Agenda – Executive Policy Committee – November 18, 2015

REPORTS

Item No. 9 Award of Contract for the Purchase of P25 Public Safety Radio System and Services – Request for Proposal 635-2014

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That $1,300,000 of the 2015 Police Divisions Systems Upgrades capital project (#2202100015) be transferred to the 2016 Trunk Radio System capital project.

2. That $541,000 of the 2015 Station Capital Maintenance capital project (#2107000015) and $480,000 of the 2015 911 Call Centre Resilience capital project (#2105000015) be transferred to the 2016 Replacement Radio System capital project.

3. That the expenditure of up to $10,798,000 be authorized for the following capital projects in 2016 or prior to the adoption of the 2016 Capital Budget as a first charge against the General Capital Fund, in accordance with subsection 288(2) of The City of Winnipeg Charter:

    a. Trunk Radio System - $6,580,000
    b. Radio Upgrade for Districts 3 and 4 - $490,000
    c. Replacement Radio System - $3,728,000

4. That the permanent staff establishment for Corporate Support Services be increased in 2016 and onward by 2.00 Full Time Equivalent positions to augment the support group for the new public safety radio system, to be recovered from the operating budgets of the Winnipeg Police Service and the Winnipeg Fire Paramedic Service.

5. That the proposal under RFP 635-2014 from MTS Inc. be determined to be non-responsive for Section A.

6. That no Award of Contract for the Purchase of P25 Radio System and Services – Section A – Leased Services be made.

7. That the Award of Contract for the Purchase of P25 Radio System and Services – Section B – P25 Infrastructure, for the period 15 years from date of award, be made to Harris Canada Systems Inc., in the conditional amount of $3,743,747.65 plus MRST and GST for the first 60 months, being the Bidder who submitted the most advantageous offer for Section B.

8. That the award authority waive an immaterial technical requirement for Item 55.

9. That the Award of Contract for the Purchase of P25 Radio System and Services – Section C – Mobile & Portable Radios, Items 19 to 30, 32 and 55 for a period of 60 months from date of award, be awarded to Harris Canada Systems Inc., in the conditional amount of $6,900,046.58 plus MRST and GST, being the Bidder who submitted the most advantageous offer for these items.

10. That the Award of Contract for the Purchase of P25 Radio System and Services – Section C – Mobile & Portable Radios, Items 34, 35, 36, and 37 for a period of 60 months from date of award, be awarded to Motorola Solutions Canada Inc., in the conditional amount of $116,437.50 plus MRST and GST, being the Bidder who submitted the most advantageous offer for these items.

11. That no Award of Contract for the Purchase of P25 Radio System and Services – Section C – Mobile & Portable Radios, Item 31 and 33 be made.

12. That the Award of Contract for the Purchase of P25 Radio System and Services – Section D – Dispatch Consoles, for a period of 60 months from date of award, be awarded to Harris Canada Systems Inc., in the conditional amount of $813,322.00 plus MRST and GST, being the Bidder who submitted the most advantageous offer for Section D.

13. That the Award of Contract for the Purchase of P25 Radio System and Services – Section E – “Push to Talk” (PTT) via Cellular for a period of 60 months be awarded to Harris Canada Systems Inc., in the conditional amount of $77,699.00 plus MRST and GST, being the Bidder who submitted the most advantageous offer for Section E.

ADMINISTRATIVE REPORT

ISSUE: **FUNDING FOR PUBLIC SAFETY RADIO SYSTEMS AND SERVICES AND AWARD OF CONTRACT FOR THE PURCHASE OF P25 RADIO SYSTEM AND SERVICES - REQUEST FOR PROPOSAL 635-2014**

Critical Path: **Executive Policy Committee / Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
E. Richardson	L. Burch	M. Ruta	D. McNeil

