Financial, HR, SCM, Tax Systems Overhaul
Software Selection Update

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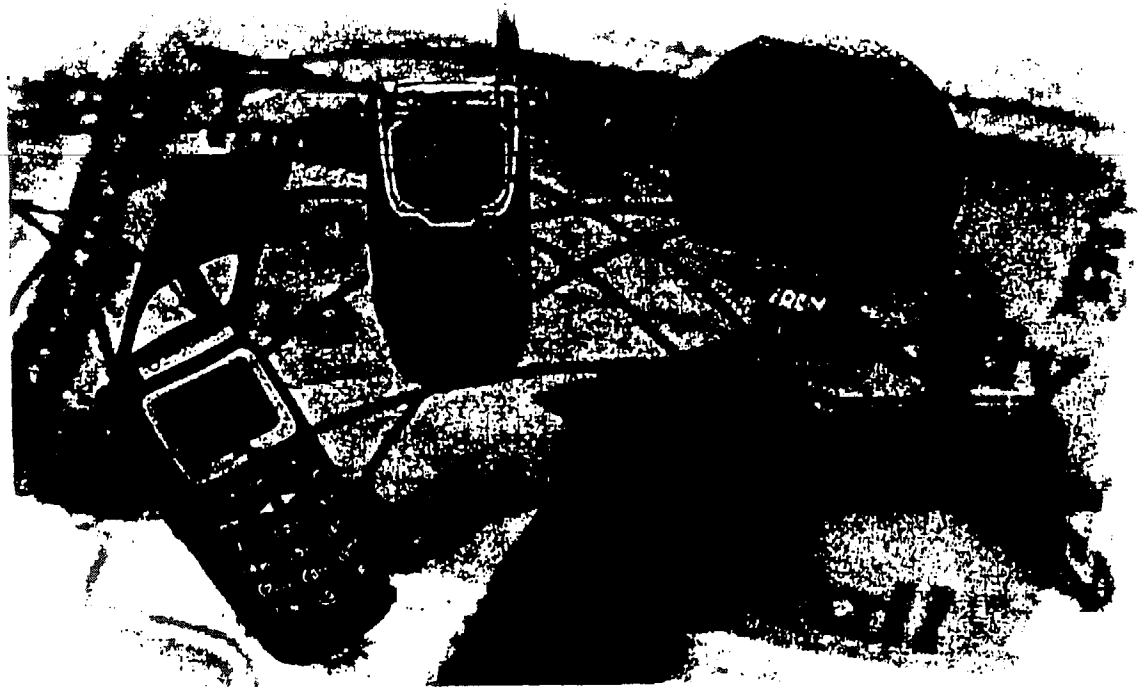

Steering Committee – December 9, 2002

GOVERNMENT EXHIBIT
Nextel 8

NEXTEL Proprietary and Confidential

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Agenda

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Approach

Software Selection Strategy

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- Met with Executives and Oversight Committee on 8/26 & 9/26 to identify project vision, general approach (can't go wrong with either vendor) and high level scope

- Met with Systems Integrators to Estimate Integration Complexity: 10/11 – 10/25 and 11/13 – 11/20

- Met with Nextel IT to Estimate Integration Complexity: 8/26 – Present

- Oversight Committee – Drive decision process and propose solution based on 5 options: 10/1/02 - 12/6/02

Software Selection Options

[redacted]

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	HR	Acct/Fin/Tax	SCM
1	ALL PEOPLE SOFT		
2	[redacted]		
3	PEOPLE SOFT	[redacted]	ARIBA
4	PEOPLE SOFT	[redacted]	PEOPLE SOFT
5	PEOPLE SOFT	[redacted]	

Software Evaluation Methodology

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- **FSO Oversight Committee implemented a 3 Pronged Approach to Evaluate Software Vendors**

1. Solicit Vendor Responses to RFQ
   - » ~~Compiled and Mailed RFQ: 11/6~~
   - » Received RFQ Responses: 11/15
   - » Evaluated RFQ Responses: 11/15 – 12/3

