations all house a controller for redundancy purposes and require software assurance and maintenance. These controllers have a hardware and software portion, both of which require updating and upgrading on a periodic basis. These controllers manage all telecom communications within the organization, connecting extensions directly to people in physical office locations. The cost to maintain an on-premise PBX is capital intensive, requiring ongoing maintenance.

### **2019 Request for Proposal**

A Request for Proposal (RFP) was issued June 17, 2019 for the provision of a flexible phone system which could be used in both the current and future locations. The phone system change was driven by a need to increase network bandwidth. Each computer is connected to the network through a desk phone. These phones bottleneck internet connectivity to a maximum 100mb/s in a network that is capable of speeds of up to 1000mb/s. Improved software enhancements through the adoption of Electronic Client Records, Policy Management Software and a new Human Resource Information System require increased bandwidth.

Provisions were also requested for scalability across the region. Key characteristics of the new phone system included call centre functionality to improve call flows and the creation of call centre dashboards. These dashboards will measure call volume, length of call, wait times, dropped calls, calls to voicemail, call frequency, call centre agent activity, as well as transfer rates.

Mobility was another important factor to consider in a new phone system. This would provide staff the opportunity to answer calls to their extensions on their mobile devices or computers as a greater number of

staff participate in Activity Based Workstations and Alternate Work Arrangements which reduces the amount of time spent in the office. The opportunity to answer calls in the community will increase the opportunity to respond to client requests in a timelier manner.

## Evaluation

Vendor proposals were reviewed by a cross-functional team consisting of program managers, project managers, Information Technology and Procurement staff. A total of 11 proposals were received at the end of bid closing on July 26<sup>th</sup>. The proposals were evaluated for experience, methodologies and approaches, costs, reporting and delivery. On August 22<sup>nd</sup> and 23<sup>rd</sup>, three vendors were invited to provide a demonstration based on their collective scoring and their alignment with the budget.

Pricing varied for the five-year term which included both one-time and annual costs. Proposed pricing ranged from a high of \$936,528 to a low of \$121,551.28. Meanwhile, the budget for this project included \$50,000 in on-time fees and a recurring cost of \$44,000. This provided a total 5-year budget of \$270,000. The winning TMI proposal provided a 5-year cost of \$242,083.

Based on the technical attributes of their proposal and the strength of their demonstration, reference checks were completed for Telecom Metric Inc. (TMI). They are a voice communication company focused on cybersecurity and proposed a mixture of a cloud based and on-premise Voice over IP solution. TMI specializes in secure voice communication and offers end-to-end voice protection, flexibility, scalability and long-term value. Their solution included an open platform PBX called 3CX which can be integrated into Office 365. They also deliver a unified communication system that allows users to communicate and collaborate all on one platform. This includes video conferencing at the click of a button.

## Additional Costs

While the winning proposal was less than the anticipated budget, other cost must also be considered. This includes upgrading voice only cellular phones to include data capabilities which will allow the cloud based 3CX system to function when MLHU staff members are not in the office. The incremental costs of data will be \$19,383 annually. In addition, the replacement of traditional desk phones with a software-based system that will reside on computers or cellular phones will require additional expenditure on headsets for improved ergonomics. The one-time cost of this investment is approximately \$33,213. Furthermore, the addition of these two costs will exceed the total expenditure from \$242,083 to \$372,211. (See [Appendix A](#)) These additional costs will be funded through variance.

## Conclusion

As a result of the proposal process undertaken, it is recommended that the contract be awarded to Telecom Metric for the supply of Phone Systems for the period of five years. Furthermore, it is also recommended that MLHU staff proceed with the additional costs associated with data plans and head sets. The proposed costs represent an annual increase of \$20,443 per year for the next five-years.

This report was prepared by Procurement & Operations Team, Healthy Organization Division.



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