RECOMMENDATIONS

1. That $1,300,000 of the 2015 Police Divisions Systems Upgrades capital project (#2202100015) be transferred to the 2016 Trunk Radio System capital project.
2. That $541,000 of the 2015 Station Capital Maintenance capital project (#2107000015) and $480,000 of the 2015 911 Call Centre Resilience capital project (#2105000015) be transferred to the 2016 Replacement Radio System capital project.
3. That the expenditure of up to $10,798,000 be authorized for the following capital projects in 2016 or prior to the adoption of the 2016 Capital Budget as a first charge against the General Capital Fund, in accordance with subsection 288(2) of The City of Winnipeg Charter:
   a. Trunk Radio System - $6,580,000
   b. Radio Upgrade for Districts 3 and 4 - $490,000
   c. Replacement Radio System - $3,728,000
4. That the permanent staff establishment for Corporate Support Services be increased in 2016 and onward by 2.00 Full Time Equivalent positions to augment the support group for the new public safety radio system, to be recovered from the operating budgets of the Winnipeg Police Service and the Winnipeg Fire Paramedic Service.
5. That the proposal under RFP 635-2014 from MTS Inc. be determined to be non-responsive for Section A.
6. That no Award of Contract for the Purchase of P25 Radio System and Services – Section A – Leased Services be made.
7. That the Award of Contract for the Purchase of P25 Radio System and Services – Section B – P25 Infrastructure, for the period 15 years from date of award, be made to Harris Canada Systems Inc., in the conditional amount of $3,743,747.65 plus MRST and GST for the first 60 months, being the Bidder who submitted the most advantageous offer for Section B.
8. That the award authority waive an immaterial technical requirement for Item 55.
9. That the Award of Contract for the Purchase of P25 Radio System and Services – Section C – Mobile & Portable Radios, Items 19 to 30, 32 and 55 for a period of 60 months from date of

award, be awarded to Harris Canada Systems Inc., in the conditional amount of $6,900,046.58 plus MRST and GST, being the Bidder who submitted the most advantageous offer for these items.

10. That the Award of Contract for the Purchase of P25 Radio System and Services – Section C – Mobile & Portable Radios, Items 34, 35, 36, and 37 for a period of 60 months from date of award, be awarded to Motorola Solutions Canada Inc., in the conditional amount of $116,437.50 plus MRST and GST, being the Bidder who submitted the most advantageous offer for these items.

11. That no Award of Contract for the Purchase of P25 Radio System and Services – Section C – Mobile & Portable Radios, Item 31 and 33 be made.

12. That the Award of Contract for the Purchase of P25 Radio System and Services – Section D – Dispatch Consoles, for a period of 60 months from date of award, be awarded to Harris Canada Systems Inc., in the conditional amount of $813,322.00 plus MRST and GST, being the Bidder who submitted the most advantageous offer for Section D.

13. That the Award of Contract for the Purchase of P25 Radio System and Services – Section E – "Push to Talk" (PTT) via Cellular for a period of 60 months be awarded to Harris Canada Systems Inc., in the conditional amount of $77,699.00 plus MRST and GST, being the Bidder who submitted the most advantageous offer for Section E.

REASON FOR THE REPORT

Council approval is required for the budget amendments and first call on the 2016 Capital Budget. Council approval is required for the additional FTE positions.

As the total conditional amount to be paid by the City pursuant to the contract to Harris Canada systems Inc. is in excess of $5,000,000 plus MRST and GST, and the contract is for multiple years affecting yearly operating budgets not yet approved by Council, Council approval is required.

EXECUTIVE SUMMARY

RFP 635-2014, Purchase of P25 Radio System and Services, was initiated to supply a highly reliable, mission critical, Public Safety grade, cost effective communications system that would provide 2-way radio service for the City of Winnipeg's Public Safety departments.

The RFP was designed to allow evaluation of both City owned and maintained networks and network services leased from an external contractor. A 15-year life cycle cost for each proposal was determined and evaluated. Bidders were requested to propose solutions that utilized the industry standard Association of Public Safety Communication Officials (APCO) P25 Phase 2 protocol. P25 is recognized as the North American public safety standard for digital two-way radio communication protocols. It is an open standard and supported by multiple vendors.

The RFP 635-2014, Contract for the Purchase of P25 Radio System and Services, will provide the acquisition and ongoing support and supply of mission critical two-way infrastructure, dispatch consoles, mobile radios, portable radios and accessories, for the Winnipeg Police Service and the Winnipeg Fire Paramedic Service. Services and products may be extended to other City departments in the future, as their existing radio systems become obsolete.