2. Perform Executive Reviews and Reference Checks
   - » Executive Reviews
     - PeopleSoft: 11/21
     - Oracle: 11/19
   - » Reference Checks
     - American Tower Corporation (Oracle): 12/2
     - Duke Power (PeopleSoft): 12/2
     - Sprint (PeopleSoft): 12/5

Software Evaluation Methodology

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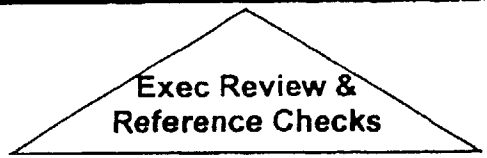
- **FSO Oversight Committee implemented a 3 Pronged Approach to Evaluate Software Vendors**

3. Perform two Rounds of Software Demonstrations
   - » 1st Round
     - PeopleSoft: 10/16 – 10/17
     - Oracle: 10/22 – 10/23
   - » 2nd Round
     - PeopleSoft: 11/15
     - Oracle: 11/14

Three primary methods were used to evaluate each of the vendors

[redacted] Approach

Each vendor was asked to reply to an RFQ



Each Vendor was given an executive review session and will have references checked

Each vendor was given 2 opportunities to demo their software for the Oversight Committee and designated SMEs

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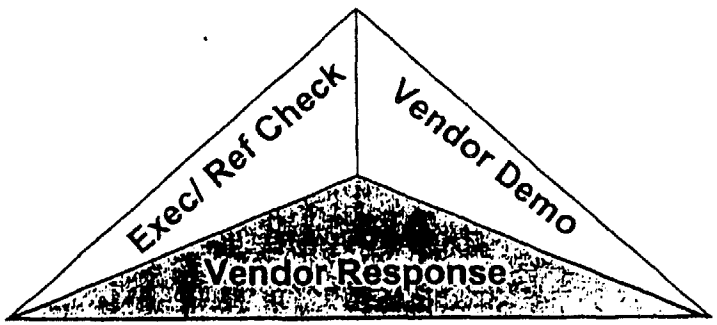
Specific tools were used to evaluate each portion of the vendor information

Vendor Response	Exec Review & Reference Checks	Vendor Demo
Strengths and Weaknesses	Strengths and Weaknesses	Strengths and Weaknesses
Pricing		Criteria Acceptance Matrix
		Forced Ranking Matrix

Each portion of the vendor evaluation contributes to the recommendation included within this discussion



Determining Weighted Vendor Criteria

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- Oversight Committee developed a list of Vendor Selection Criteria
- Oversight Committee Agreed on Selection Criteria and Grouped Criteria into 3 Tiers
- Oversight Committee Assigned Weighting to Each Tier Depending on its Importance to the Business Decision

Weighted Vendor Criteria

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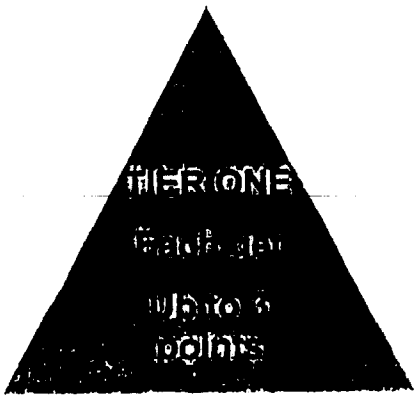

TIER TWO

Each get up to 2 points

TIER THREE

Each Get up to 1 point

HR Functionality
Accounting/Fin/Tax Functionality
SCM Functionality
Ease of integration
Scalability and Performance
Audits and Controls

Cost
Interface Development
Reference Checks
Confidence in Vendor Partnership

Technical Architecture
Vendor Viability
Release Road Map

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Summary Results

FSO Oversight Committee Recommendation

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- The FSO Oversight Committee recommends that Nextel implement an all PeopleSoft Solution for its HR, Accounting & Finance, Tax, and Supply Chain Enterprise Systems

Overall Summary

All options were scored by applying weighted points; the option with the most points is preferred. The weights were applied according to a tiered system that grouped attributes by their priority. Tier 1 represents the highest priority attributes receiving scores from 0-3 points, tier 2 attributes ranged from 0-2 points and tier 3, the lowest priority attributes, ranged from 0-1 points.

