

RUTHERFORD

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Jane Doe
Xyz, Inc
1400 N. Plankinton Ave.
Milwaukee, WI 53203

Dear Jane:

Thank you for allowing the Rutherford Advisory Group to provide your organization with a recommendation for your new telephone system. As laid out in proposal 5150-1013, I have come up with one recommendation that stands apart from the rest of the proposals. I will describe in reasonable detail the reasoning for choosing this company and their product and also give you additional information about other bidders.

Do keep in mind that the prices included within all of the bids reflect pricing for sight-unseen installation. It is entirely probable and expected that the exact bidding price will change after an in-person meeting and on-site inspection. However, features listed and general pricing *should* remain constant.

The following sections give an overview of the RFP sent to 15 local and national companies that provide telephone system sales and support in the Milwaukee area. Every potential bidder received the exact same RFP and none of the bidders received any special considerations.

RFP Bidding Criteria

All companies bidding on this project were judged by standardized criteria determined by the Rutherford Advisory Group. The following is the basic criteria used while judging the proposals:

- ◆ Professional quality and completeness of proposal
- ◆ On-time receipt of the proposal
- ◆ Number of years in business
- ◆ Number of available technicians
- ◆ Telephone systems supported (including systems not part of the bid)
- ◆ Technician certification for supported systems
- ◆ Guaranteed response time
- ◆ Average response time
- ◆ Availability of service (including all options and various pricing as applicable)
- ◆ Additional products and services offered
- ◆ Upgradeable features of the system quoted
- ◆ Availability of support from separate vendor
- ◆ National support for the telephone system
- ◆ Training options both prior to installation, during, and after installation

For this stage of the project, only written proposals were accepted for bidding. No in-person meetings were available so it was encouraged to make the proposals complete, detailed and as professional as possible. Each

bidder was also asked to provide 3-5 references with their proposal, preferably for the phone system they were quoting or a similar phone system.

Requested System Features

Based on in-person meetings with select staff members of XYZ, Inc, a list of system features were included in the bid. These included must-have features and it-would-be-nice features. All bidders were asked to give detail about each system feature requested within their proposal. Included within these features was a request for special needs for hearing and sight impaired staff members.

Two other requests within this section were confirmation that their system can support desktop faxing and receiving, and support for multiple locations. These two requests were noted as being future considerations but needed to be possible with the proposed phone system.

Training

Training is a special concern for XYZ, Inc as you will be moving over a weekend from one building to another and from one phone system to another with limited time to be comfortable with a new system. Each bidder was asked to detail their training options and any suggestions they may have for training.

System Details

Each bidder was given a list requesting equipment including number of sets, corded headsets, and cordless headsets in various quantities. Each bidder was also asked to provide some additional estimates for the number of T1 lines required, analog ports required for modems and faxes, and several other equipment requirements.

Bid Submission

Bidders were asked to have their bids to the Rutherford Advisory Group by Monday, August 11th by 5pm. Early bidders were given the opportunity to receive feedback on their bids so that they would have the option to re-write their bid if necessary. Early bids needed to be received by August 6th. Bids were to be delivered via e-mail or postal mail. No in-person meetings (or drop offs) were accepted to ensure that any one bidder was given an unfair advantage.

Bids Received

A total of 15 RFPs were sent to various companies representing Milwaukee. Of the 15, six companies submitted bids with two of those companies taking advantage of the early bid process.

The companies who submitted bids include:

ABC Telephone and Security in Milwaukee, WI
Phoney Communications Corp. in Menomonee Falls, WI
Mercury Telecom, Inc in Slinger, WI
Bigtime Phone Company, national company with a support location in Franklin, WI
Happy People Telecom, national company with office in Milwaukee, WI
TBR Telecom, national company with local support and sales in Milwaukee, WI

As mentioned within the bidding criteria, on-time proposals were expected. Of the above companies who placed bids, Happy People Telecom and ABC Telephone and Security were late sending their bids. Happy People Telecom e-mailed their bid the day after it was due and UPSed a hard copy of the proposal, which was never received. ABC faxed their proposal on the 12th and sent brochures via postal mail which were received on the 13th. All other bidders submitted their bids on-time.

Bid Overview

Choosing a telephone system is not as important as choosing the company that will support the telephone system. Telephone features were not as important as the bidding criteria listed above. The reason for this is because most phone systems created by reputable manufacturers all have about the same basic features. With this in mind, the company selling and supporting the system is more important than the phone system itself. Beyond this, with multiple professional companies all bidding for the new system, special features and expandability become the key factors that determine the final recommendation.

The following is a general breakdown between all of the bids received. All ratings are relative to other bids received.

