

**FILE COPY**

**JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT**

**COMPLETE THIS SECTION IF NEW CONTRACT**

For contract(s) in this request, answer applicable questions in each of the 4 major subject areas below in accordance with the Instructions for Preparation of Non-Competitive Procurement Form on the reverse side.

Request that negotiations be conducted only with Skynet for the product and/or services described herein.  
(Name of Person or Firm)

This is a request for 1 (One-Time Contractor Requisition # 34487 FMPS Req #, copy attached) or \_\_\_\_\_ Term Agreement or \_\_\_\_\_ Delegate Agency (Check one). If Delegate Agency, this request is for "blanket approval" of all contracts within the \_\_\_\_\_ (Attach List) Pre-Assigned Specification No. \_\_\_\_\_ (Program Name) Pre-Assigned Contract No. \_\_\_\_\_

**COMPLETE THIS SECTION IF AMENDMENT OR MODIFICATION TO CONTRACT**

Describe in detail the change in terms of dollars, time period, scope of services, etc., its relationship to the original contract and the specific reasons for the change. Indicate both the original and the adjusted contract amount and/or expiration date with this change, as applicable. Attach copy of all supporting documents. Request approval for a contract amendment or modification to the following:

Contract #: \_\_\_\_\_ Company or Agency Name: \_\_\_\_\_  
 Specification #: \_\_\_\_\_ Contract or Program Description: \_\_\_\_\_  
 Mod. #: \_\_\_\_\_ (Attach List, if multiple)

WISA Clark 744-4667 Lisa Clark STARTS9 SMD 7/18/07  
Originator Name Telephone Signature Department Date

Indicate SEE ATTACHED in each box below if additional space needed:

<input checked="" type="checkbox"/> <b>PROCUREMENT HISTORY</b> <p style="text-align: center;"><i>See attached</i></p>	<p style="text-align: center;"><b>S. S. R. B.</b></p> <p>DATE <u>2/17/07</u></p> <p>APPROVED <u>[Signature]</u></p> <p>CONDITIONALLY APPROVED _____</p> <p>RETURN TO DEPT _____</p> <p>DISAPPROVED _____</p>
<input checked="" type="checkbox"/> <b>ESTIMATED COST</b> <p style="text-align: center;"><i>See attached</i></p>	
<input checked="" type="checkbox"/> <b>SCHEDULE REQUIREMENTS</b> <p style="text-align: center;"><i>See attached</i></p>	
<input checked="" type="checkbox"/> <b>EXCLUSIVE OR UNIQUE CAPABILITY</b> <p style="text-align: center;"><i>See attached</i></p>	
<input checked="" type="checkbox"/> <b>OTHER</b>	

APPROVED BY: Robert Pashen 8-2-07  
DEPARTMENT HEAD OR DESIGNEE DATE

[Signature] 8/17/07  
BOARD CHAIRPERSON DATE

## **Procurement History**

Streets and Sanitation has utilized the Services of Skytel for roughly the past 6 years. The Department requires the use of the Skytel paging system for winter weather related communications with all field personnel 24 hours a day. The use of the Skytel communications system is a vital part of our snow and weather communications for preventative safety services by City personnel for the City of Chicago.

In the past, we have received Emergency Contracts from Procurement Services which allowed us to use the 2 way paging services of Skytel. Currently, a contract does not exist for our specific paging needs. An RFP was advertised in 2004, but our 2 way paging needs were not part of that RFP. Streets and Sanitation met with Verizon in 2005 to see if they could possibly handle the service for us. They were not able to due to hosting issues.

In July 2006, we met with Procurement Services to discuss the possibility of using the above Verizon/American Messaging Services Contract as we found out Skytel was acquired by Verizon/American Messaging Services.

After that meeting, DPS inquired as to why the Streets and Sanitation's two-way paging requirements were deleted from the Scope of Services during the development of the Wireless Communications RFP, and contacted BIS.

Per BIS's recollection, those requirements were deleted because at that time, the entity known as Verizon Paging Services did not have a product similar to the custom application designed by Skytel. As a result of this propriety system, Streets and Sanitation was advised to seek contract through the Sole Source initiative.