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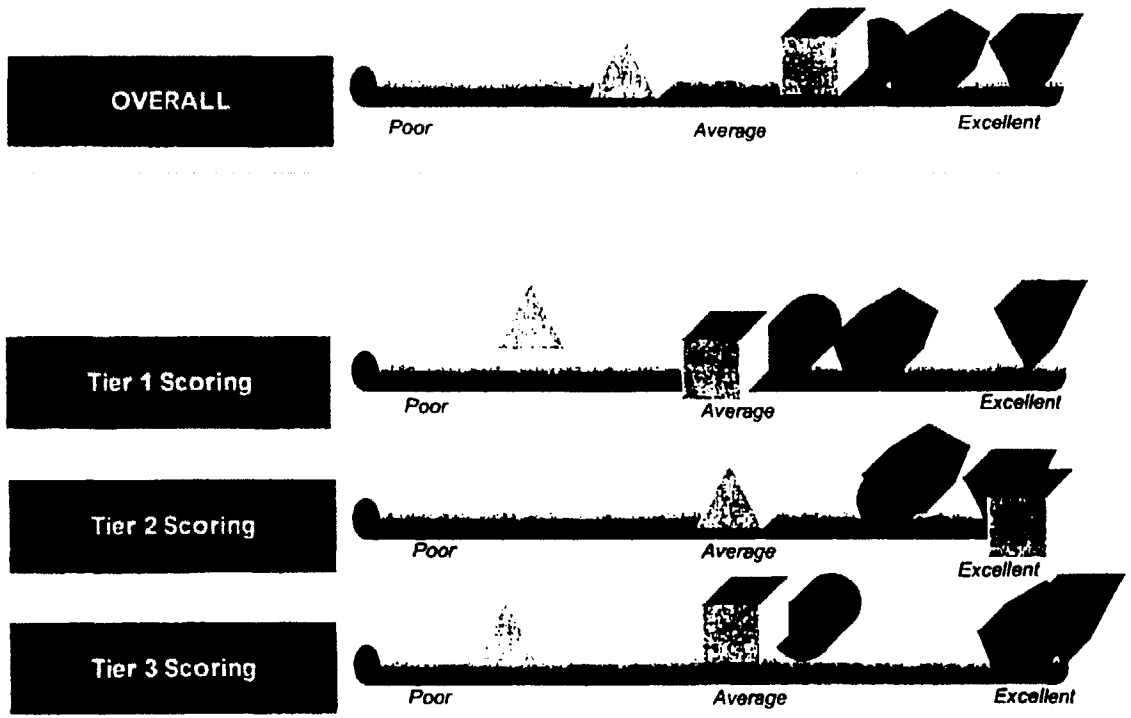
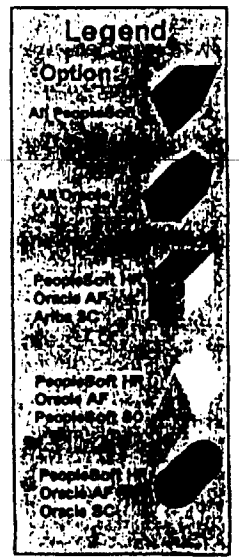
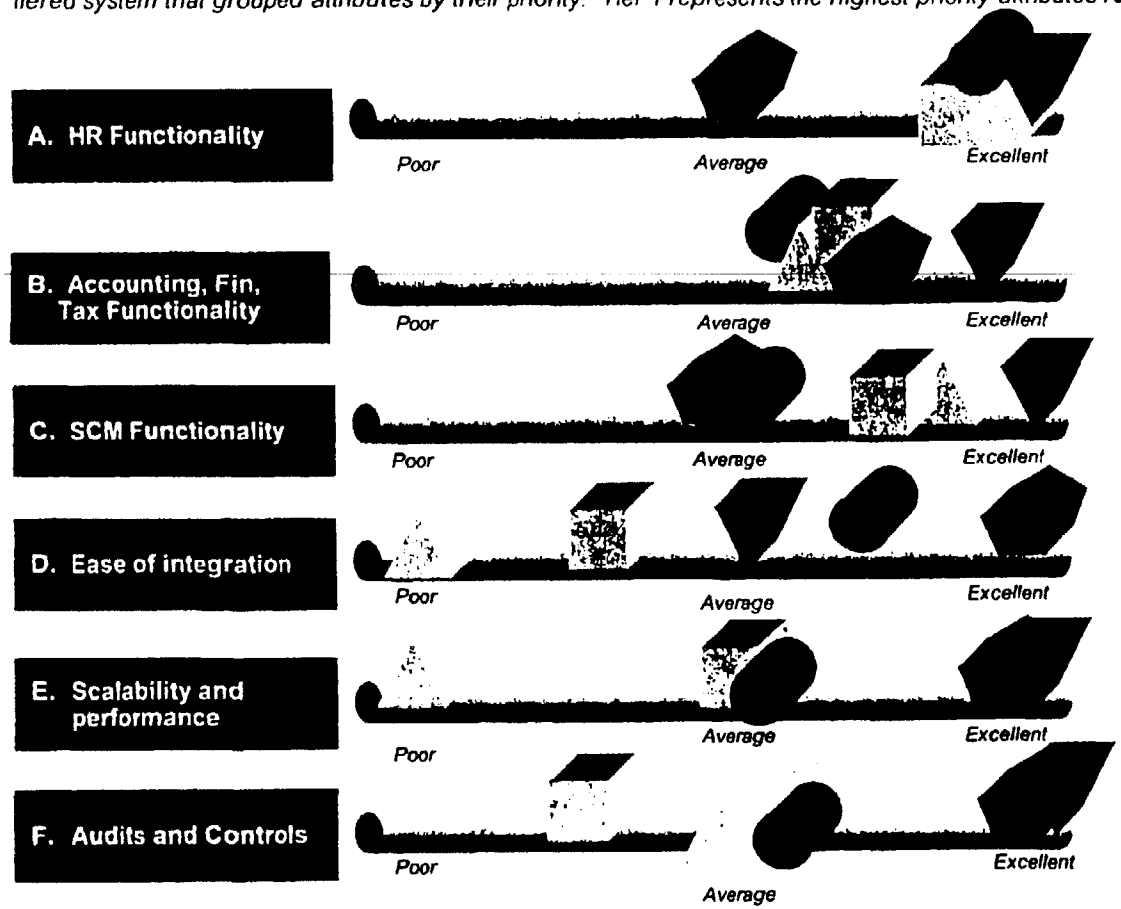




