
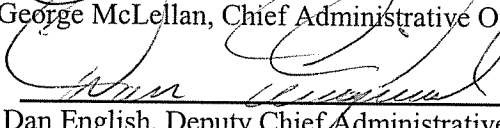

Halifax Regional Council
April 23, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer


Dan English, Deputy Chief Administrative Officer

DATE: April 15, 2002

SUBJECT: Local Telephone Service

ORIGIN

Expiration of Local Telephone Service Agreement

RECOMMENDATION

It is recommended that Halifax Regional Council approve a nine-month extension of the current contract with MTT to provide Local Telephone Service.

BACKGROUND

Last year at the expiration of a 5-year agreement with the incumbent local telephone service provider HRM signed a 1-year contract extension. This provided for the continuation of primary local switched (i.e. Centrex 4 digit dialing) and related services. Prior to the signing of this agreement a market analysis was conducted to determine the feasibility of competitive options.

DISCUSSION

Over the past year staff has monitored the local service market in an effort to determine the feasibility of current and competitive offerings in relation to HRM requirements. All pertinent aspects of local service were reviewed including those that challenge the size and scope HRM presents as an existing and/or potential customer. Of particular importance to HRM is the proven ability of both existing and potential providers to exceed current levels of service. The geographical boundaries and multiple business functionality that make-up HRM create unique challenges. Prior to the current agreement a number of areas were identified as essential requirements in providing local service to HRM. They continue to be important elements and include;

- a) *the ability to provide, support and maintain infrastructure in the delivery of local service to multiple geographically dispersed HRM sites*
- b) *service delivery and support to business units and or groups whose requirements may fall outside the regular Centrex service offering (i.e. call centre) forms of local switched service and statistical reporting*
- c) *effective maintenance and response to service requirements throughout the entire region with established priority deliverable (i.e. emergency services)*
- d) *seamless integration of local service with existing non-switched and/or emergency services*

There continues to be a greater than acceptable risk at this time to change the primary provider of local service to HRM. However a continued and growing presence of alternative providers and their ability to offer increasingly higher levels of cost effective service may make it a viable option in the near future. It is therefore recommended that the Halifax Regional Municipality agree to;

- a) a nine month extension of the current local service agreement with MTT/Aliant.;
- b) formally solicit the local service market place in the calendar year 2002.

BUDGET IMPLICATIONS

Savings of approximately \$100,000 are expected with the extension of the agreement.

MULTI-YEAR FINANCIAL IMPLICATIONS

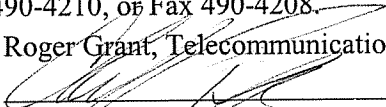
N/A-

ALTERNATIVES

N/A

ATTACHMENTS

N/A

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.
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