



REPORT



TO: Mayor and Council

FROM: Jason Kabel, Manager of Community Services

DATE: August 6, 2013

RE: Telecommunications Review – Telcom Enterprises

BACKGROUND

In February 2013 Laurie Witherspoon received a cold call email from Telcom Enterprises with a suggestion that the Town could benefit from a telecommunications audit. Also around that time the Community Services Division was consulting with Vianet Communications to provide a similar service to better streamline the telecom fees incurred on a monthly basis by the Town. It was evident that Telcom Enterprises was better equipped and had a great deal more experience to assist the Town with a comprehensive telecommunications audit and at the regular Council meeting on March 11, 2013 Mayor and Council authorized entering into an agreement with Telcom Enterprises for the purposes of performing a complete audit of all telecommunication expenses. The cost associated with the audit was agreed to be fifty percent (50%) of the monthly savings that Telcom was able to achieve over eighteen (18) months.

On July 18, 2013 Telcom Enterprises (Norm Pollard, president) presented a detailed account of the telecommunications audit findings and recommendations for realizing these projected savings going forward. Telcom has provided 4 options (please see attached options & previously provided report) for reconfiguring our utilization of telecommunication services on an annualized, ongoing savings basis that range from \$53,988.24 (38% savings) to \$84,271.56 (59% savings) of existing telecommunications expenses. Currently the Town of Fort Frances incurs annual telecommunication expenses totalling \$143,687.28. Included in this annualized cost is \$2,691.72 of services working for the Fort Frances Power Corporation.

RECOMMENDATION

The Community Services Division recommends Option C as presented by Telcom Enterprises with the consideration to explore the feasibility to further maximize savings as outlined in Option D that is predicated on the availability of mainline power pole infrastructure space and viability. The Community Services Division will pursue the practicality and possibility of Option D as a long-term savings opportunity.

OPTION C (Bell/Vianet Local Lines/Telizon Long Distance/Tbaytel Mobility)

In Option C, it is proposed:

- replicating Option A with respect to our Local Line recommendations with the exception of the Bell Megalink which we recommend be converted to a Vianet Megalink (PRI). In this option we propose substituting the Bell Canada long distance with Telizon, and the Bell Megalink with a Vianet Megalink. Telizon is

a large reseller of Bell Canada long distance that numerous municipalities use across Ontario and Vianet is a competitor to be utilizing IP bases services. Although Bell Canada, in these cases, will charge two dollars and sixty-two cents (\$2.62) more per line, it will be offset by their inability to continue to charge for numerous long distance network charges at the monthly cost of nine dollars and ninety-five cents (\$9.95) each (see long distance section).

- consolidating your twenty-eight (28) plus accounts from a more manageable accounts receivable perspective. In this way you will significantly reduce labour costs as well as provide an improved management control. The generated monthly savings will be \$2,592.27 or \$31,107.24 on an annualized basis or forty-six percent (46%) of your current cost for local line services.

- convert your long distance to Telizon at their new proposed North American Long Distance Rate of one point six cents (\$0.016) per minute for all Inbound/Outbound calls. The generated monthly savings will be \$1,146.77 or \$13,761.24 for a ninety-six percent (96%) savings compared to your current Long Distance costs.

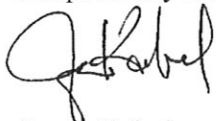
- maintain your Mobility Wireless with Tbaytel at the new Corporate Rate Plan for all devices currently on the new 4G network. Convert all devices currently on the old CDMA network to the new Tbaytel 4G network to ensure all users are getting the benefit of the free features included in this rate plan. As well, once the devices are converted over to the new network The Town of Fort Frances will save on the System Access Fee and 911 Fee as they are included in the new rates. The System Access Fee is \$75.00 per year per wireless device.

The generated monthly savings for Mobility will be \$238.00 per month or \$2,856.00 or eighteen percent (18%) on an annualized basis.