Tier 1 Criteria

Summary Results

All options were scored by applying weighted points; the option with the most points is preferred. The weights were applied according to a tiered system that grouped attributes by their priority. Tier 1 represents the highest priority attributes receiving scores from 0-3 points.



Evaluation Summary: Summary Results

Notes

More challenging to replace Oracle Financials than PS HR

Oracle has a slight edge because Nextel currently uses Oracle

Legend:

- All PeopleSoft
- All Oracle
- PeopleSoft HR, Oracle AF, Ariba SC
- PeopleSoft HR, Oracle AF, PeopleSoft SC
- PeopleSoft HR, Oracle AF, Oracle SC

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Tier 2 Criteria

All options were scored by applying weighted points; the option with the most points is preferred. The weights were applied according to a tiered system that grouped attributes by their priority. Tier 2 represents medium priority attributes receiving scores from 0-2 points.

Evaluation Summary: Summary Results

		Notes
G. Cost (pre-best and final)	Poor / Average / Excellent	Based on a 5 year projection
H. Interface Development	Poor / Average / Excellent	Atlas more difficult with PS
I. Reference Checks	Poor / Average / Excellent	Both Vendors had comparable reference checks
J. Confidence in Vendor Relationship	Poor / Average / Excellent	Nextel's confidence in our ability to develop a suitable Vendor Relationship is comparable

Legend:

- All PeopleSoft
- All Oracle
- PeopleSoft HR, Oracle AF, Ariba SC
- PeopleSoft HR, Oracle AF, PeopleSoft SC
- PeopleSoft HR, Oracle AF, Oracle SC

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Tier 3 Criteria

All options were scored by applying weighted points; the option with the most points is preferred. The weights were applied according to a tiered system that grouped attributes by their priority. Tier 3 represents low priority attributes receiving scores from 0-1 point.

