



Net Work BC Project
Advanced Notice to Vendors
Ministry of Management Services

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Introduction

The Province of British Columbia is providing this Notice to Vendors to announce an upcoming business opportunity for the private sector to engage in the Province's Net Work BC Project (formerly known as the Digital Divide Project).

In October 2003, Cabinet and Treasury Board approved a plan to close the digital divide and ensure that high-speed communication services are made available across the province of BC. On February 16th, 2004 at the Hixon Elementary School, the Government of British Columbia launched the Net Work BC Project. During the April 2, 2004 Open Cabinet Meeting, Honourable Joyce Murray, Minister of Management Services and Honourable Tom Christensen, Minister of Education presented the Net Work BC Project to Cabinet, reaffirming the Government's commitment to bridging the digital divide. (See news section at <http://www.mser.gov.bc.ca> for press release and <http://www.prov.gov.bc.ca/prem/popt/cabinet/> for open cabinet minutes – April 2, 2004)

Additional background information on the project may be viewed at: <http://www.network.gov.bc.ca>.

Project Objectives

The following objectives of the Net Work BC Project relate to this business opportunity:

- Generate economic development in the Heartlands;
- Facilitate digital access for remote First Nations communities;
- Support the move towards common service delivery models for government back office and administrative services;
- Aggregate public sector telecommunications spend to drive down unit costs of broadband services, which in turn will open up affordable access to citizens and businesses; and
- Leverage existing and new alliances with the federal government and First Nations.

In order to achieve these objectives the Net Work BC project team will work with the private sector to:

- Over a 36-month period design, implement and prepare to operate Net Work BC, a new public sector network which will:
 - meet the current and future business needs of all stakeholders, including the broader public sector and core government; and
 - enable the implementation of the Province's e-government agenda, including e-health, e-education, and e-BC.
- Provide high-speed access to un-served remote communities allowing them to fully participate in the digital economy. A list of the communities is provided at <http://www.network.gov.bc.ca>.

The foregoing are further described below.

Economic Development in the Heartlands

Net Work BC will link communities in the Heartlands to the digital economy. Communities will be better able to promote their businesses, trade information, goods and services, and participate in the knowledge-based economy. In addition, local organizations will be able to enter the marketplace to provide community-based network services to individual homes and businesses in the community.

First Nations Access

Of the communities without broadband access, 50% are First Nations communities. The Net Work BC Project will ensure that First Nations rural and northern communities have broadband access that will enable them to participate in the knowledge-based economy and greatly enhance their access to education and health care services.

Common Service Delivery Models

Net Work BC is the network infrastructure upon which government and the broader public sector will provide services. This will be more cost effective and will make it easier for employees to focus their effort on the citizens of British Columbia. By utilizing a common infrastructure, stakeholders will be able to provide better, faster, cheaper and more integrated services to the community-at-large. The Net Work BC infrastructure will enable all stakeholders to efficiently and cost-effectively provide a diverse array of individualized programs.

Drive Down Costs of Broadband Services

A key objective of the Net Work BC Project is to ensure that the unit cost of delivery decreases. This will enable affordable access to British Columbians and develop a robust provincial network to deliver future e-government services (electronic health record, tele-health, e-education etc.), and allow the stakeholders to deliver more and better services at lower cost.

By aggregating the broader public sector telecommunications demand and including their future business requirements in the scope of the Net Work BC Project, the Government is able to increase its leverage and deliver a widely accessible and affordable network.

Federal Government and First Nations Alliances

The Province will work with the Federal Government and First Nations to meet the objectives of the Net Work BC Project. The Province will seek to align Net Work BC with federal initiatives such as the National Satellite Initiative, BRAND and other infrastructure programs and to work with the Federal Government to bring the delivery of advanced services in health and education to First Nations.

Private and Public Sector Alliances

The Province will work with the private sector to meet the objectives of the Net Work BC Project. The Province will encourage innovative deal structures, including flexible financial investment models. The Province has chosen to use the Joint Solution Procurement (JSP) process to address the scale and scope complexity of the Net Work BC Project.

Net Work BC

The Province intends to work with the private sector to deliver Net Work BC; this will include the design, implementation and operation of the resulting network.

Net Work BC will meet the current and future needs of the broader public sector and core government stakeholders. The broader public sector includes Crown Corporations, Boards, Commissions, Health Authorities, and other Agencies who have an interest in this initiative ("Broader Public Sector"). Although each of these diverse stakeholders share common needs for network services, they also each have unique requirements that Net Work BC will have to meet.