IMPLICATIONS OF THE RECOMMENDATIONS

- The FleetNet 800 radio network the City has been leasing from MTS Inc. to support the Public Safety operations of the WPS and WFPS was declared to be at the end of its operational life in 2010 by the manufacturer of the equipment, Motorola. As of December 2014, Motorola moved its support model of the FleetNet network to a “best effort” basis.
- The new system will improve coverage throughout the City.
- The current contract expires on December 2016 and will provide for orderly transition.
- The City will be transitioning from a model that utilizes leased services of the MTS FleetNet radio system to support the Public Safety operations of the WPS and WFPS to one where the City owns and maintains all of the core systems of the new P25 Public Safety Radio system. This new radio system will require a formal 24/7 support model in order to provide the highest level of service required to support Public Safety operations. It is estimated that an additional two FTEs will be required to augment staffing levels of the Communications Branch to a point where 24/7 technical support to the P25 Public Safety Radio system can be sustained. Anticipated support areas where these FTEs would be involved include Communications equipment at City radio tower sites, Core system equipment and mirrored links at the two main communication centres, and support to the estimated 1,800 end user Public Safety radio devices that will be in use on the network. These FTEs will be funded from existing departmental operating budgets.
- The contract for Section A – Leased Services should not be awarded on the basis that it is mutually exclusive of the award of Section B, as indicated in the RFP.
- The contract for Section B – P25 Infrastructure, is for the construction of a P25 radio network and 15 years of maintenance/support. The City of Winnipeg's requirement for Public Safety radio extends to the Winnipeg Police Service (WPS) and Winnipeg Fire Paramedic Service (WFPS). The proposed 15-year contract provides the City with continued service and support.
- The contract for Section C – Mobile & Portable Radios is for a period of 60 months from date of award, with the option of two mutually agreed-upon, five-year extensions. The City of Winnipeg's requirement for Public Safety radio extends to the Winnipeg Police Service (WPS) and Winnipeg Fire Paramedic Service (WFPS). The proposed five-year contract provides the City with continued service. The non-awarded Item numbers have no implications because their functions are satisfied through products delivered in other Items.
- The contract for Section D – Dispatch Consoles is for a period of 60 months from the date of award, with the option of two (2) mutually agreed upon five year extensions. The City of Winnipeg's requirement for Public Safety radio extends to the Winnipeg Police Service (WPS) and Winnipeg Fire Paramedic Service (WFPS). The proposed five-year contract provides the City with continued service.
- The contract for Section E – PTT via Cellular Data is for a period of 60 months from date of award, with the option of two (2) mutually agreed upon five year extensions. The City of Winnipeg's requirement for Public Safety radio extends to the Winnipeg Police Service (WPS) and Winnipeg Fire Paramedic Service (WFPS). The proposed five-year contract is a new service feature that will provide reliable, cost effective communications in areas beyond range of the P25 radio system.
- While the contracts are for more than one year there is no firm commitment for future budgets, as the City may terminate the contracts in the event that operational changes result in substantial changes in the requirements for Work.

- Summary of the total cost of the awards:

Vendor: Harris	Capex	Capex Tax	Opex (5 yr)	Opex Tax	PreTax Subtotal	Total Tax	Total
Section B	$ 3,089,456.50	$ 247,156.52	$ 654,291.15	$ 52,343.29	$ 3,743,747.65	$ 299,499.81	$ 4,043,247.46
Section C	$ 6,900,046.57	$ 519,159.73			$ 6,900,046.57	$ 519,159.73	$ 7,419,206.29
Section D	$ 800,947.00	$ 64,075.76	$ 12,375.00	$ 990.00	$ 813,322.00	$ 65,065.76	$ 878,387.76
Section E	$ 65,324.00	$ 5,225.92	$ 12,375.00	$ 990.00	$ 77,699.00	$ 6,215.92	$ 83,914.92
Total	$ 10,855,774.07	$ 835,617.93	$ 679,041.15	$ 54,323.29	$ 11,534,815.22	$ 889,941.22	**$ 12,424,756.43**

Vendor: Motorola	Capex	Capex Tax	Opex (5 yr)	Opex Tax	PreTax Subtotal	Total Tax	Total
Section C	$ 116,437.50	$ 9,315.00	$ -	$ -	$ 116,437.50	$ 9,315.00	**$ 125,752.50**