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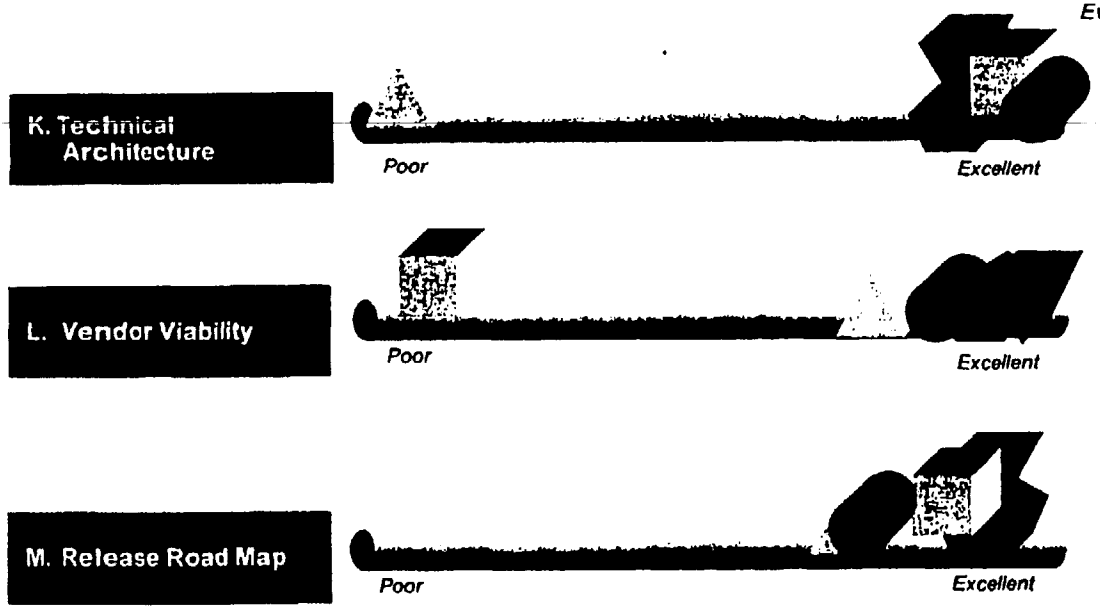
Evaluation Summary: Summary Results

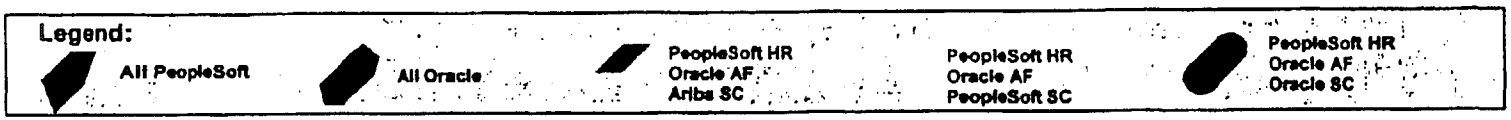


Notes

Basic reporting can be handled by each vendor. Differentiated by ease of use.

