

**MASTER COMPETITIVE SERVICE AGREEMENT  
MANAGEMENT OFFICE  
SUMMARY REPORT  
May 2008**

## **1. Initiative Overview**

On March 23, 2005, the Province and the broader public sector entities comprised of the Insurance Corporation of British Columbia, WorkSafeBC, British Columbia Hydro and Power Authority, British Columbia Lottery Corporation, Northern Health Authority, Interior Health Authority, Fraser Health Authority, Vancouver Coastal Health Authority, Vancouver Island Health Authority and Provincial Health Services Authority (the “BPS”) entered into the Master Competitive Services Agreement (the “MCSA”) with TELUS Communications Company. and TELUS Services Inc. (“TELUS”) for the provision of a variety of competitive network services. Collectively the Province and the BPS are referred to as the “GPS Group”.

MCSA products and services support government operations across the province as well as citizen access to government including e-government initiatives.

The term of the MCSA ends on December 31, 2008 with an ability to extend for an additional 2 years.

## **2. Benefits Overview**

MCSA benefits include; a) cost reduction through aggregation and optimization initiatives; b) service delivery improvement through simplification, process improvement, and service level agreements; c) increased planning and collaboration capability through a new governance structure.

The MCSA achieved aggregation of the TELUS competitive services spend by the Province and all of the signatory BPS entities. This aggregation resulted in an immediate and significant cost reduction to the GPS Group organizations.

Under the MCSA, BPS entities received the same legal rights and remedies that have been negotiated by the Province over the years.

Efficiencies were realized through the consolidation of 350 agreements into a single agreement, the optimizing and simplification of services and pricing, as well as on-going process improvements related to service delivery. Legacy services and services levels were preserved where appropriate while a new MCSA service level framework, including the imposition of financial consequences based on performance, was established and is contributing to service quality improvements. End user benefits have been realized through service delivery and service coverage improvements. Continuous improvement practices are in place.

A new governance process was established to manage MCSA commitments and obligations for the GPS Group. The structure includes a GPS Council of CIOs which meets regularly. The formation of the Council provides an ability to plan and implement joint initiatives aimed at producing better business outcomes by improving access to information across government organizations.

### 3. Status Update

Since signing the agreement in 2005, all of the key initial project agreements have been fulfilled including:

- Consolidation and rationalization of existing services;
- Implementation of a simplified network price book;
- Various optimization initiatives have been substantially completed;
- Finalization of a service level framework.

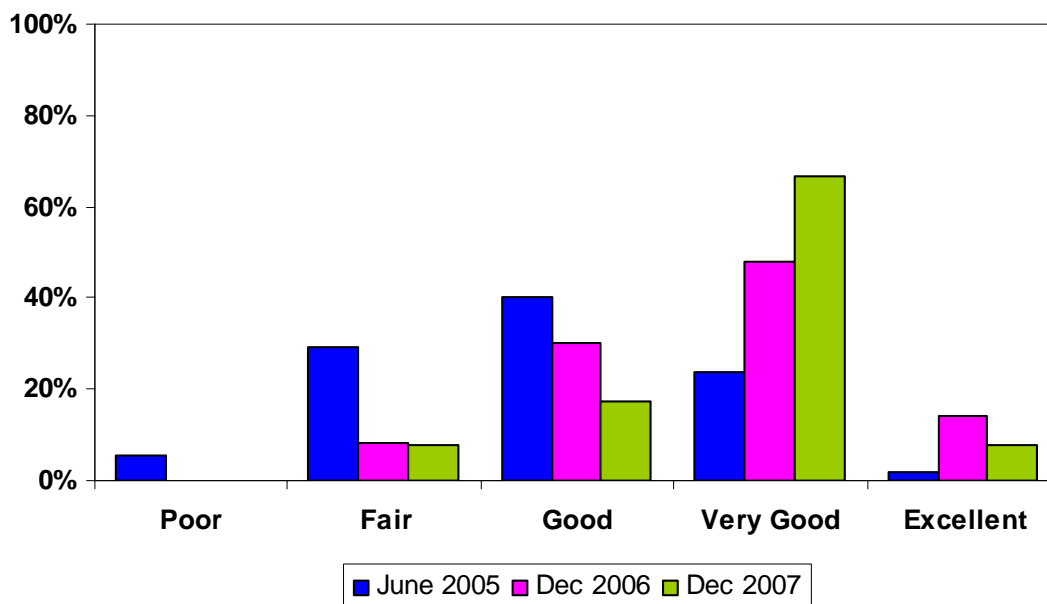
A number of significant events occurred in 2007 including:

- A review of MCSA service level targets against industry benchmarks was conducted;
- A review of GPS network upgrade requirements was conducted;
- Network upgrades to a number TELUS central offices were completed in order to extend broadband services;
- Confirmation that the Province and BPS are continuing to receive competitive pricing from the TELUS;
- Network service level reporting and client satisfaction surveys were completed;
- Significant progress was made on billing and project management optimization projects.

Implementation of the MCSA resulted in on-going cost reductions to the GPS Group organizations. Completion of various contract requirements as well as continuous improvement practices, including those outlined above, have resulted in GPS Group process efficiency improvements and service quality improvements which in turn enhance the delivery of services to government and citizens.

The graph below shows the improvement in GPS Group satisfaction with TELUS overall service delivery since the commencement of the MCSA in 2005. Multiple stakeholders from each of the GPS Group organizations annually respond to the question, “thinking about your overall experience, how would you rate TELUS on your level of satisfaction?” The graph below shows the percentage of responses in each category for 2005, 2006, and 2007.

*GPS Client Overall Satisfaction Survey Result*



## 4. Contract Objectives Overview

The MCSA contract reflects certain objectives including establishing a new GPS Group network operating framework, the consolidation of 350 network agreements, pricing simplification, the implementation of a comprehensive set of service level practices and establishing a governance structure. The MCSA also reflects objectives focused on performance monitoring, benchmarking, problem resolution, continuous process improvement and other operational requirements.

Seventy-three MCSA obligations are actively tracked and reviewed. The status of the obligations as of April, 2008 was:

- 29 obligations have been completed. Objectives 1, 2 and 3 below are examples of completed obligations.
- 27 obligations are ongoing and include annual, quarterly, and monthly requirements, all of which have been met and are up to date. Objective 4 below is an example of an ongoing obligation.
- 17 items are “as required” obligations. Processes are in place to evoke the requirements of each obligation if the situation arises. In March 2008, the as required obligation to confirm competitive pricing was completed.

Collectively the contract objectives support the benefits outlined in section 2.

### Contract Objective Examples

The status of four representative key objectives from the MCSA is provided below.

#### Objective 1

Activities (undertaken to achieve objective)	Results
Aggregation of the competitive services spend by the Province and all of the signatory BPS entities	Achieved.

## Objective 2

Activities (undertaken to achieve objective)	Results
Consolidation of 350 agreements into a single agreement	Achieved

## Objective 3

Activities (undertaken to achieve objective)	Results
Establishing a new governance process covering the Province and all of the signatory BPS Entities with TELUS	Achieved Level 1 (executive) through Level 4 (operational) monthly, bi-weekly and semi-annual governance meetings were conducted.

## Objective 4

Activities (undertaken to achieve objective)	Results
Complete TELUS infrastructure upgrades as defined in Schedule Q	Business requirement review conducted in 2007. Required upgrades scheduled and/or completed.

## 5. Continuous Improvement

The contract includes optimization objectives. Based on a review of operating challenges, service improvement opportunities are formally identified at the start of each year. The status of the key objectives identified at the beginning of 2007 is outlined below.

- Service Desk Enhancements, providing each GPS entity with improved TELUS help desk access and response, were completed in June 2007.
- New project management practices were introduced in 2007 resulting in significant improvement meeting project deliverables by the fall of 2007.
- Enhancements to Level 4 Governance meetings (GPS Entity – TELUS Representative) were implemented to support the growth of the relationship. Access to specialized TELUS groups and the capability to formally escalate non-service issues was improved.

- In August 2007, TELUS Customer Systems Engineers were realigned to better meet the needs of the GPS entities.