The Sole Source contract was not completed because Skytel could not or would not complete the Economic Disclosure Statement due to being in the process of either being sold or merging with Verizon. Thus, a sole source emergency contract was sought, approved and created. PO 11319.

However, Verizon Paging sold its assets and as of June 21, 2006 and is now known as American Messaging Services (AMS).

Rick Darling of AMS was contacted by DPS , and as he explained it, Skytel is not associated or affiliated with American Messaging Services. While AMS bought the Verizon Wireless Paging Division, Skytel remained with the Verizon Company.

The Skytel application is hosted on Skytel's website, they will not allow it to be interfaced with any other pager brand. This explains why Streets and Sanitation contracted directly with Skytel again for the 2006-2007 snow season. We asked for a sole source contract on August 14, 2006, REQ 29459. That was approved by the board and Procurement drafted the contract and sent to Skytel. Skytel was unwilling to agree with some of our terms and conditions. Therefore, a PO was never created and we had no other choice but to pay for services for the 2006-2007 season on a direct voucher.

Streets and Sanitation intended to go out with an RFP for the 2007-2008 snow season. We entered REQ 31747 on February 2, 2007. However, due to scheduling issues at Procurement Services we will now not have time to go out for bid and train all the drivers on how to operate the new equipment. Thus we are asking for a sole source agreement for the 2007-2008 snow season.

We have already met with Charles Matlock at DPS and we have explained our intent to procure this need via an RFP for next year. It is our intent to have that RFP advertised in the Fall of 2007.

**Estimated Cost**

This will be funded by City funds.

Since Streets & Sanitation has already purchased the pagers, they would only be responsible for the service package and activations.

The approximate quote for seven months of service is **\$ 110,214.95**. This encompasses 1000 units plus any new and refurbished units that the City may need to order during the life of this contract. This figure would adjust to the actual number of devices activated during the entire period of performance estimated at 7 months. Upon a properly executed agreement/contract the breakdown is as follows:

Service - \$ 87,850.00

FCC Mandated Universal Service Fee (estimated) - \$971.85

(Calculated As: Service Total \$87,850.00 X 0.011 for a total of \$917.85).

Activation Fees - \$ 10,000.00

AT100 (small clamshell design rechargeable battery) estimated 100 pagers- \$9165.00

ST900 (small clamshell design with AES encryption and rechargeable battery- \$1349.20

Shipping rate for new units if ordered \$7.99 per unit - \$878.90

The per unit cost provisioning is as follows:

Description/Item	Individual Cost	Quantity	Total Cost
Nationwide 2-Way Service – 500/100-Char msg blks/mo.	\$ 12.55 ea/mo	1000	\$87,850.00
Service Activation	\$10.00	1000	\$10,000.00
800/888 per-Call Surcharge from Payphones, SkyWord Plus/BLOCK	\$0.43	1000	0
FCC Mandated Universal Service Fee	1.1% of monthly cost		\$971.85
<b>New Unit Purchase Models</b>			
AT100 (small clamshell design rechargeable battery)	\$91.65	1 per pager	Est 100 pagers for \$9165.00

ST900 (small clamshell design with AES encryption and rechargeable battery)	\$134.92	1 per pager	Est 10 pagers for \$1349.20
Device maintenance is available on the new units	\$2.00 (mthly)		
Shipping Rate per new unit(per occurrence)	\$7.99		110 pagers for \$878.90

### Schedule Requirements

The Department needs the services to be in place by October 1, 2007 and will be utilized through April 15, 2008.

### Unique Capability

SkyTel Central Messaging is a centralized web-based dispatch and communications hub that provides a single resource to send messages, check replies and see what messages have been delivered and read. With Central Messaging you have powerful features like the ability to create multiple choice responses, and **escalate** the same message to multiple wireless devices (**even land lines using text-to-voice**) for the same person. The solution allows multiple levels of authorized access via secure logon, and can be a great place to maintain group specific address books. You can also review and export Message Logs as well as run reports of activity within the application.

