


TRANSMITTAL MEMORANDUM

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TO: The Honorable Mayor & City Council

FROM: Delilah A. Walsh, General Manager Initials: 

DATE: November 8, 2023 File #: MGR23-594

RE: **Award Contract No. 23-24, VoIP Class 4/5 Digital Softswitch Project, TelcoBridges and NetSapiens**

The motion detailed below was prepared at the request of Telecommunications Division Manager Dan Lindgren, who asked that it be placed before the City Council for consideration at its meeting of November 16, 2023. If adopted, the motion provides awarding Contract No. 23-24 for the SoftSwitch project to TelcoBridges for the class 4 switch in the amount of \$524,000 over five years and to NetSapiens for the class 5 switch in the amount of \$472,134 over five years, for a grand total of \$996,134 over a five-year period.

In adopting the 2023 KPU annual budget, the City Council appropriated \$700,000 in funding to the Telecommunications Division for the Normal Growth & Repair – Central Office Switching Capital Project. A portion of these funds, \$593,734, will be used to cover the first-year costs (totaling \$996,134), and the remaining \$402,400 in costs will be programmed for the subsequent four-years of the contracts at \$100,600 each year.

As indicated in the attached memorandum from Mr. Lindgren, the Division advertised and received sealed bids, which were received and publicly opened on September 29, 2023, in the City Clerk's Office. Submissions which were scored by the evaluation team; TelcoBridges and NetSapiens received the highest scores. Mr. Lindgren has detailed the bid and pricing in his attached memorandum with his recommendation to award contracts to TelcoBridges and NetSapiens under five-year contracts.

As these contract awards were competitively bid, they best meet the needs of the Division, and the amounts are within budgeted project appropriations, I concur with Mr. Lindgren's recommendation.

A motion has been prepared for City Council consideration.

Recommended Motion: I move the City Council award Contract No. 23-24, VoIP Class 4/5 Digital Softswitch Project to TelcoBridges for the Class 4 switch in the 5-year amount of \$524,000 and to NetSapiens for the Class 5 switch in the 5-year amount of \$472,134; and authorize the first year total costs of \$593,734 with funding from the 2023 KPU Annual Capital Budget for the Normal Growth & Repair – Central Office Switching capital account; and directing the General Manager to execute the contract on its behalf.



KPU Telecommunications

2970 Tongass Avenue
Ketchikan, AK 99901

Phone (907) 225-1000

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Memorandum

To: Delilah Walsh, KPU General Manager

From: Dan Lindgren, KPU Telecommunications Division Manager

Date: November 6, 2023

Subject: **Authorizing Award of Contract No. 23-24, VoIP Class 4/5 Digital Softswitch Project, TelcoBridges and NetSapiens**

The purpose of this memorandum is to authorize the award of Contract No. 23-24, VoIP Class 4/5 Digital Softswitch Project. This Request for Proposals included the option for bidders to bid on the Class 4 switch only, the Class 5 switch only, or both the Class 4 and Class 5 switch. The purpose of this memorandum is to authorize the award of Contract No. 23-24, VoIP Class 4/5 Digital Softswitch Project with the Class 4 Softswitch to TelcoBridges 5-year amount of \$524,000 and the Class 5 Softswitch to NetSapiens in the 5-year amount of \$472,134 for a total over 5 years of \$996,134.

Background:

In adopting the 2023 KPU Annual Budget, the City Council appropriated \$700,000 to the Normal Growth & Repair – Central Office Switching Capital Project. The purpose of this budget was for reliability upgrades for equipment, including new softswitches. \$593,734 of this budget will be used in 2023 to cover the first year costs. The remaining costs will be spread over the remaining 4 years at an annual cost of \$100,600 for support and maintenance.

This memorandum seeks formal City Council award of the Class 4 Softswitch to TelcoBridges and the Class 5 Softswitch to NetSapiens. The new Class 4 and 5 softswitches will allow KPU to replace the existing softswitch that is manufacturer-discontinued and no longer supported.

