

City of Minneapolis – BIS Telecommunications PBX Upgrade Bid Specification

Bid Evaluation and Award Recommendation February 2, 2005

Bid Process Overview

The City of Minneapolis (COM) issued a Bid Specification for PBX Equipment Upgrade Purchase, Installation and Maintenance on October 29, 2004. A mandatory pre-bid conference was conducted on November 10, 2004, and the following three bidders were in attendance: Norstan Communications, Inc.; Siemens Communications, Inc.; and, World Data Products, Inc. All questions submitted by bidders in accordance with the specified deadlines were responded to in the form of Addenda, which were published to the three bidders and also made available on the COM's web site.

The bid opening occurred on December 14, 2004, and bids were received from two competing vendors: Norstan Communications, Inc.; and, Siemens Communications, Inc. The bid responses included detailed pricing appendices. Following is a summary of the high-level bid pricing:

Pricing Appendix	Norstan Bid	Siemens Bid
1. New Equipment and Installation	\$3,120,251.45	\$3,534,353.56
2. New Equipment HW/SW Maintenance (7-years)	\$1,496,374.59	\$2,412,941.76
3. Buy-Out / Trade-In Value of Existing Equipment	(\$56,040.00)	(\$33,200.00)
4. Full Maintenance on Existing Equipment	\$741,542.07	\$1,020,256.84
5. Hourly Labor Rate for Adds/Deletes	\$111.83/hour	\$134.82/hour

Attached is a more detailed comparison of the pricing appendices submitted by the two bidders. This pricing comparison also reflects the pricing submitted by these two bidders in response to the COM's Request for Budgetary Estimate, published March 22, 2004, and responded to on March 31, 2004.

The bidders were required to provide complete Add and Delete component and system pricing information that will allow the City to work towards final configurations and to tailor its Purchase Orders to meet the exact needs of the City.

Bid Components Overview

The proposed PBX upgrade includes the following:

Base System Components

- HiPath 4000 IP PBX – Upgraded “Main” system that will ultimately serve the City of Minneapolis sites (some of which will remain on their current Siemens systems allowing investment protection). All of these sites will implement either an upgraded system and/or upgraded Optipoint display telephone sets to ensure enterprise-wide

standardization of telephone instruments and provide both internal and external caller ID (ANI – automatic number identification) as well as other convenience features.

- Xpressions Unified Messaging Voicemail will provide the capability for City employees to access voicemail, e-mail, and faxes from either Microsoft Outlook or their telephone instrument. This will streamline workflows and reduce the cost of communications in many workgroups within the City. It has not yet been determined whether unified messaging will be made available to all employees or provided on a more selective basis as a management option. Basic voicemail, however, will be made available to all appropriate employees based on departmental management direction.
- Call Accounting System – MTS IntegraTRAK TABS.IT will allow all PBX extensions, long distance, other telecommunications services, lines, and circuits to be tracked and accurately billed back to departments.
- Siemens ACD upgrade to ProCenter 5.1 for consolidated Contact Center management. This system distributes calls based on agent availability and appropriate skill levels and assists in the management of call center personnel by reporting on answer time, abandoned rates, call duration and also supports predictive scheduling of call agents. This system will also allow the City to enhance the customer experience associated with e-mail and web ‘contacts’ at a reduced cost.

Additional System Components

- Siemens CorporateConnect will allow the integration of wireless telephones to support more immediate contact with emergency and non-emergency staff. Siemens Teleworking provides features that will allow the City to enhance support of teleworkers.
- The Digital Logging and Recording System will allow 911, Utility Billing, and 311 calls to be logged and recorded to assure customer satisfaction and improved training, as well as for Police and MECC call management uses.
- Cisco MeetingPlace Conference Bridge System will provide users with easy self-setup of “meet me” audio and web-based conferences to reduce cost and support increased collaboration.
- Aspect’s Iphinity Work Force Management System will enable the City’s call center managers to use historical data and a sophisticated forecasting model to predict contact volumes, average handle times, and adjust for seasonal variations, thereby allowing managers to accurately forecast required staffing, schedule for optimal performance, and track actual performance and take immediate corrective action.
- CTI integration of the HiPath with the new CSR/WOM application will allow for “screen pops” from appropriate City databases and applications along with the delivery of a 311 call.
- Integration with the City’s existing Intervoice IVR system will allow for City applications to be developed on the voice response system front-ended by the Siemens HiPath and able to be integrated with City databases for interactive automatic information delivery (e.g. property information based on property ID entered by citizen).

Bid Award Recommendation

We recommend that the COM award the bid for the PBX Equipment Upgrade Purchase, Installation and Maintenance to Norstan Communications, Inc. (Norstan). The bid from Norstan was in compliance with the bid specification and the pricing submitted by Norstan was significantly lower than the pricing submitted by Siemens Communications, Inc.

The Bid Specification published was intended to be all-inclusive relative to the City's upgrade requirements. Based upon current City initiatives and departmental needs, some of the system components and configurations will need to be modified. The add/delete pricing contained in the bid specification provides a mechanism for handling such configuration modifications.

We recommend that the COM proceed to prepare a contract with Norstan for the PBX Equipment Upgrade Purchase, Installation and Maintenance. The specific Purchase Order(s) issued to Norstan will address specific component acquisitions that are aligned with the timeframes and components required for each phase of the implementation.

Implementation Approach

The COM will take a phased approach to implementation – beginning upon contract execution and continuing through 2006/2007. There are other COM facility and project-related initiatives that have impacts and dependencies on the PBX upgrade, so this schedule may be modified as needed to best meet the City's overall needs and objectives. The following page shows the high-level implementation plan based on current priorities and sequencing. The detailed project plan can be made available upon request.

