



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

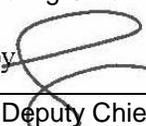
Item No. 14.1.1
Halifax Regional Council
July 19, 2016

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by 

SUBMITTED BY:

John Traves, Q.C. Acting Chief Administrative Officer

Original Signed by 

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: June 24, 2016

SUBJECT: **Award – Request for Proposal P15-372 Hosted Contact Management
Solution Citizen Contact Centre**

ORIGIN

Regional Council approved funding for this project in the 2015-16 project budget.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79, Halifax Regional Council may expend money for municipal purposes. Administrative Order #35, the Procurement Policy, requires Council to approve the award of contracts for sole sources exceeding \$50,000 or \$500,000 for Tenders and RFP's. The following report conforms to the above Policy and Charter.

Under the HRM Charter, Section 111(5), the Municipality requires Ministerial approval to enter into a commitment to pay money extending beyond the current fiscal year where the total commitment exceeds \$500,000.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Award Request for Proposal P15-372 Hosted Contact Management Solution Citizen Contact Centre to Telus Canada for a five (5) year term at a total estimated cost of \$1,154,446 including net HST with funding from Project Account No. C1990017 and operating account A421 as outlined in the Financial Implications section of this report.
2. Direct the CAO to execute the contract with Telus Canada, subject to the final negotiation of terms acceptable to the CAO, receipt of Ministerial approval, and approval to form and authority by Legal Services
3. Delegate the authority to increase or decrease the number of user licenses in the contract over its term to the CAO or their delegate, subject to budget availability.

BACKGROUND

The current telephony technology leveraged to support the Municipality's 311 Citizen Contact Centre (311 CC) is considered to be "end of life" and does not allow for the modern capabilities of delivering services that citizens have come to expect. The replacement of this technology with a new, modern capable Contact Management System (CMS) has been approved via the budget process.

The current technological limitations prevent staff from providing services and information to the customers of the municipality (includes citizens, visitors and businesses, as well as employees internal to the organization) in a streamlined and efficient way. The technology requires modernization in order to be able to meet the changing demands of customers, as well as enabling the 311 CC to be more efficient, and potentially be able to incorporate more services into the 311 CC. The proposed solution would provide functionality such as skills based routing, expanded call capacity, PCI compliance capability and Chat functionality.

DISCUSSION

P15-372 Hosted Contact Management Solution Citizen Contact Centre was publicly advertised on the Nova Scotia Public Tenders portal on November 30, 2015, and closed on December 23, 2015. Two proposals were received:

1. Telus Canada **
2. I3Vision Technologies

**** Recommended Proponent**

A team of staff from ICT, Operations Support and Finance, with facilitation from Procurement, evaluated the proposals based on the criteria listed in Appendix A – Evaluation Criteria.

The RFP was scored using a two envelope process. Envelope one (1) was the technical component of the RFP. Envelope two (2) was the cost proposal of the RFP. Only those proponents that received 75 percent or greater from envelope one (1) had their envelope two (2) (cost) opened and evaluated. The technical proposal from i3 Vision Technologies did not achieve the minimum required score and their cost proposal will remain unopened.

Per the terms of the RFP, staff entered into negotiations with the highest scoring proponent, Telus Canada, in order to arrive at a best and final proposal and commercial terms and conditions acceptable to both parties. Negotiation was facilitated by Procurement and Legal Services. The negotiation of commercial terms and conditions is substantially complete and both parties are confident that they will be finalized in an expeditious manner.

FINANCIAL IMPLICATIONS

Based on the highest scoring proponent's cost for the final five months of the 2016-17 fiscal year, operating costs are forecast to be \$78,500 plus net HST of \$3,365 for a total of \$81,865 with sufficient budgeted capacity in operating account A421. Full year operating costs are projected to be \$188,400. Additional operating monies in the amount of \$68,400 will be requested from Operating Cost of Capital (OCC) in 17/18. Capital costs include a one-time implementation cost of \$165,000 plus net HST of \$7,072, for a total implementation cost of \$172,072. Funding is detailed below:

Budget Summary:	<u>Project Account No. CI990017 – Contact Centre Telephony Solution</u>	
	Cumulative Unspent Budget	\$618,178
	Less: RFP No. 15-372	<u>\$172,072</u>
	Balance	\$446,106

The balance of funds will be used by the Project to install and configure the TELUS solution and deliver the required training to HRM staff.

The total 5 year estimated cost of \$1,154,446 includes the implementation cost of \$165,000 (plus net HST of \$7,072), for a total of \$172,072 plus the total operating costs for 5 years of \$942,000 (plus net HST of \$40,374) for a total of \$982,374.

At the end of the five year term, the draft negotiated contract allows for a continuance of service on a monthly basis. With 90 day notice, either party can terminate the agreement. This provision provides the municipality the flexibility to continue with the existing vendor or explore alternative service options.

RISK CONSIDERATION

1. Based on the current timeline, the full project scope will not be implemented by the end of fall 2016. The mitigation is that core telephony functionality (e.g. taking calls, routing and queueing, reporting, monitoring, etc.) will be implemented for fall 2016 with remaining new functionality (e.g. Web Chat, Workforce Management, customized reports, single sign-on, etc.) implemented immediately following as a second release. It is estimated, based on current information, that the initial release will be completed in Fiscal Q3 and the second release will be implemented in Fiscal Q4.
2. The monthly operating costs include some variable costs. Forecasted amounts have been vetted to ensure reasonability and accuracy based on current data available. Based on this, risks of material overages are low.

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES

Council could decide not to award a contract. This is not recommended as the technology may continue to be unreliable, impacting the 311 Contact Centre's ability to accept citizen calls and meet the needs of the public. Also, the existing solution does not allow for modern capabilities of delivering services that citizens expect.

ATTACHMENTS

N/A

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Martha Wilson, Manager, Project Management Office, Finance & ICT; 902.802.0154

ICT Review: Donna Davis, Chief Information Officer 902.490.4417

Report Approved by: Peter Stickings, Acting Director of Operations Support 902.490-7129

Procurement Review: Jane Pryor, Manager, Procurement, 902.490-4200

Report Approved by: Amanda Whitewood, FCPA, FCMA, Director of Finance & ICT/CFO 902.490.6308

Original Signed