All Vendors	Capex	Capex Tax	Opex (5 yr)	Opex Tax	PreTax Subtotal	Total Tax	Total
Grand Total	$ 10,972,211.57	$ 844,932.93	$ 679,041.15	$ 54,323.29	$ 11,651,252.72	$ 899,256.22	**$ 12,550,508.93**

- Summary of the total 15 Year cost estimate of the recommended P25 Radio System solution is in Appendix A of this report.
    - Capex, means Capital Expenditure
    - Opex, means Operating Expenditure

- The financial status of the capital project is as follows:

Financial Status of the Capital Project	
Authorized Funding:	
2015 Trunk Radio System capital project	$ 2,000,000
2015 Replacement Radio System capital project	2,000,000
Total funding	$ 4,000,000
P25 Radio System Capital Project:	
Bid Opportunity 635-2014	$11,817,145
Other capital costs	2,972,554
Estimated Total Project Costs	$14,789,699
Budget Shortfall	**$10,789,699**
Proposed Funding:	
2015 Police Divisions Systems Upgrades (transferred to 2016 Trunk Radio System)	$ 1,300,000
2016 Trunk Radio System	5,280,000
2016 Radio Upgrade for Districts 3 and 4	490,000
Total Police Service	$ 7,070,000
2015 Station Capital Maintenance (transferred to 2016 Replacement Radio System)	$ 541,000
2015 911 Call Centre Resilience (transferred to 2016 Replacement Radio System)	480,000
2016 Replacement Radio System	2,707,000
Total Fire Paramedic Service	$ 3,728,000
Total First Charge on 2016 Capital Budget	**$10,798,000**
Estimated Surplus	$ 8,301

HISTORY

The City of Winnipeg Public Safety departments rely on two-way radio to provide the mission critical link between members in the field and their respective dispatch centres. Starting in 1935, Metro dispatch began broadcasting radio messages to all police officers in the field. In the 1940's technology finally made it practical to install transmitters in motor vehicles finally allowing field staff to communicate back to dispatch. In the early 1960's the emergence of transistors made it possible for field officers to carry a portable two-way radio and these tools have been indispensable since then. Police, fire and EMS crews rely on two-way radio for exchanging information in real time and

contributing to rapid deployment of resources and improved safety for staff and the citizens of Winnipeg.

In 1978, the City of Winnipeg installed a new multi-site radio network for the Police, Fire and EMS services. This network was supported and maintained by the City Engineers and radio shop until 1998. In the early 1980's, the City of Winnipeg was one of the first cities in North America to adopt mobile data terminals in police vehicles to supplement the two-way radio. These terminals allowed officers to view and enter information related to their assignments, improving response time and officer safety while shrinking post-event documentation time.

In 1996, the City entered into a 10-year contract with MTS Inc. for provision of Public Safety two-way radio services using the provincial FleetNet 800^{TM} (FleetNet) radio network to support the public safety operations of the Winnipeg Police Service (WPS) and the Winnipeg Fire Paramedic Service (WFPS).

Prior to January 2013, the Province of Manitoba formed a working group of key stakeholders who rely on the FleetNet network for public safety operations to explore requirements for a new provincial wide radio system. As of August 2015, this working group is still exploring available options for the new provincial radio network.

The City issued a Request for Information (451-2013) on June 4, 2013 in an effort to determine options available for replacement of the City's Public Safety radio network. Information and budgetary estimates were received from seven Bidders. The results of the RFI suggested the City could procure and operate its own P25 radio network that would offer a higher level of open standards, scalability, reliability, and interoperability than the current FleetNet network, and at a lower cost.

In order to gather more details to support a sound business decision in September 2014, the City issued Request for Proposal (RFP) 635-2014 Purchase of P25 Radio System and Services to solicit proposals to build a new City-owned P25 public safety radio network with a focus on the following requirements:

1. Multiple tower sites – Required to address shortcomings in western and eastern sections of the Winnipeg.
2. P25 Phase 2 – The latest standard that offers spectrum efficiency and is backwards compatible to Phase 1 technology.
3. Preference for Simulcast – a technology used to improve indoor communications coverage.
4. High reliability and redundancy – A network built to support Public Safety requirements.
5. Interoperability with the future Provincial network.

Final Receipt of offers took place on January 16, 2015 with seven proposals received from six Bidders.

The validity date for Form B prices has been extended by all Bidders and prices are open for acceptance until November 30, 2015.