### **Read Acknowledgements**

When **Read Acknowledgements** is enabled on a 2Way device, individuals sending messages to that device will have the ability to know if and when the message recipient read their message. This feature is added to devices receiving messages. It is intended for messages sent via the SkyTel website, SkyTel Access software, the SkyTel IVR, or email. With this feature, message senders can confirm when a message was delivered to a device, when the device holder reads it, and what the reply is.

**Delivered/Read Notifications** is a companion option for Read Acknowledgements (above), intended for individuals who regularly use their SkyWriter 2Way device to send messages. With this option, when you send a message to any SkyTel advanced messaging device, you can get a Delivered Notification. If the device also has the Read Acknowledgements feature, you can get a Read Notification. Notifications are delivered directly back to your device, in the same manner as replies.

### **Send Messages Directly to a Telephone**

Message-to-Phone now comes standard with all SkyTel 2Way and Wireless Email services. With the SkyTel Message-to-Phone feature, you can send a message from your handheld to almost any telephone in the continental US. You simply enter the client's name and telephone number in your unit's address book and send them a message. A few moments later, you get a confirmation message letting you know that your message was delivered

### **Online Account Management**

The SkyTel Online Account Management application allows customers to view and pay their invoice using secure Internet pages on [www.skytel.com](http://www.skytel.com). At Chicago Streets and Sanitation's discretion, paper invoices can be stopped. In this case, Chicago Streets and Sanitation would receive an email notification when a new invoice is ready to be viewed online. The online invoice is provided in Adobe Acrobat PDF format, and up to three month's invoices can be viewed and downloaded at any given time. Payment through Online Account Management can be made via major credit card.

SkyTel Online Account Management provides numerous other functions to help customers manage their SkyTel account and devices.

### **MBE/WBE**

The Department is requesting No Stated Goals/Waiver for this PO.

**RATES PROPOSED BY SKYTEL TO THE CITY OF CHICAGO:  
July 12, 2007**

The per unit cost provisioning is as follows:

<b>Description/Item</b>	<b>Individual Cost</b>
<b>Service Plan Data</b>	
Nationwide 2-Way Service – 500/100-Char msg blks/month	\$ 12.55 (monthly recurring)
Service Activation per device	\$10.00
800/888 per-Call Surcharge from Payphones, SkyWord Plus/BLOCK	\$0.43
Overall Rate Per Character Beyond Message Allowance	\$0.05 (assumed 10 per device)
FCC Mandated Universal Service Fund Fee	1.1% of monthly cost (* subject to change based on applicable regulatory action)
<b>New Unit Purchase Models</b>	
AT100 (small clamshell design with rechargeable battery)	\$91.65
ST900 (small clamshell design with AES encryption and rechargeable battery)	\$134.92
Device maintenance (available on the new units)	\$2.00 (monthly recurring)
Refurbished PF1500 Lynx devices (available while supplies last)	\$49.95
Shipping Rate per new device (per occurrence)	\$7.99



City of Chicago  
Richard M. Daley, Mayor

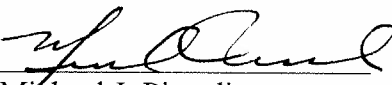
Department of  
Streets and Sanitation

Michael J. Picardi  
Commissioner

Administrative Services  
City Hall, Room 701  
121 North LaSalle Street  
Chicago, Illinois 60602  
(312) 744-3997  
(312) 744-3267 (FAX)  
<http://www.cityofchicago.org>

## MEMORANDUM

TO: Barbara A. Lumpkin  
Chief Procurement Officer

FROM:   
Michael J. Picardi  
Commissioner, Department of Streets and Sanitation

SUBJECT: Request for Sole Source Contract

DATE: July 27, 2007

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Streets and Sanitation is requesting a sole source contract with Skytel for 2 way paging services for the 2007-2008 snow season.

In the past, we have received Emergency Letters and Contracts from Procurement Services which allowed us to use the 2 way paging services of Skytel. Currently, a contract does not exist for our specific paging needs. An RFP was advertised in 2004, but our 2 way paging needs were not part of that RFP.

