Agenda – Executive Policy Committee – March 18, 2015

2015 BUDGET REVIEW

Item No. 5 Reinstatement of the "Facilities Replacement and Relocation Program" and the Annual Maintenance Charges for the Next Generation 911 system

COUNCIL DECISION:

On September 24, 2014, Council concurred in the recommendation of the Executive Policy Committee, to approve an Award of Contract for the Winnipeg Police Service and Winnipeg Fire Paramedic Service - MTS Advanced 9-1-1 Solution, which included the following recommendation:

3. That subject to approval of recommendations 1 and 2, reinstatement of the 'Facilities Replacement and Relocation Program' and the annual maintenance charges for the Next Generation 911 system be referred to the 2015 budget process.

DECISION MAKING HISTORY:

COUNCIL DECISION:

On September 24, 2014, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That a new 2014 capital project entitled 'Next Generation 911' for the Winnipeg Fire Paramedic Service (WFPS) be approved.

2. That expenditure of up to $585,400 be authorized on the new 'Next Generation 911' capital project in 2014 as a first charge against the 2015 'Facilities Replacement and Relocation Program'.

3. That subject to approval of recommendations 1 and 2, reinstatement of the 'Facilities Replacement and Relocation Program' and the annual maintenance charges for the Next Generation 911 system be referred to the 2015 budget process.

4. That authority be delegated to the Chief Administrative Officer to negotiate, approve and award a contract with MTS Inc. for a multi-year term as detailed in this report with respect to the MTS Advanced 9-1-1 Solution, in accordance with terms and conditions set forth herein and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

5. That authority be delegated to the Chief Administrative Officer to negotiate, approve and award future agreements with MTS Inc. with respect to the MTS Advanced 9-1-1 Solution, in accordance with terms and conditions similar to those set forth herein and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

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

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 17, 2014, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: **Award of Contract for the Winnipeg Police Service and Winnipeg Fire Paramedic Service, MTS Advanced 9-1-1 Solution (MM Reference # 171-2014)**

Critical Path: **EPC - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
C. Kirby J Hall M. Bergstrom	Chief Devon Clunis Chief Lane	M. Ruta	D. Joshi A/CAO

RECOMMENDATIONS

1. That Council approves a new 2014 capital project entitled 'Next Generation 911' for the Winnipeg Fire Paramedic Service (WFPS).

2. That Council authorize expenditure of up to $585,400 on the new 'Next Generation 911' capital project in 2014 as a first charge against the 2015 'Facilities Replacement and Relocation Program'.

3. Subject to Council approving recommendation 1 and 2, that reinstatement of the 'Facilities Replacement and Relocation Program' and the annual maintenance charges for the Next Generation 911 system be referred to the 2015 budget process.

4. That authority is delegated to the Chief Administrative Officer to negotiate, approve and award a contract with MTS Inc. for a multi-year term as detailed in this report with respect to the *MTS Advanced 9-1-1 Solution,* in accordance with terms and conditions set forth herein and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

5. That authority be delegated to the Chief Administrative Officer to negotiate, approve and award future agreements with MTS Inc. with respect to the MTS Advanced 9-1-1 Solution, in accordance with terms and conditions similar to those set forth herein and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

REASON FOR THE REPORT

Council approval is required for the award of a contract for a supply to the City where the contract value exceeds $5 million and for which there is not a Council approved funding source for the difference between the budgetary provision and the consideration to be paid by the City pursuant to the proposed contract.

The MTS Advanced 9-1-1 Solution is a multi-agencies project (WPS/WFPS, Royal Canadian Mounted Police, Brandon 9-1-1 and Medical Transportation Coordination Center) that will establish a common platform for all emergency calls to 9-1-1 across the province. The current 9-1-1 software is obsolete and no longer supported.

At present the Winnipeg Fire Paramedic Service has no budget approval to cover its share of costs relating to this project. This lack of budget as well as the timing issue in terms of awarding the contract to MTS Inc. in 2014 must be addressed.

IMPLICATIONS OF THE RECOMMENDATIONS

WPS has the funds to enter into this contract under Police Capital project #2201900013 which has allocated a total of $1,900,000.

The WFPS requires additional capital budget to cover the cost of its share of the project. In order to meet the timing needs to secure the contract with MTS Inc. in 2014, the department is requesting Council approval for a new capital project. Subject to that being approved, a first call on the 2015 'Facilities Replacement and Relocation Program' capital budget to secure funds to enable the contract to be awarded now.

Depending on the outcome of negotiations with MTS Inc., and the required timing of payments, budget may need to move to future years. However, in order to award the contract to MTS Inc. in 2014 the full commitment needs to be budgeted now.

The terms of the agreement will include an initial capital investment for the purchase of software licenses, necessary hardware and installation of those products. The agreement will also include licensing, maintenance and support over the next 5 years and corresponding cost. As firm pricing for the 5 year licensing, maintenance and support has not yet been finalize the total amounts may be less than included in the recommendation.

While the terms, costs and provisioning of the contract with MTS Inc. will be identical for both agencies, WPS and WFPS, it is expected there will be an appendix for each agency setting out their respective project timelines and payment schedules.