The following evaluation criteria were used to evaluate the Request for Proposal:

(a)	compliance by the Bidder with the requirements of the Request for Proposal, or acceptable deviation therefrom	(pass/fail);
(b)	qualifications of the Bidder and the Subcontractors	(pass/fail);
(c)	15 Year Total Cost of Ownership	(40%);
(d)	Bidder Response	(60%);
(e)	Economic analysis of any approved alternative pursuant to B8	

(f) Costs to the City of administering multiple contracts.

The evaluation of the RFP was done in accordance with B19, by an evaluation committee comprised of 7 individuals, including representatives from Corporate Support Services WFPS, and WPS. In accordance with city practice the individuals scored the proposals independently and then met to determine the consensus scoring.

During the evaluation process, the City became aware of a potential conflict of interest with one of the evaluators. In an abundance of caution, the City removed the particular evaluator's scores from the evaluation matrix and reconvened the consensus meeting to determine overall evaluation scores without that evaluator's scores. There was no change in the ranking of proposals.

RFP 635-2015 provided that the City would award a contract for either Section A: Leased Services or Section B: P25 Infrastructure.

Section A: Leased Services

MTS Inc. (MTS) submitted two proposals for Section A: Leased Services. There were no other Bidders for Section A. Both MTS proposals proposed the same technical solution; however, one proposal required an initial capital investment from the City and the second proposal required no capital payment upon award. A third alternative proposal was presented during negotiations.

MTS was not compliant with several key specifications. It is the recommendation of the departments that these specifications are material and should not be waived.

MTS submitted terms and conditions that are considered to be material deviations and should not be waived.

Therefore, the proposal submitted by MTS should be determined to be non-responsive.

Section B: P25 Infrastructure

For Section B, four proposals were received from three Bidders; Airbus DS Communications Corp. (Airbus), Harris Canada Systems Inc. (Harris), and Motorola Solutions Canada Inc. (Motorola).

Two proposals were received initially from Harris. During the initial evaluation, one of the proposals from Harris was evaluated to be the most advantageous. In accordance with B18 of the RFP, the evaluation team entered into negotiations with Harris.

During negotiations, Harris provided a negotiated proposal, which was an amended proposal as permitted by B18.3 of the RFP. All three proposals met all mandatory specifications. The negotiated proposal includes some acceptable deviations from the requirements of the RFP.

The negotiated proposal from Harris should be determined to be responsive and the most advantageous solution to the City. In the opinion of the departments, Harris has demonstrated that they have the necessary qualifications and resources to perform the work of this contract. The proposal price submitted by Harris for section B is $3,743,747.75 plus MRST and GST for the first 60 months of the Contract. Maintenance for years 6-15 is included in Appendix A.

While the initial proposal from Harris has a slightly higher score than the negotiated proposal, the negotiated proposal is being recommended for award as the most advantageous offer because it offers improved coverage, increased capacity and better redundancy. No other bidder had a higher score than the Harris negotiated proposal.

RFP 635-2014 provides for a 15-year contract period for Section B – P25 Infrastructure commencing from date of award.

*** Funding for P25 Infrastructure, Section B of this RFP, has been scheduled and is available within the 2015 Capital budget. Maintenance and support for the first 5 years of operation has been included in these costs. Please see Appendix A, for the estimated 15 year cost which will be included in future operating budgets.

Section C: P25 Mobile/Portable Radios and Accessories.

For Section C, Six proposals were received from five Bidders. These Bidders were; Airbus, Harris, Motorola, MTS and Glentel Inc.

This section was designed to be awarded by Item. Items 31 and 33 are not recommended for award as these items are not required at this time and/or it is in the best interest of the City not to award such items.

Mobile and portable radios and accessories will be ordered as required throughout the term of the contract. Based on current capital budgets and the forecast requirements for these items, the departments recommend a conditional amount not to be exceeded for each awarded contract.

The Harris proposals for items No.19 to 30 and 32 met all mandatory requirements and should be determined to be responsive. The product proposed by Harris for Item No. 55 was only partially compliant with specification E15.22.2c. The failure to meet these specifications is considered to be an acceptable deviation and the requirements should be waived in accordance with B19.2 of the RFP. The proposal for item No 55 should be determined to be responsive.