In summary, under Option C, by contracting all your Bell lines and converting your Bell Megalink to Vianet as well as implementing our other recommendations, your total monthly savings will be \$5,494.59 or \$65,935.08 on an annualized basis for a forty-six percent (46%) saving compared to your current telecom costs.

(SEE SAVINGS SUMMARY – OPTION C)

Respectfully Submitted,



Jason Kabel,
Manager of Community Services

Council approval of this report will authorize entering into an agreement with Telcom Enterprises for the purposes of implementing the telecommunication savings as presented in Option C to realize the savings of \$5,494.59/month or \$65,935.08 on an annualized basis for a forty-six percent (46%) savings compared to our current telecom costs of \$143,687.28.

Town of Fort Frances Telecommunications Review

Proposed Options by Telcom Enterprises

		Option A	Option B	Option C	Option D
	Current Expenses	Proposed	Proposed	Proposed	Proposed
Local Lines	\$5,631.99	\$3,130.85	\$3,564.78	\$3,039.72	\$3,039.72
Long Distance	\$1,197.86	\$406.68	\$51.09	\$51.09	\$51.09
Mobility	\$1,340.00	\$1,102.00	\$1,102.00	\$1,102.00	\$1,102.00
Misc Equipment Rentals	\$293.35	\$0.00	\$0.00	\$0.00	\$0.00
Off Premise Extensions	\$1,055.95	\$548.85	\$0.00	\$0.00	\$0.00
LDDS CHANNELS	\$760.70	\$758.50	\$758.50	\$758.50	\$758.50
LDDS CHANNELS	\$575.55	\$469.50	\$469.50	\$469.50	\$469.50
Internet	\$1,118.54	\$1,058.54	\$1,058.54	\$1,058.54	\$0.00
Total Monthly Expenses	\$11,973.94	\$7,474.92	\$7,004.41	\$6,479.35	\$5,420.81
Monthly Savings	\$0	\$4,499.02	\$4,969.53	\$5,494.59	\$6,553.13
Percent Savings	0%	37.6%	41.5%	45.9%	54.7%
Total Annual Savings	\$0	\$53,988.24	\$59,634.36	\$65,935.08	\$78,637.56



Converging
Technologies Solutions

338 Oxbow Park Drive
Wasaga Beach, ON L9Z 2T9
866-808-9069 or 705-429-8323
Fax: 877-429-8428
www.telcomenterprises.com
telcom@telcomenterprises.com
1391009 Ontario Limited

TELCOM ENTERPRISES AUTHORITY TO PROCEED CONTRACT

Thank you for your acceptance of our Proposal to reduce your telecommunications costs.

Please **sign** this agreement **authorizing** Telcom Enterprises to implement the recommendations as outlined in our Proposal and send by **return fax to:**
1-877-429-8428.

Please be assured that we will place the orders with the various local and long distance suppliers and/or your mobility suppliers, on a timely basis to ensure the savings commence as soon as possible. As well, we will audit your supplier bills within thirty (30) days from the time of implementation to ensure the savings have commenced. After this reconciliation we will mail our Invoice to you which will be due upon receipt.

It is imperative during the implementation phase, that any Telecom changes you require are placed through us to ensure there is no duplication or confusion with the various carriers.

Again, thank you for your business and we look forward to working with you in the near future.

Yours truly,

Linda Pollard
Vice President of Administration

Authority to Proceed

Company: _____

Signature: _____

Title: _____

Date: _____

Please mark selected Option: Option A ☐ Option B ☐ Option C ☐ Option D ☐

Attach Business Card
Or Copy Of Letterhead Here

LETTER OF AGENCY

Telcom Enterprises is hereby authorized to act on behalf of:

in the ordering, installation and administration of telecommunications services and facilities.

This letter supercedes any previous Letter of Agency.

Customer Signature: _____

Print Name: _____

Title: _____

Date: _____