	TBR	Happy	ABC	Merc.	Bigtime	Phoney
On-Time Receipt – Y or N	Y	N	N	Y	Y	Y
Professional Proposal – Rate 1-5	4	2	2.5	4	5	5
Complete Proposal – Rate 1-5	4	4	4	1	5	4
Easy to Understand Proposal – Rate 1-5	3	4	4	4	5	5
Number of Years in Business	10	19	19	30	3/100+	11
Number of Local Technicians	N/A	N/A	6	N/A	6	4
Support Certification for System – Y or N	Y	Y	Y	N/A	Y	Y
Other Systems Supported? – Y or N	N	Y	Y	N/A	Y	Y
Companies in the area Support System – Y or N	Y	Y	Y	N/A	Y/N	Y
Guaranteed Emergency Response Time	4	4	4	N/A	2	4
Average Emergency Response Time	N/A	2.42	1	N/A	15 min	N/A
Service Available 24x7 – Y or N	Y	Y	Y	N/A	Y	N/A
Provide Additional Services? – Y or N	Y	Y	Y	Y	Y	Y
Yearly or T/M Maintenance or Both – C, T/M, B	B	Y	Y	N/A	B	T/M
National Support Available? – Y or N	Y	Y	Y	N/A	Y	Y
Remote Monitoring – Y or N	Y	Y	Y	N/A	Y	Y
System Requests Met – Rate 1-5	5	5	4	5	5	4
Special Needs Met – Rate 1-5	5	3	4	3	5	3
PC Based “Side Car” – Y or N	Y	Y	Y	Y	Y	N
System Expandable To – Number of Sets	500	700	544	560+	5000+	300+
VoIP Compatible – Y or N	Y	Y	Y	Y	Y	Y
Multi-Location Compatible	Y	Y	N/A	Y	Y	Y
Training Options – Rate 1-5	5	5	4	5	5	4
Additional Options with Pricing - Y or N	Y	Y	Y	N/A	Y	Y

N/A = Not provided or easily found within proposal

Top Three Bids

The top three bids were from TBR, Phoney Communications, and Bigtime. These three bids were professional and complete and satisfied many of the requested features.

Phoney Communications presented a very unique quote using the existing telephone system. Their idea is to sell XYZ, Inc a new telephone system with 100+ phones and then integrate the existing telephone system with the new system as XYZ, Inc grows. The combined systems max out around 300 phones. Their proposal states that going well beyond 300 phones will require an entirely new telephone system priced around \$400,000. This unique approach is appealing as it utilizes existing technology within future growth. It also makes sense to grow slowly as XYZ, Inc may grow in an entirely different way than is expected now. This allows you to make baby-steps with the telephone system. Phoney Communications' unique approach earns their placement in the top three bids.

TBR provided a complete proposal and a number of ways to meet both system request needs and special needs. Their proposal was e-mailed and included numerous brochures and documents stating many things about the proposal, the company and the telephone system. Unfortunately, these documents were not intuitively named so the proposal was somewhat difficult to understand. But, most information was included. Unfortunately, a major piece of information was not included that was specifically requested in the proposal and that was various pricing for various quantities of users. The proposal clearly requested pricing for 100, 125, 150, 175, and 200 phones. TBR included a quote for 200 phones and stated that pricing for other quantities was available upon request.

Bigtime responded to the RFP with the most complete proposal and system. Virtually all requests were answered and the future growth capabilities of the proposed telephone system outshined all other proposals. The only potential drawback to Bigtime's proposed telephone system is the limited support in the area outside of Bigtime. Bigtime quoted an Alcatel OmniPCX Enterprise telephone system which is supported by one other national company and, possibly by a local Norstan dealer. This is only a drawback if Bigtime's support becomes problematic and you wish to find another support provider. But, unless things change with Bigtime, the 5 references listed within their proposal had nothing but wonderful things to say about the products and the support. Based on Bigtime's national reputation and references in the area, I feel comfortable recommending Bigtime for your next telephone system.

Recommendation

Generally there are a few proposals that are pretty close in features and price. Within this process, Bigtime's proposal outshined the others by being the most complete and professional proposal, and for quoting a system that will grow with XYZ, Inc for many years to come. As the proposal is extremely detailed and easy to understand, technical specifications and details are not going to be covered within this report. However, any information you may want to know is included within the proposal, which you will receive with this report.

Stand-out Features and Features Not Available

Because most telephone systems meet the needs requested, this section will only highlight features that are unique when compared to most other systems, or features that were not available.

Customized Paging Throughout the Office Using Speakerphone – The system does not directly support this feature, but there is a way around it. A Mastered Conference list could be created to broadcast a message across 28 phones. Different lists could be configured to cover every extension.

Call Recording – Most of the other proposals either were not able to provide this feature or required additional costs to implement. The standard install of OmniPCX system provides the ability to record a conversation and store it as a voicemail. An FTP program can remove these recorded messages but a future update of this product uses standard e-mail programs to access voice mail.

Call Reporting – While other vendors charged extra for a call reporting application, the proposed Alcatel system comes with this feature. Users will have “roaming profiles” by logging into their phone, anywhere in the building. All information for any incoming and outgoing call placed by that user, on any phone set, will be logged. Unfortunately, tracking the state of the phone is not a supported feature.