Bid Results:

Bid documents for the VoIP Class 4/5 Softswitch were compiled and publicly advertised for bid on September 1, 2023. Proposals were opened on September 29, 2023 at 10:00 am at the City Clerk's office. Five bidders responded with a complete bid packet:

TelcoBridges
Alianza
Metaswitch
NetSapiens
Toly Digital Networks

As set forth in the RFP, the bids were scored based on weighted criteria:

- Cost of Proposal 25%
- Company Evaluation 15%
- Ability to Deliver 35%
- Experience and References 25%

The KPU bid evaluation team was comprised of four members, each spent considerable time evaluating every aspect of the respective proposals for apparent capabilities, qualifications, and conditions. Each member independently scored the five proposals based on the above criteria. Utilizing the above method, the scoring-team unanimously selected TelcoBridges for the Class 4 softswitch and NetSapiens for the Class 5 softswitch as the most qualified bidders. The weighted average of the scoring matrix confirmed that TelcoBridges and NetSapiens were the most qualified. The weighted average of the scoring matrix was as follows:

		Weighted Score				
Criteria	Weight	<u>TelcoBridges</u> (Class 4 Only)	<u>NetSapiens</u> (Class 5 Only)	<u>Alianza</u> (Class 4 & 5)	<u>Metaswitch</u> (Class 5 Only)	<u>Toly Digital Networks</u> (Class 4 & 5)
Cost of Proposal	25%	20.0%	22.5%	5.0%	17.5%	10.0%
Company Evaluation	15%	12.0%	12.0%	10.5%	10.5%	9.0%
Ability to Deliver	35%	28.0%	28.0%	7.0%	21.0%	7.0%
Experience and References	25%	20.0%	22.5%	15.0%	17.5%	7.5%
Total	100%	80.0%	85.0%	37.5%	66.5%	33.5%

Accordingly, a Notice of Intent to Award was issued on November 7, 2023 for TelcoBridges on the Class 4 switch and NetSapiens on the Class 5 switch.

KPU Telecommunications recommends that Contract 23-24 be awarded to TelcoBridges for the Class 4 switch in the amount over five years of \$524,000 and to NetSapiens for the Class 5 switch in the amount over five years of \$472,134. \$593,734 of this budget will be used in 2023 to cover the first-year costs. Funding for the first year's costs will come from the 2023 Normal Growth & Repair – Central Office Switching capital budget account.

Recommended Motion:

I move the City Council award Contract No. 23-24, VoIP Class 4/5 Digital Softswitch Project to TelcoBridges for the Class 4 switch in the amount over 5 years of \$524,000 and to NetSapiens for the Class 5 switch in the amount over 5 years of \$472,134; and authorize the first year total costs of \$593,734 with funding from the 2023 KPU Annual Capital Budget for the Normal Growth

& Repair – Central Office Switching capital account; and directing the City Manager to execute the contract on its behalf.

cc: Lacey Simpson, KPU Assistant General Manager
Michelle Johansen, KPU Finance Director

**KPU Telecommunications**

2970 Tongass Avenue
Ketchikan, AK 99901

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November 6, 2023

Notice of Intent to Award

As you are aware, KPU solicited competitive sealed bids for the VoIP Class 4/5 Digital Softswitch project. Proposals were received from the following five companies: Metaswitch, Alianza, TelcoBridges, Toly Digital Networks, and NetSapiens.

You are hereby notified that KPU intends to award the Class 4 softswitch portion of this contract to TelcoBridges who bid \$304,000 with \$44,000 in annual costs. KPU intends to award the Class 5 softswitch portion of the contract to NetSapiens who bid \$189,134 with \$56,600 in annual costs.

Pursuant to section 3.12.040 of the Ketchikan Municipal Code; five (5) competitive sealed proposals were received and screened by a committee of four (4) representatives. After extensive discussions the decision was reached to recommend that the City Council award the Class 4 softswitch portion of Contract No. 23-24 to TelcoBridges and the Class 5 portion of Contract No. 23-24 to NetSapiens at the next meeting to be held on November 16th, 2023 at 7:00 PM.

The Ketchikan Municipal Code provides for an appeals process as set forth in section 3.12.042 of the Ketchikan Municipal Code, which may be found on the City of Ketchikan website at the following URL: <https://www.ktn-ak.us/>.

The City of Ketchikan and KPU Telecommunications would like to thank you for your response to the RFP and we hope to see your interest extended to future projects.

Sincerely,

Dan Lindgren
KPU Telecommunications Division Manager

BIDDER'S LIST	Contract No. 23-24	Bid Open Date: 09/29/2023
Bid Name: VoIP Class 4/5 Digital Softswitch		Bid Open Time: 10:00 a.m.

COMPANY NAME		Local Bidder	Non-Collusion	Bid Bond	Addendum	Local Empl	BID AMOUNT (USD)
1.	Metaswitch						Alternative 1 Price Quote w/ 3 rd Party Gateway - \$402,409 Alternative 2 Price Quote w/ Metaswitch UMG - \$496,913
2.	Alianza						See proposal
3.	Telcobridges						\$370,000
4.	Toly Digital Networks						See proposal
5.	NetSapiens						See proposal
6.							
7.							
8.							
9.							
10.							

Prepared by: Taylor Lee
 Opened in: Clerk's Office