

**GLENBROOK HIGH SCHOOLS  
District Business Office**

**TO: Dr. Mike Riggle**

**FROM: Marcus Thimm  
Kimberly Ptak**

**DATE: May 2, 2011**

**RE: CONSENT: APPROVAL OF VOICE OVER IP CONTRACT**

**RECOMMENDATION**

It is recommended that the Board of Education approve a contract with Mitel Direct/Midco for the district-wide implementation of Voice Over IP (VoIP) in the amount of \$252,749.

**BACKGROUND**

Voice Over IP (VoIP) technology essentially sends calls through our internal data network and is currently being used at the off-campus/evening high school location, the district office and the main offices at GBN and GBS. As part of the \$10M Build America Bond Issuance, \$300,000 was set aside for a district-wide VoIP conversion.

To begin the selection process, Marcus spent time surveying the market, discussing VoIP with other Chief Technology Officers in the area and performing various reference checks on VoIP providers. Through these efforts, Marcus narrowed the selection to the top five VoIP providers; Mitel, Siemens, CISCO, Avaya and Shoretel. An RFP was created and sent to these five VoIP providers and was posted on the district web-site. As a result of the posting, two other providers, JIVE and Broadcore were sent the RFP. Following is a high-level summary of responses and costs.

| <u>Provider</u> | <u># of Responses</u> | <u>Cost Range</u>                                           |
|-----------------|-----------------------|-------------------------------------------------------------|
| Mitel           | 3                     | \$250K - \$415K                                             |
| Siemens         | 1                     | \$490K                                                      |
| CISCO           | 2                     | \$680-750K                                                  |
| Avaya           | 0                     | n/a                                                         |
| Shoretel        | 0                     | n/a                                                         |
| JIVE            | 1                     | \$300K/year for a hosted solution; after e-rate \$180K/year |
| Broadcore       | 1                     | \$300K/year for a hosted solution; after e-rate \$180K/year |

The Mitel solution was the lowest in cost, and we had three vendors submit proposals for this solution –

|                           |           |
|---------------------------|-----------|
| Mitel Direct/Midco        | \$252,749 |
| Telecom Innovations Group | \$313,291 |
| IP Communications, Inc.   | \$413,616 |

Based on the cost of the various solutions and the fact that the district has successfully lived in a Mitel environment for the last 20+ years, we narrowed the selection process down to the two lowest Mitel providers, Mitel Direct/Midco and Telecomm Innovations Group (TIG).

Mitel Direct/Midco offered the district a 44.5% discount on all handsets and licensing fees, which are the majority of costs in a VoIP conversion. TIG offered the district a 35% discount. TIG is the current provider of the district’s digital phone system and has successfully implemented VoIP in several districts. Mitel Direct/Midco has also successfully implemented VoIP at several large districts including Carpentersville District 300 and the Chicago Public Schools. Based on this, and the cost difference, we are recommending awarding the contract to Mitel Direct/Midco.

**COST BREAKOUT – MITEL DIRECT/MIDCO**

|                           |                 |
|---------------------------|-----------------|
| Handsets                  | \$117,342       |
| 1 time licensing fee      | \$53,957        |
| Server and infrastructure | \$7,714         |
| Implementation            | \$29,828        |
| Training                  | \$14,449        |
| Call Accounting           | \$7,459         |
| Voicemail Upgrade         | <u>\$22,000</u> |
|                           | \$252,749       |

Estimate \$300,000

|                             |          |
|-----------------------------|----------|
| Annual Maintenance – Year 1 | \$25,405 |
| Annual Maintenance – Year 2 | \$16,690 |
| Annual Maintenance – Year 3 | \$20,972 |

Our current annual maintenance on the digital system is approximately \$30,000 per year.

**POTENTIAL COST AVOIDANCE IN USING VOICE OVER IP TECHNOLOGY**

|                                                     |                 |
|-----------------------------------------------------|-----------------|
| Move/Add/Change Programming Cost Elimination        | \$15,000        |
| Reduced maintenance Cost with Newer Technology      | \$5,000         |
| Elimination of Local Charges for Inter-campus calls | \$7,000         |
| Reduction in T-1 lines                              | <u>\$10,000</u> |
|                                                     | \$37,000        |

**BENEFITS TO A VOIP SYSTEM**

- IP phones can be plugged into any data jack within the district and a user’s phone extension will be activated.
- “Hot desking” – Users can use any IP phone in the district, log-in, and have their phone extension activated.
- A user can have an IP phone at home and activate their phone extension through the internet.
- “Soft phones” – users can run their phone extension off of their computer with a headset.
- As users move locations, programming through our telecom carrier is avoided as the user can just move phone to a new phone jack and extension will transfer.
- There is no cost for calls between campuses – currently we pay \$.01 per minute.

**IMPLEMENTATION PLAN**

An implementation plan is being created and will involve building input. A model similar to the one used at off campus and the district office will be used at GBN and GBS. New VOIP phones will be distributed and run parallel to the current digital system until the new system is running smoothly and without issue; at which time the digital system will be shut off.