Nextel's confidence in both Vendors Viability is comparable

Nextel's understanding and acceptance of both Vendors Road Map is comparable



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Detailed Results

Software Selection Options

	HR	Acct/Fin/Tax	SCM
1	ALL PEOPLE SOFT		
2	ALL ORACLE		
3	PEOPLE SOFT	ORACLE	ARIBA
4	PEOPLE SOFT	ORACLE	PEOPLE SOFT
5	PEOPLE SOFT	ORACLE	

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Option 1 – All PeopleSoft (Summary)

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◆Modules/Gaps

- Accounting & Finance
  - For all items in Phase I & II, everything was accepted, except **some areas of Reporting (Cognos) - FSO will use Hyperian and Business Objects to solve gap**
  - and **Property Management (rent db) - FSO will either develop a custom solution for Rent DB or procure a small package**
- Human Resources/Payroll
  - For all items in Phase I & II, everything was accepted, except **Commissions – FSO will continue to use Oracle Solar interfacing through current NDW architecture – also includes NIST EN 0005**
- Supply Chain Management
  - For all items in Phase I & II, everything was accepted, except **Contract tracking, - Open FSO item – NIST EN 0285, NS 0193 and OTH 0284**
- Tax
  - For all items in Phase I & II, everything was accepted, except **Lease Co – Open FSO NIST NS 0241**

◆Cost

–Total Cost of Ownership (assume 5 years): $ REDACTED

◆IT Issues

- Integrating PeopleSoft Finance and Supply Chain to Atlas is more complex and expensive) than Oracle integrating to Atlas
- Hardware, software, implementation, and support costs are lower) than a hybrid system approach

◆Functional Evaluation (Results out of 10)

–Finance & Accounting:	7.23
–Human Resources:	7.41
–Supply Chain:	8.14
–TOTAL AVERAGE:	**7.59**

Option 1 – All PeopleSoft (Products to be Implemented)

[redacted]

Human Resources & Payroll

PeopleSoft Product	Function
Benefits Administration	Benefits
Commissions*	Commissions
Directory Interface	Profile Maintenance
eBenefits	Benefits
eCompensation	Compensation
eCompensation Manager Desktop	Compensation
eDevelopment	Employee Development
eEquity	Stock Option/Stock Purchase Administration
Enterprise Incentive Management	Incentive Administration
Enterprise Learning Solutions	Learning Management
Enterprise Portal	Application Gateway
Enterprise Warehouse	Reporting and Analysis
ePay	Employee Payroll Self Service
ePerformance	Performance Management
eProfile	Employee Profile Self-Service
eProfile Manager Desktop	Maintenance of Employee Profiles
eRecruit	Recruiting
eRecruit Manager Desktop	Recruiting
Global Payroll	Payroll
Help Desk HR	Workforce Support Center
HRMS Portal Pack	HR Gateway
HRMS Warehouse	Reporting and Data Repository
Human Resources	Recruiting Compensation Workforce Development
Mobile Time Management	Time and Labor
Payroll Interface	Employee Data Transfer
Payroll for North America	Payroll

Supply Chain Management

PeopleSoft Product	Function
Catalog Management	Item Master Management
Demand Planning	Distribution Requirements and Forecasting
Enterprise Planning	Planning & Scheduling
eProcurement	eProcurement (Ariba Replacement)
eStore	Employee Phone Fulfilment
Inventory	Inventory Management
Inventory Planning	Item Master Management & Receiving
Purchasing	Procurement
Services Procurement	Legal and Services Contract Management
Strategic Sourcing	RFP Auctioning
Supply Chain Warehouse	Analysis & Reporting
Supply Rating System	Vendor Evaluation/Supplier Analytics

Accounting, Finance & Tax

PeopleSoft Product	Function
Activity Based Management	Cost Accounting
Analytical Forecasting	Forecasting
Asset Management	Fixed Asset and Property Management
Balanced Score Card	Performance Management
Billing	Billing
Budgeting	Budgeting
Business Planning	Financial Planning and Forecasting
Cash Management	Treasury
Deal Management	Treasury
Expenses	Expense Reimbursement Submission & Reporting
Financials Warehouse	Reporting and Analysis
General Ledger	Tax JE GL
Global Consolidations	Consolidations
Payables	AP and Use Tax Payment
Projects	Project Accounting
Receivables	AR Function Fed From Ensemble

Global

PeopleSoft Product	Function
App Connect	Application Integration
Enterprise Portal	Application Gateway
Enterprise Warehouse	Enterprise Data Warehouse
Integration Broker	Application Integration

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Option 1 – All PeopleSoft (Cost)