The departments recommend award of Items No. 19 to 30, 32 and Item No. 55, to Harris. The exact quantities of items will be determined by the departments and ordered as required. The award should be for a conditional amount not to exceed $6,900,046.58 plus MRST and GST. In the opinion of the departments, Harris has demonstrated that they have the necessary qualifications and resources to perform the work of this contract.

The Motorola proposals for items No. 34, 35, 36 and 37 met all mandatory requirements and should be determined to be responsive.

The departments recommend award of Items No. 34, 35, 36 and 37 to Motorola. The exact quantities of items will be determined by the departments and ordered as required. The award should be for a conditional amount not to exceed $116,437.50 plus MRST and GST. In the opinion of the departments, Motorola. has demonstrated that they have the necessary qualifications and resources to perform the work of this contract.

RFP 635-2014 provides for a five-year contract period for Section C – Mobile Portable Radios and Accessories commencing upon award of contract with the option to renew for up to two mutually agreed upon five-year extensions.

Section D: Dispatch Consoles

For Section D, five proposals were received from five Bidders. These Bidders were; Airbus, Harris, Motorola, MTS and Zetron Inc.

Upon review the proposal from Harris was found to meet all the mandatory specifications. The proposal was ranked highest overall.

The proposal from Harris should be determined to be responsive and the most advantageous solution to the City. In the opinion of the departments, Harris has demonstrated that they have the necessary

qualifications and resources to perform the work of this contract. The proposal price submitted by Harris for section D is $813,322.00 plus MRST and GST.

RFP 635-2014 provides for a five-year contract period for Section D – Dispatch Consoles commencing upon award with the option to renew for up to two mutually agreed upon five-year extensions.

Funding for this expenditure is available from within the 2015 capital budgets.

Section E: PTT Via Cellular Data

For Section E, four proposals were received from four Bidders. These Bidders were; Airbus, Harris, Motorola, and MTS.

The proposal received from Harris was found to meet all the mandatory specifications and had only a single partial comply with the non-mandatory specifications. This product has been deployed successfully in several centres across North America and appears as a mature product offering. The proposal was ranked highest overall.

The proposal from Harris should be determined to be responsive and the most advantageous solution to the City. In the opinion of the departments, Harris has demonstrated that they have the necessary qualifications and resources to perform the work of this contract. The proposal price submitted by Harris for section E is $77,699.00 plus MRST and GST.

RFP 635-2014 provides for a five-year contract period for Section E – PTT via Cellular Data commencing upon award with the option to renew for up to two mutually agreed upon five-year extensions.

Funding for this expenditure is available from the 2015 capital budgets.

All Sections

If MTS was determined to be the most advantageous proposal for any item or section, they may have been determined to be non-responsive as they submitted terms and conditions that may not be acceptable to the City.

If Motorola Solutions was determined to be the most advantageous proposal for any item or section, except items 34 to 37 in Section C, they may have been determined to be non-responsive as the proposal included terms and conditions that may not be acceptable to the City.

If Glentel Inc. was determined to be the most advantageous proposal for any item or section, they may have been determined to be non-responsive as the proposal included terms and conditions that may not be acceptable to the City.

If Airbus was determined to be the most advantageous proposal for any item or section, they may have been determined to be non-responsive as the proposal included terms and conditions that may not be acceptable to the City.

If Zetron Inc. was determined to be the most advantageous proposal for Section D, they may have been determined to be non-responsive as the proposal included terms and conditions that may not be acceptable to the City.

Requirement for Additional FTEs

The City will be transitioning from a model that utilizes leased services of the MTS FleetNet radio system to support the Public Safety operations of the WPS and WFPS to one where the City owns and maintains all of the core systems of the new P25 Public Safety Radio system. This new radio system will require a formal 24/7 support model in order to provide the highest level of service required to support Public Safety operations. It is estimated that an additional two FTEs will be required to augment staffing levels of the Communications Branch to a point where 24/7 technical support to the P25 Public Safety Radio system can be sustained. Anticipated support areas where these FTEs would be involved include Communications equipment at City radio tower sites, Core system equipment and mirrored links at the two main communication centres, and support to the estimated 1,800 end user Public Safety radio devices that will be in use on the network. These FTEs will be funded from existing departmental operating budgets that deal with communications services.

