Report – Executive Policy Committee – June 21, 2006

Item No. 9 Award of Contract - Provision of Cellular Telephone Network Services
File GL-9

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 21, 2006, the Executive Policy Committee concurred in the administrative recommendation and submits the following to Council:

1. That the proposal from Telus be determined to be non-responsive.

2. That a contract for cellular telephone network services for the period from August 1, 2006 to November 30, 2008 be awarded to MTS Allstream Inc., the bidder whose proposal has been determined to be the most advantageous to the City based upon the criteria for evaluation set out in the Request for Proposal No. 177.

3. That the Chief Administrative Officer be delegated the authority to award future multi-year contracts for work that is substantially the same, each contract not to exceed five (5) years in duration and the Chief Administrative Officer's monetary award limit.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Executive Policy Committee – June 21, 2006

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 21, 2006, the Executive Policy Committee concurred in the administrative recommendation and submitted the matter to the Council.

RE: AWARD OF CONTRACT FOR THE PROVISION OF CELLULAR TELEPHONE NETWORK SERVICES - RFP NO. 177

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: CHIEF INFORMATION OFFICER

REPORT DATE: May 29, 2006

RECOMMENDATION(S):

1. That the proposal from Telus be determined to be non-responsive.

2. That a contract for cellular telephone network services for the period from August 1, 2006 to November 30, 2008 be awarded to MTS Allstream Inc., the bidder whose proposal has been determined to be the most advantageous to the City based upon the criteria for evaluation set out in the Request for Proposal No. 177.

3. That the Chief Administrative Officer be delegated the authority to award future multi-year contracts for work that is substantially the same, each contract not to exceed five (5) years in duration and the Chief Administrative Officer's monetary award limit.

4. That the proper officers of the City be authorized to do all things necessary to affect the intent of the foregoing.

REPORT SUMMARY

KEY ISSUES:

- The current contract expires July 31, 2006. The City has a number of wireless devices that require replacement at cost. Approval prior to the expiration of our existing contract will allow the City to start replacing these devices which will result in a financial saving to the City.
- The City continues to require cellular telephone service in order to provide service to its citizens.
- The proposed twenty-eight month contract expires on November 30, 2008. This will match up with the end of the Centrex contract and provides the City with the possibility of an integrated landline/cellular option for 2009 and beyond.

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications:

	None
X	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
X	Involves a multi-year contract

Comment(s): The City of Winnipeg's requirement for wireless communications extends to all departments. The proposed multi-year contract provides the City with continued service at the best rate possible. The contract is for the period August 1, 2006 to November 30, 2008.

Policy Implications:

X	None
	Yes

Regulatory Implications:

X	None
	Eliminates or reduces regulatory impact
	Proposes regulatory impact

Environmental Implications:

X	None
	Yes

Human Resources Implications:

X	None
	Yes

Financial Implications:

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment(s): This contract is funded through the annual operating budgets of Departments according to usage.

REASON FOR THE REPORT:

As the total conditional contract amount to be paid by the City pursuant to the contract is $1,682,037.24 and the contract commits payments by the City from future operating budgets, the award of contract must be approved by Council.

HISTORY:

The existing contract for cellular telephone network services is with MTS Allstream Inc. and expires on July 31, 2006. Corporate Information Technology and Materials Management issued a Request for Proposal for this service in March of 2006.

Final Receipt of offers took place on April 18, 2006 with proposals being received from two offerers

DISCUSSION:

Proposals were received from two companies:

MTS Allstream Inc.
Telus

Proposals were for twenty-eight months. Proposals were received for the provision of cellular telephones, wireless PC cards, Blackberry wireless devices, cellular and wireless data air time plans, and associated telephony features for digital cellular technologies.

Both proposals were thoroughly analyzed. The Telus bid should be determined to be non-responsive in accordance with B16.2 because the bidder conditioned the bid by stating warranty terms that are less than required in D16. Notwithstanding that the bid should be determined to be non-responsive, the Telus bid was thoroughly analyzed and based upon the criteria for evaluation set out in the Request for Proposal No. 177, was rated lower and would not have been selected. A comparison of existing and recommended spending is attached (Appendix A). The recommended offerer (MTS Allstream Inc.) and terms (twenty-eight months) are the lowest cost and highest value solution and will save the City Departments approximately $490,000.00 over current rates.

The requirements for Bid and Performance Security were waived for this purchase in accordance with the authority delegated to the Manager of Materials pursuant to Administrative Directive FM-002.

MTS Allstream Inc. has, by successfully performing the same work under the existing contract, demonstrated that they have the necessary qualifications and resources to perform the work of this contract.

Bids lapse July 17, 2006.

Financial Impact Statement

Date: May 1, 2006

Project Name:

First Year of Program 2006

Award of Contract for the Provision of Cellular Telephone Network Services - RFP No. 177

	2006	2007	2008	2009	Total
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 321,389	$ 771,334	$ 707,056	$ -	$ 1,799,780
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 321,389	$ 771,334	$ 707,056	$ -	$ 1,799,780
Less: Existing Budget Amounts	321,389	771,334	707,056	-	1,799,780
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The costs noted above include 7% PST. GST is not included as the City receives GST Rebate at 100%
2. This contract is funded through the operating budgets of Departments according to usage.

(Original signed by R. Abeysekera)

Radhika Abeysekera
Manager of Finance & Administration
CSD & CIT

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By

Corporate Finance - Materials Management Branch
Corporate Services – Legal Services Division

External Consultation With

N/A

THIS REPORT SUBMITTED BY:

Department : Corporate Information Technology
Division: IT Operations & Infrastructure - Communications Systems Branch
Prepared By: Leo Boiteau
File No.

APPENDIX A

FINANCIAL COST COMPARISON CHART

CURRENT CONTRACT vs. RECOMMENDED

Cellular Telephone Network Services

	Est. Monthly Avg.	28 Month Contract
Current Contract	$77,574.02	$2,172,072.68
MTS Allstream Inc.	$60,072.76	$1,682,037.24