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CONTRACT EXTENSION FOR SUPPLY AND SERVICE OF WIDE AREA NETWORK CONNECTIONS, NETWORK EQUIPMENT MAINTENANCE AND VIRTUAL PRIVATE NETWORKING

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, October 21, 2005, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that Finance and Administration Committee and Council:

1. Authorize staff to extend the contract with Rogers (formerly Sprint Canada) for Wide Area Network (WAN) connections at an estimated cost of \$126,000 for up to a three month period, ending March 31, 2006.
2. Authorize staff to extend the contract with Bell Canada/Infostream Technologies Incorporated for the maintenance of network infrastructure equipment at an estimated cost of \$87,000 for up to a three month period, ending March 31, 2006
3. Authorize staff to extend the contract with FCI Broadband for Virtual Private Network (VPN) services at an estimated cost of \$60,000 for up to a three month period, ending March 31, 2006.

2. PURPOSE

The purpose of this report is to request approval to extend agreements due to expire on December 31st, 2005 for wide area network connections, network infrastructure equipment maintenance, virtual private network services, if required, and to provide an update on the status of the Converged Network initiative of the ITS Branch.

3. BACKGROUND

Report No. 4 of the Finance and Administration Committee was adopted by Regional Council at its meeting on April 21st, 2005. The report recommended extending contracts with the incumbent vendors for wide area network connections, supply and maintenance of network equipment and virtual private network services until December 31st, 2005 with the option of further extensions to be discussed in the fall of 2005. In accordance with these directives, staff extended each agreement to December 31st, 2005 and added appropriate funds. The option of further extensions was subject to staff reporting the matter back to the committee. This is the subject report.

3.1 The Converged Network

The Region issued a Request for Qualification (RFQ) in October of 2004 which invited vendors to describe their qualifications, capabilities and experience in providing converged voice and data network solutions. Five qualified vendors were then issued the Converged Network RFP in January of 2005.

Report No. 6 of the Finance and Administration Committee was adopted by Regional Council at its meeting on June 23rd, 2005. The report recommended Bell Canada/Infostream be awarded the converged network contract which included provisioning of the following:

- Wide Area Network (WAN) and Virtual Private Network (VPN) links and management services for data communications among Region sites;
- Local Area Network (LAN) management services at Region sites;
- Enterprise Voice Mail management services;
- Migration from PBX based phone technology to Voice over Internet Protocol (VoIP) based phone technology; and
- The supply and installation of equipment and software associated with the above services.

3.2 Impact of the OneYork Broadband Initiative

Included in the Region's Converged Network contract, Bell Canada/Infostream must ensure that the Region is not precluded from participating in OneYork when it comes to fruition.

It is envisioned that should a OneYork broadband network materializes, the Region's converged network links would become part of the OneYork broadband infrastructure.

4. ANALYSIS AND OPTIONS

The converged network agreements should be completed by December 31st, 2005 and planning is underway to convert specified network devices and services to Bell Canada/Infostream. Bell Canada/Infostream are confident that the appropriate network devices, wide area network (WAN) sites and several VPN Sites will be converted by December 31st, 2005, however ITS staff recommends a *contingency* extension of 3 months be authorized to ensure ongoing network services in the event unanticipated difficulties delay complete conversion.

The award of the Converged Network RFP stipulated that existing network devices will only be replaced by the successful respondent as the associated leases expire. Several leases under which a large portion of the Region's network is covered will be expiring in December of 2005. These devices include the network core and several other key

components. Due to the staggered nature of the lease expiries, network devices will be replaced on an ongoing basis over the next several years.

5. FINANCIAL IMPLICATIONS

Council approved extensions to existing contracts from June 30th 2005 to December 31st, 2005. The funds described below are required to continue critical network services and support for 2006, until each component of the converged network is implemented.

5.1 Rogers – WAN Costs

Costs for the wide area network connections are provided in the annual operating budget of the Finance Department, ITS Branch. The current monthly cost of this service including GST and PST is approximately \$42,000. The funds required to provide *contingency* coverage from January 1st to March 31st, 2006 are approximately \$126,000. These funds will only be spent if the conversion to Bell Canada/Infostream is delayed due to unforeseen circumstances.

5.2 Infostream Technologies – Network Equipment Maintenance

Costs for network equipment maintenance are provided in the annual operating budgets of the Finance Department, ITS Branch and the Transportation and Works Department, Water and Waste Water and Roads Operations Branches. The value of this contract will decrease year over year as equipment leases expire and replacement equipment and maintenance is acquired through the converged network agreement. Due to this staged replacement strategy, the value of this contract will remain significant over the next 5 years. In order to ensure the Region receives the highest possible discounts for this service, an RFP will be issued in the first quarter of 2006. The extension requested will provide staff sufficient time to issue, evaluate and award the RFP.

Funds for local and wide area network equipment serviced outside of the Converged Network agreement will be requested in the annual budgets of the appropriate department each year until all existing equipment is replaced.

5.3 FCI Broadband –VPN Costs

Costs for the virtual private network connections are provided in the annual operating budget of the Finance Department, ITS Branch. The current monthly cost of this service including GST and PST is approximately \$20,000. The funds required to provide *contingency* coverage from January 1st to March 31st, 2006 are approximately \$60,000.

6. LOCAL MUNICIPAL IMPACT

There are no local municipal impacts associated with this report.

7. CONCLUSION

Staff are currently creating contracts and work plans required to convert WAN sites, network equipment maintenance and VPN sites to the to the Converged Network supplier, Bell Canada/Infostream Technologies. Extending the existing agreements with incumbent suppliers will allow staff sufficient time to implement the above services and ensure the on-going stability of the Region's network infrastructure.

The Senior Management Group has reviewed this report.