License Cost	Support & Maintenance	Training	Total Cost of Ownership
$ REDACTED	$	REDACTED	[redacted]

Assumptions:

- Numbers are based on prices provided on RFQ
- Training costs are not comprehensive.
- Support and Maintenance numbers are based on 5 year contract

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Option 1 – All PeopleSoft (IT)

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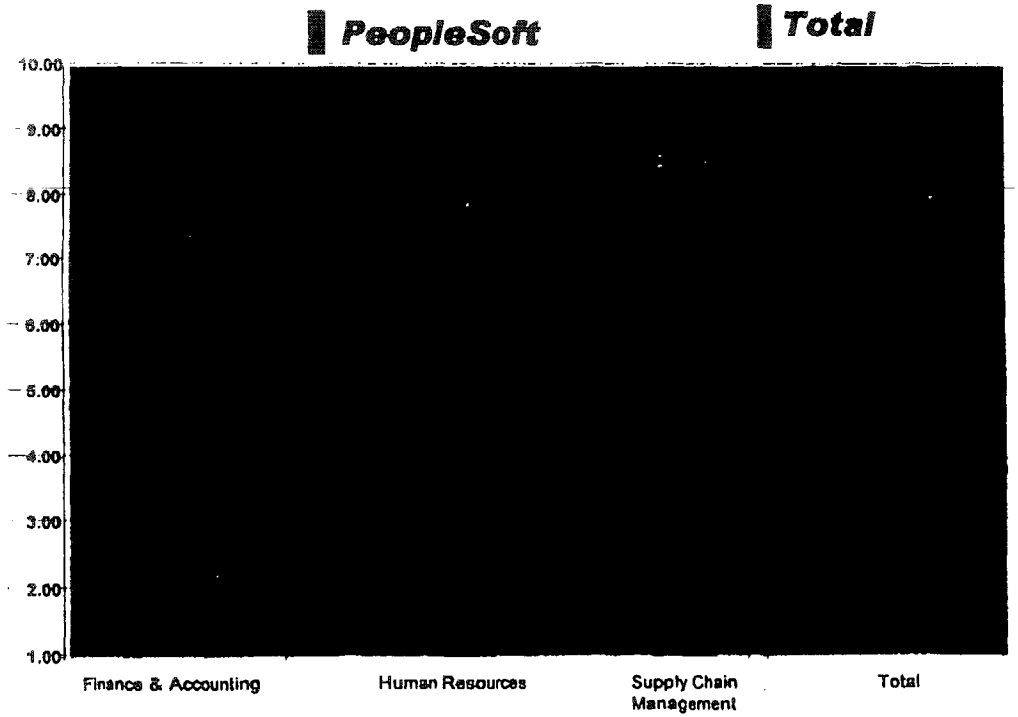
Integration Risks
• PeopleSoft / Atlas integration will cost approximately $ more than Oracle / Atlas integration.
Delivery Risks
• Relative to other options, none.
Technical Considerations
• Lower software and hardware costs than hybrid options (3,4, and 5). • Approximately % lower implementation and on-going support costs than hybrid options. • Higher IT training costs to get team up to speed.

REDACTED

Option 1 – All PeopleSoft (Func. Eval.)

Attendees rated each application on how well it met the business-defined functional requirements during the demonstration sessions. These requirements were graded on a scale of 0-10 (0=Does Not Meet, 10=Exceeds.)



	Finance & Accounting	Human Resources	Supply Chain Management	Total
Attendees:	20	22	28	70

Attendees included members of the Oversight Committee and designated primary and secondary SMEs.