## 6. Service Commitments

### 6.1 MCSA Balanced Scorecard Overview

The Balanced Scorecard tracks the success of the MCSA in specific areas following defined measurement and reporting practices. There are five Balance Scorecard categories:

1. Service Management measures TELUS’ ability to deliver and maintain the MCSA services. This includes Service Assurance (trouble restoration), Fulfillment (implementation of new orders) and Change Management.
2. Performance Management measures the performance of TELUS’ Advanced Services or Next Generation Network (NGN). This includes the Availability of Services, the Quality of Services (QoS) and other technical parameters.
3. Financial Management tracks specific financial aspect of the agreement.
4. Optimization reports on the status of projects undertaken to avoid cost and/or improve service while controlling cost.
5. Stakeholder Survey Results measure trends based on surveys conducted with GPS Group CIOs and end users (typically GPS Information Technology Directors).

Generally Next Generation Services (“NGN”) have Service Level Agreements (“SLAs”) with strict requirements and the imposition of financial consequences based on performance. Legacy network services have Service Level Objectives (“SLOs”) with requirements that generally are below that of NGN services.

### 6.2 Service Performance Results Summary

Services are continuously monitored to ensure they are meeting MCSA technical specifications. The table below is an example of performance measurement showing, at a high level, results for 2007. Green indicates that the result met or exceeded the objective; yellow indicates that the result was within 2% of the objective. The table below, for the technical measures of availability, latency, jitters, and packet accuracy, represents the aggregated result for all GPS organizations averaged over the year.

SLA	Service Availability		Latency (ms)				Jitter (ms)		Packet Accuracy			
	Bronze	Gold	Core AF3	Core EF	Access AF3	Access EF	Core EF	Access EF	Core AF3	Core EF	Access AF3	Access EF
2007 YTD												

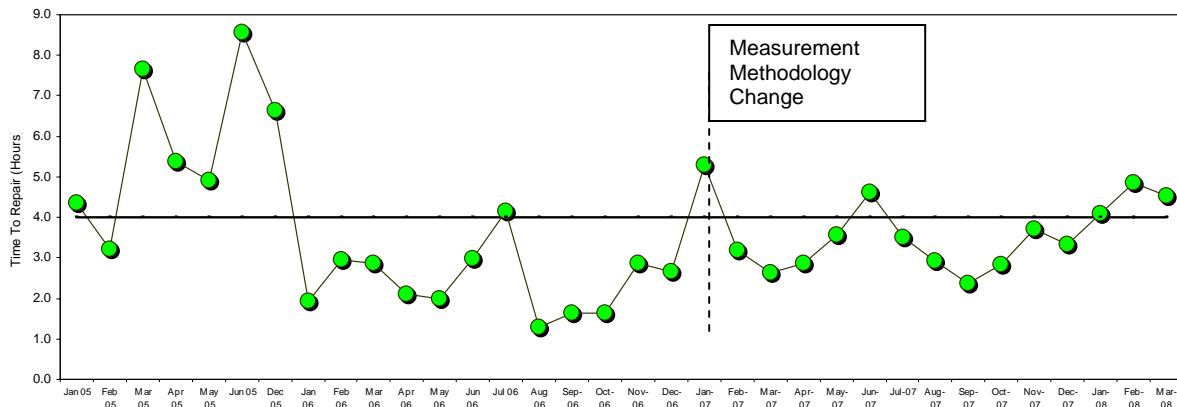
### 6.3 Service Management Results Summary

In addition to technical performance monitoring, service delivery and maintenance performance are monitored to ensure they are meeting MCSA SLAs and SLOs. The table below shows the assurance, fulfillment and change management high level results for advanced data network services for all GPS organizations averaged over the year. Green indicates that the result met or exceeded the objective; yellow indicates that the result was within 2% of the objective. Red indicates that the objective was not met. In the case of Fulfillment below, the provider pays service level credits for all instances of missed due dates.

SLA	Assurance	Fulfillment	Change Management
	Time To Restore	Due Dates Met	Requests Completed
2007 YTD			

As the Fulfillment target for Advanced Services is 100%, any miss over the course of the year will result in a red indicator.

The graph below shows time to repair for MCSA services with SLAs and SLOs for all GPS Group organizations.



The graph below shows installation due dates met for all GPS Group organizations.