Streets and Sanitation requires the use of Skytel's 2 way pagers for winter related communications with all field personnel 24 hours a day. The use of 2 way pagers is a vital part of the Department's snow and weather communications for preventative safety services by City personnel for the City of Chicago. The services are needed for our snow season which is defined as October through April.

An sole source contract is needed to get the Department through the 2007-2008 snow season. If we can not use the services of Skytel for 2 way paging, field personnel call outs during a snow event would have to be done manually.

Please contact Lisa Clark at 744-4667 if you have any questions.

Cc: Robert Richardson  
Steve Swanson  
Mike Dacaney  
Valleta Smith  
File



**CITY OF CHICAGO  
 PURCHASE REQUISITION**

**Copy (Department)**

<b>DELIVER TO:</b>  081-2045 1ST DIST 4200 N. NARRAGANSETT AVE. Chicago, IL 60634	<b>REQUISITION:</b> 34487  <b>PAGE:</b> 1 <b>DEPARTMENT:</b> 81 - DEPT OF STREETS & SANITATION <b>PREPARER:</b> Lisa M Clark <b>NEEDED:</b> <b>APPROVED:</b> 7/26/2007
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**REQUISITION DESCRIPTION**

2 WAY PAGING SERVICES FOR 2007-2008 SNOW SEASON  
 SPECIFICATION NUMBER: 59216

**COMMODITY INFORMATION**

LINE	ITEM	QUANTITY	UOM	UNIT COST	TOTAL COST
1	9150501100 PAGING SERVICES - 2 WAY PAGING SERVICES	110,214.95	Each	1.00	<b>110,214.95</b>

**SUGGESTED VENDOR:**

**REQUESTED BY:** Lisa M Clark

DIST	BFY	FUND	COST CTR	APPR	ACCNT	ACTV	PROJECT	RPT CAT	GENRL	FUTR	Dist. Amt.
1	007	0310	0812045	0173	220140	0000	00000000	000000	00000	0000	110,214.95
<b>LINE TOTAL:</b>											<b>110,214.95</b>

**REQUISITION TOTAL: 110,214.95**





City of Chicago  
Richard M. Daley, Mayor


Department of  
Streets and Sanitation

Michael J. Picardi  
Commissioner

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## MEMORANDUM

**To:** Barbara A. Lumpkin  
Chief Procurement Officer

**From:**   
Michael J. Picardi, Commissioner  
Department of Streets and Sanitation

**Date:** July 27, 2007

**Subject:** Request No Stated Goals  
Description: Skytel- 2 Way Pagers for the Snow Season

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The Department of Streets and Sanitation is requesting No Stated Goal Language for the sole source with Skytel for 2 way paging service for the 2007-2008 snow season. Based on the type of service, neither direct or indirect subcontracting opportunities will be practicable.

Your immediate attention is appreciated.

If you have any questions please call Lisa Clark at 744-4667.

cc: Robert Richardson  
Mike Dacaney  
Steve Swanson  
Valleta Smith  
File



City of Chicago  
Richard M. Daley, Mayor

Department of  
Streets and Sanitation

Michael J. Picardi  
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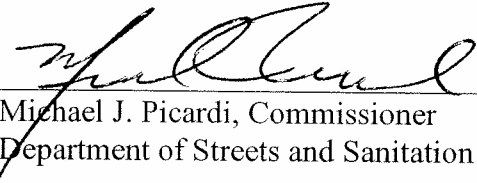
<http://www.cityofchicago.org>

## MEMORANDUM

DATE: August 27, 2007

TO: Barbara A. Lumpkin  
Chief Procurement Officer

ATTN: Doug Yerkes

FROM:   
Michael J. Picardi, Commissioner  
Department of Streets and Sanitation

SUBJECT: Sole Source Contract  
2 Way Paging for the Snow Season  
Name Change

The Department of Streets and Sanitation had a sole source contract approved by the board on August 16, 2007 for 2 way paging services with Skytel.

It has been brought to our attention that the legal name of the company is now Bell Industries, Inc. D/B/A Skytel.

If you have any questions please contact Lisa Clark at 312-744-4667.

cc:

Bobby Richardson  
Steve Swanson  
Charles Matlock  
Valleta Smith  
File