Side Car – The Alcatel system is quoted with a PC Based attendant console. The PC-Based system replaces the need to have a side-car with hundreds of buttons and extensions. All telephone related functions are available through a Windows PC with the click of a mouse. Additional information is included within the proposal.

Do not Disturb – The system administrator can allow or disallow individuals or groups of individuals access to DND. The attendant, using the PC Based system, can take any phone off of DND at anytime. Because this is a software-based system, a script may be available to create a time-out feature or any other feature you may desire.

Conference Calling – The proposed system is configured with 3 party conference calling. However, the system can be upgraded to 6 or 29 party conferencing if needed.

Saving Voice Mail – The current release does not support this feature but the next software release will. This software is due in October so your system will most likely have this feature.

Flashing Lights for Hearing Impaired – The sets quoted offer lighted ringing options.

Site Impaired Options

- Hold Button and DND – The OmniPCX system uses voice guidance to announce options depending on where the user is in the system. If a user attempts to make a call, a voice guide will notify them that they are currently in DND mode or if someone is currently on hold.
- Raised Buttons on Sets – All proposed sets have raised buttons with a raised “dot” for #5 orientation.
- Additional Rings for Certain Extensions – This feature is not a “built in” feature but the system can be fooled into providing this feature.

System Expandability

System Capacity – The quoted system, without ordering a new processor, is capable of growing to 5000 users. Additional sets, racks, and ports will be necessary to reach this capacity but the base system can handle 5000 sets. If XYZ, Inc were to grow beyond 5000 users, the processor can be linked with other processors to handle up to 50,000 users. This includes any users, anywhere, that may be connected to this system including branch offices, home users, remote users, or internal users.

System Upgrades – Because the system is software based, future upgrades generally require software upgrades instead of hardware upgrades. The basic functionality for IP based systems, or digital sets with additional Internet based capabilities are built in to this system. This system can quite simply grow with any need that XYZ, Inc may have.

References

All five provided references had nothing but great things to say about Bigtime. One user has a three-year old model of the proposed telephone system and loves it. He welcomed XYZ, Inc to come visit his location to see the system in action. They use the system’s wireless capabilities so that users can be in be anywhere in the building and receive calls on their wireless Alcatel phone. Visitors waiting in the lobby are given a wireless phone and are told that someone will call them when their project is completed. Visiting office support personnel are given wireless phones and are told to call an administrator if they have a problem, rather than have an administrator follow them around.

This reference stated that this system, because it is software based, has so many options that they are still finding new ways to utilize the system within their company. He also stated that if you asked any staff-member their thoughts on the system and they would say that they love it. I've never talked to any other company before who talks about "loving" their telephone system. I believe that this speaks volumes for this system.

Pricing

The following is the base price for the top three bids broken down by number of users (sets). Pricing includes all equipment required for the basic system, installation, training and project management. Pricing for additional features are listed within their respective proposals, except for Bigtime which has all options listed below.

Do keep in mind that the pricing listed is for the RFP only. None of the bidders have had a site inspection or an in-person meeting to determine if any additional features or equipment outside of the RFP are required. With this in mind, do remember that these prices are NOT final proposal prices and they WILL change after meeting with the XYZ, Inc. However, the prices listed are a good basis for comparing the received quotes.

Phoney

100 Users	\$44,650
120 Users	\$54,100
150 Users	\$62,400
175 Users	\$78,500
200 Users	\$87,900

TBR

100 Users	N/A
120 Users	N/A
150 Users	N/A
175 Users	N/A
200 Users	\$112,209.50

Bigtime

100 Users	\$52,624.50
120 Users	\$59,292.81
150 Users	\$74,506.55
175 Users	\$85,622.46
200 Users	\$91,019.67

1st Year Maintenance

100 Users	\$4,518.84
200 Users	\$8,206.08

Additional Features

Remote Monitoring (1 time Charge)	\$3309
Automatic Call Distribution	\$3252
Headsets (per station)	\$250
Cordless Headsets (per station)	\$365

Conclusions

All proposals were judged by a pre-set criteria. Based on that criteria, Bigtime was chosen as the final recommendation from the Rutherford Advisory Group. Bigtime's proposed Alcatel system provides most of the standard features available in most reputable systems and many special needs features not found in most systems. The Alcatel system's unrivaled ability to expand and upgrade with XYZ, Inc is also a determining factor in this decision. The ability to easily grow to 300, 500, or 1000 users across the city, county or state make Bigtime the recommended phone system vendor for XYZ, Inc. Beyond this, Bigtime also offers T1, long distance, and other telecommunications options which may simplify much of what XYZ, Inc does. This project did not include pursuing other telecom avenues so these options were not explored.

It is within XYZ, Inc's power to choose any other telephone system or vendor either within or outside of this report. Regardless of which vendor XYZ, Inc chooses, the Rutherford Advisory Group will contact any of the remaining bidders explaining who won in the bidding process along with a simple explanation stating why their company was not chosen.

It has been a pleasure providing this service for XYZ, Inc and I look forward to helping XYZ, Inc with any future technology needs!

Tim Rutherford

Consultant