It is envisioned that Net Work BC will enable the implementation of the Province's e-government agenda as follows:

e-health

e-health will allow the Province to offer specialized medical services to a wide range of users over a vast geographical area. Traveling and logistics for certain services may become a thing of the past, as physicians and specialists are able to remotely assess, diagnose, and provide services from their own care facility.

e-education

e-education will bring the classroom to the student. Distance learning will enable students of all ages to access educational resources without having to travel, as well as enable companies to train their employees without the expense of leaving their home office.

e-BC

e-BC is a strategy to improve the interaction between the Province and the public. BC citizens and businesses want better and easier access to government. To achieve this, access to government information and services has to become more citizen-centered and organized with the customer's needs in mind. This requires a strategic and collaborative, whole-of-government approach that is best enabled by powerful electronic tools and broadband connections to all communities.

Provide Broadband Access to Un-served Communities

The Net Work BC Project will ensure that an open access point of presence (POP) is made available in as many provincial communities as possible. The final definition of what an open access POP is and what the criteria for establishing an open access POP are, will be developed as part of the JSP process.

Local access providers will have access to these POPs in order to provide "last mile" services to the community. These local access providers will also have the opportunity to provide these "last mile" services to Net Work BC.

Joint Solution Procurement

The Province is planning to start the procurement process in June 2004. Successful proponents that qualify will then work with the Province's Net Work BC Project team to design and implement a technical and business solution that addresses the strategic objectives of the Net Work BC Project.

The initial short-listing process will be based on the 3 Cs: capability, capacity and commitment on the part of the proponent to deliver Net Work BC. The evaluation criteria for the 3 C's will be provided, in detail, when the procurement documentation is issued in June 2004.

In order to maximize benefits for all British Columbians, the Province is planning on structuring the procurement process so that regional economic development and a competitive telecommunications environment will be maintained. There will be an iterative, collaborative process between the proponents and government to design and develop the best solution possible.

The Province is seeking a step change in the way telecommunications will be delivered in BC. A broad range of solutions will be considered; however, it is unlikely that traditional approaches such as bundled retail service offerings will be sufficient. The solution will have to encompass the building of Net Work BC and the development of a sustainable governance model for telecommunications service provision to government and the broader public sector in British Columbia. The solution will also need to balance the sometimes competing objectives, such as low cost, high service levels, effective inclusion of local content, participation of local suppliers, cost effective community network access via open access POPs, and continuous integration of new technologies. This will require an innovative approach to service delivery in areas such as pricing structure, relationship management, and business processes.

The Province anticipates that multiple vendors, including regionally based suppliers, will be part of the final solution. It is expected that service providers of various types, including data infrastructure and network managers, will be interested in participating in this opportunity. Interested vendors should take the time to assess their strategic capabilities and capacity to drive the anticipated step change; and as such, vendors are encouraged, to start thinking about potential alliances with other service providers.

The JSP process will be very resource intensive and is anticipated to take up to 18 months of work - thus organizations that participate must be willing to commit to the process. Vendors are advised to consider their human resource requirements carefully as this is not traditional telecommunications services procurement. Proponents will need to assemble a dedicated multi-disciplinary team to address topics such as: technology, business process, regulation, legal, HR, transition, implementation, governance, and operating models. Proponents are encouraged to find partners that complement their capabilities and skill sets. The process of solution definition is lengthy and requires significant commitment of both people and financial resources from both the lead proponents and any proposed sub-contractors.

The JSP process is tentatively scheduled as follows:

1. Issue procurement documentation to the market, June, 2004;
2. Initial short listing, September, 2004;
3. Selection of preferred proponents, November, 2004; and
4. A period of solution definition, due diligence and negotiations will then take place with final contracts expected by December, 2005.

Scope of the Net Work BC Project

The scope of Net Work BC includes data, voice and cellular carrier demand for core government and the broader public sector. Additionally, for core government, the scope includes network management and telecommunications infrastructure to the end device.

The Province is currently working with the broader public sector to determine their involvement beyond that of the basic carrier services.

The Province may also be interested in adding additional services to create a more comprehensive, full-service network “utility”.

Other services that may remain in scope, in part or in whole, during the procurement process include, user authentication and directories (identity management) security, messaging, file storage/sharing, audio/video conferencing and converged wireless. The scope will be further defined in the procurement documentation; however, the final scope will be an outcome of the procurement process.

The scope of Net Work BC does not include call centres, 911 services, mobile radio or local distribution to non-public sector sites such as homes and businesses; though an open access point of presence will be required for use by the local community or an ISP. The scope also does not include municipalities.

It is expected that the final commercial arrangement will be up to a ten year term with an opportunity for extension. Given that the annual aggregated telecommunications expenditure of core government and the broader public sector exceeds \$100M, the value of the commercial arrangement, in total, will be in excess of \$1B.

Contact

Should you have any questions regarding the Net Work BC Project please visit our website at www.network.gov.bc.ca.

For questions relating to this notice, please plan on attending a meeting that will be held on April 30th, 2004 from 1:30pm to 3:30pm in the Presentation Room (E155) at 4000 Seymour Place in Victoria B.C. Please RSVP Mike Kishimoto, Director of Strategic Acquisitions and Technology Procurement, by fax, at (250) 356-0846 or e-mail at pcadmin@gems2.gov.bc.ca.