Functionality Demonstrated:

Human Resources
Compensation (including MBSO)
Benefits
Surveys & Training
Recruiting
Payroll
Commissions for In-Directs
Supply Chain Management
Script covering Request to Check
Accounts Payable (including VAD)
Time & Expense Reporting
Item Master Management
Forecasting
Distribution Management
Inventory Management
Reporting
Fixed Assets
Business Objects Capability
Accounting & Finance
Tax-LeaseCo
Consolidations
Budgeting/Forecasting
Revenue Management/Reporting
Property Mangement
General Ledger
Treasury

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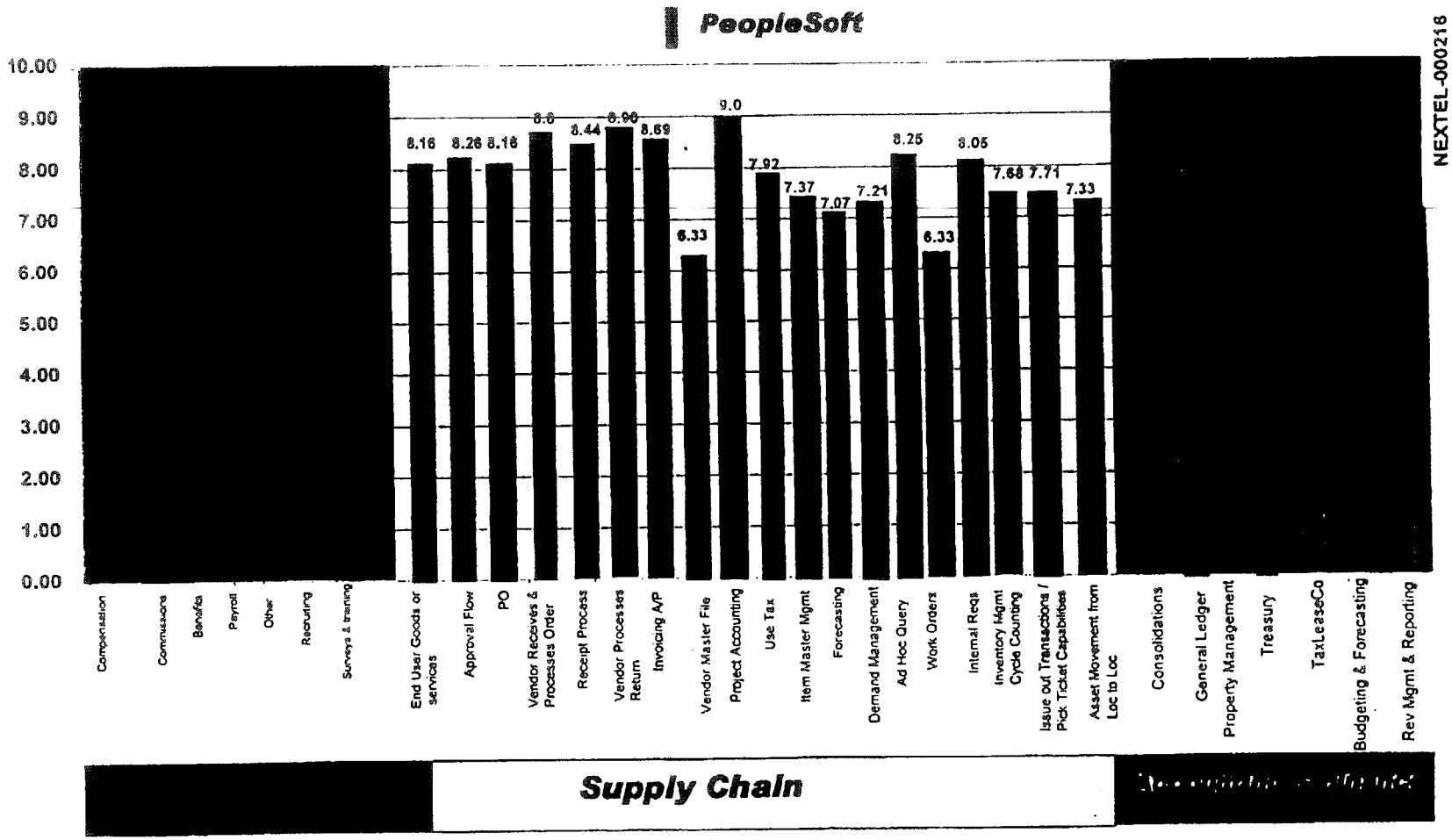
Option 1 – All PeopleSoft (Func. Eval.)

[redacted]



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