Both WPS and WFPS will participate jointly with project planning activities as it relates to the overall requirements with different timelines of installation and implementation.

MTS Inc., as the Incumbent Local Exchange Carrier (ILEC) for the province of Manitoba, will be required to provide the services as outlined herein for the duration of this contract.

HISTORY

On February 19, 2014, the Chief Financial Officer approved the following recommendation:

> That the Chief Financial Officer approves single source negotiations with MTS Inc., by Winnipeg Police Service on behalf of both the Winnipeg Police Service and Winnipeg Fire Paramedic Service for purchase and maintenance of upgraded 9-1-1 software consisting of, Cassidian, Sentinel 4.0 software and associated products, pursuant to B4.1(F) of the Materials Management Policy where compatibility of a purchase with existing facilities, equipment or services is the paramount consideration.

MTS Inc. is Manitoba's Incumbent Local Exchange Carrier (ILEC). MTS Inc. owns and manages the switching equipment required to facilitate 9-1-1 traffic in the City of Winnipeg and Province of Manitoba. Accordingly, MTS Inc. has the necessary resources and experience to perform the work of the contract.

MTS Inc. formally proposed the MTS Advanced 9-1-1 Solution in December of 2013. In consultation with consultants Pomax Inc. who have been retained by both WPS and WFPS, it was agreed that MTS Inc.'s Advanced 9-1-1 Solution would meet the needs to upgrade the current obsolete 9-1-1 solution and position Winnipeg and the Province of Manitoba for future planning and requirements as 9-1-1 technology advances towards true Internet Protocol. The future of 9-1-1 will require functionality to receive media including but not limited to texts, pictures and video. This future technology is referred to as Next Generation 911 or NG911 which is not a brand name but a reference to the future of 9-1-1 technological advancements.

Pomax Inc.'s engagement also included participating with WPS to negotiate with MTS Inc. the requirements for a contract for purchase and maintenance of the selected product, MTS Advanced 9-1-1 Solution product, Sentinel 4.0, for both the Winnipeg Police Service and Winnipeg Fire Paramedic Service ("WFPS").

The timing for the Advanced Solution 9-1-1 upgrade was to coordinate with the projected move of WPS to HQ in the spring of 2015. With the current 9-1-1 software obsolete and no longer supported by the vendor, it was imperative that MTS meet the timelines for implementation of this project to avoid moving the obsolete 9-1-1 product and reduce duplication of installation.

MTS has currently committed to the required timelines, As the project schedule has not yet been clearly defined, at this time, it is expected that 700 Assiniboine Park Drive which will become the WPS 9-1-1 back up center, will be upgraded in early 2015; HQ installation which will be the WPS Primary 9-1-1 center, will commence in March or April of 2015. This project schedule will also facilitate the timely decommissioning of the Public Safety Building as the current back-up 9-1-1 Center which can then be removed.

The WFPS has not been granted approval for capital budget in relation to this project up to this point. This omission will compromise the intent to create a common 911 platform across Manitoba and put the handling of emergency calls at risk through the use of obsolete, unsupported software and the inability to seamlessly transfer emergency calls between the agencies (WPS/WFPS) if operating on different 9-1-1 platforms.

FINANCIAL IMPACT

Financial Impact Statement **Date:** September 10,2014

Project Name: **First Year of Program** **2014**

MTS Advanced 911 Solution

	2014	2015	2016	2017	2018
Capital					
Capital Expenditures Required	$ 1,561,725	$ 239,979	$ 164,579	$ 164,579	$ 164,579
Less: Existing Budgeted Costs	1,051,725	164,579	164,579	164,579	164,579
Additional Capital Budget Required	$ 510,000	$ 75,400	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Cash to Capital	510,000	75,400			
Total Funding	$ 510,000	$ 75,400	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 585,400				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs		$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery		-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts		-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Police capital funds budgeted in project #2201900013 of $1,900,000 to which the initial installation and purchase costs will be applied, leaving adequate funds to cover future maintenance costs for the next 5 years. The initial purchase may straddle 4th quarter 2014, 1st quarter 2015. A small residual balance will remain at the end.

Fire Paramedic funding will be applied through a first call on the 2015 'Facilities Replacement and Relocation Program' capital budget of $585,400 to cover the initial installation and purchase costs and first year maintenance. Future maintenance costs will be included as a 2015 budget request. The timing of payments shown above reflects the current position of negotiations with MTS Inc. and is subject to change as these negotiations continue.

original signed by Ron Smolik September 10/14
Manager of Finance
Winnipeg Police Service

original signed by John Hall September 10/14
Controller, Finance
Winnipeg Fire Paramedic Service

CONSULTATION

In preparing this report there was consultation with:
Divisional Commander Division 36 – Communications
WFPS Communications Manager
Consultant – Pomax Inc.
Legal Services – as to Legal issues
Materials Management
Corporate Finance
The Police Board

SUBMITTED BY

Winnipeg Police Service
Winnipeg Fire Paramedic Service
Prepared by: Cindy Kirby S653, WPS and John Hall, WFPS
Date: September 11, 2014