Financial Budget Requirements

Funding requirements for the award of contract and the subsequent capital project total $14,789,699. Capital Budget authorization of $4,000,000 is available for 2015. A first charge against the 2016 Capital Budget is being recommended to fund the remainder of the project. Please refer to the Implications of the Recommendations section of this report for further detail.

FINANCIAL IMPACT

Financial Impact Statement **Date:** November 5, 2015

Project Name: **First Year of Program** **2015**

FUNDING FOR PUBLIC SAFETY RADIO SYSTEMS AND SERVICES AND AWARD OF CONTRACT FOR THE PURCHASE OF P25 RADIO SYSTEM AND SERVICES - REQUEST FOR PROPOSAL 635-2014

	2015	2016	2017	2018	2019
Capital					
Capital Expenditures Required	$ 14,789,699	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	4,000,000	-	-	-	-
Additional Capital Budget Required	$ 10,789,699	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required-First Call on 2016 Budget	$ 10,789,699				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ 536,052	$ 536,052	$ 536,052
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ 536,052	$ 536,052	$ 536,052
Less: Existing Budget Amounts	-	-	536,052	536,052	536,052
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. Total capital expenditures for the Public Safety Radio System project are $14,789,699, which includes the first year of operating costs in 2016 and the appropriate Corporate Finance overhead charges.
2. Funding for the project will come from the existing 2015 Adopted Capital Budget (Winnipeg Police Service (WPS) Trunk Radio System 2202300015 for $2,000,000 and Fire Paramedic Service (FPS) Replacement Radio System 2101000015 for $2,000,000), and additional capital budget authority proposed through a first charge on the 2016 WPS Trunk Radio System for $6,580,000 (including $1,300,000 to be transferred from the 2015 Police Divisions Systems Upgrades capital project 2202100015), the 2016 FPS Replacement Radio System for $3,728,000 (including $541,000 to be transferred from the 2015 Station Capital Maintenance capital project 2107000015 and $480,000 to be transferred from the 2015 911 Call Centre Resilience capital project 2105000015), and the 2016 WPS Radio Upgrade for Districts 3 and 4 (2202300016) for $490,000.
3. The Direct Costs above represent the 14 year cost estimate of $7,504,220.72 including 8% MRST. The yearly direct cost is $536,051.48, including the cost of 2:00 new FTEs in Corporate Support Services to provide support to the new public safety radio system.
4. Budgets for 2017 to 2019, which are included in the WPS and the FPS operating budget submissions, have not yet been approved.

(Original signed by R. Hodges)
Ramona Hodges
Manager of Finance (Campus)
Corporate Finance Department

OUR WINNIPEG POLICY ALIGNMENT

This request aligns with OurWinnipeg Policy 01-2 Safety and Security, by providing funding for infrastructure that ensures that emergency preparedness, response and recovery support and services are available.

CONSULTATION

In preparing this report there was consultation with:

Winnipeg Police Service
Winnipeg Fire Paramedic Service
Corporate Finance
CSS Project Management Office
CSS Campus Finance
Legal Services (as to legal issues)

SUBMITTED BY

Department: Corporate Support Services
Division: Connectivity – Communication Systems Branch
Prepared by: E. Richardson
Date: November 5, 2015
File No.

Appendix A: P25 Radio System 15 Year Cost

Total Cost over 15 Years	Cost	Tax	Total
Capital Costs			
Capital Costs (H) (includes discount)	$ 10,608,624.07	$ 835,617.93	$ 11,444,241.99
Other Capital Costs (including M)	$ 899,352.50	$ 39,435.00	$ 938,787.50
Interest / Contingency	$ 1,974,118.03		$ 1,974,118.03
Total Capital Cost	**$ 13,482,094.59**	**$ 875,052.93**	**$ 14,357,147.52**
Operating Costs			
Vendor Support (for 15 years)	$ 2,037,123.45	$ 162,969.88	$ 2,200,093.33
Non Contract Opex (for 15 Years)	$ 2,533,036.00	$ 202,642.88	$ 2,735,678.88
Incremental Comms Branch Staffing for 15 Years	$ 3,001,500.00		$ 3,001,500.00
Total Operating Cost	**$ 7,571,659.45**	**$ 365,612.76**	**$ 7,937,272.21**
Grand Total	**$ 21,053,754.04**	**$ 1,240,665.68**	**$ 22,294,419.72**