Agenda – Executive Policy Committee – September 14, 2016

REPORTS

Item No. 5 Award of Contract - Extension of the Provision of Telephone System Infrastructure, Related Equipment and Systems, and Cellular Wireless Services Bid Opportunity 695-2012 Sections A and B

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the option to extend the existing contract for the Provision Of Telephone System Infrastructure, Related Equipment And Systems, And Cellular Wireless Services – Bid Opportunity 695-2012 – Section A (Cellular Voice and Voice+Data) be approved, for a period of two years from December 1, 2016 to November 30, 2018, in an amount not to exceed $4,538,092.83 plus MRST and GST.

2. That the option to extend the existing contract for the Provision Of Telephone System Infrastructure, Related Equipment And Systems, And Cellular Wireless Services – Bid Opportunity 695-2012 – Section B (Cellular Wireless Data) be approved, for a period of two years from December 1, 2016 to November 30, 2018, in an amount not to exceed $3,001,099.23 plus MRST and GST.

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

ADMINISTRATIVE REPORT

Title: Award of Contract for Extension of the Provision of Telephone System Infrastructure, Related Equipment and Systems, and Cellular Wireless Services – Bid Opportunity 695-2012 – Sections A and B

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
E. Richardson	S. West, Acting Director	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

Executive Policy Committee is being asked to approve a two-year extension of the contract awarded to MTS in November 2013 under Sections A and B of RFP 695-2012.

- Section A is for cellular phones with voice plans and smartphones with voice/data plans.
- Section B is for data-only wireless electronic devices and plans (e.g., vehicle-based electronics, electronic transit signs and buses, electronic traffic signals).

The terms of Sections A and B are December 1, 2013, to November 30, 2016 with the option to renew up to 2 mutually agreed upon 2-year extensions. Renewal of the contracts for an additional 2 years will ensure continuity of critical wireless voice and data services in support of all City departments.

Current rates will remain in effect, amended with negotiated rates for specific services not covered in the original contract.

A contract extension will ensure the continuation of good service at a reasonable cost.

City departments are undertaking efforts to enhance cost efficiencies related to current and future mobile device usage.

RECOMMENDATION

1. That the option to extend the existing contract for the Provision Of Telephone System Infrastructure, Related Equipment And Systems, And Cellular Wireless Services – Bid Opportunity 695-2012 – Section A (Cellular Voice and Voice+Data) be approved, for a period of two years from December 1, 2016 to November 30, 2018, in an amount not to exceed $4,538,092.83 plus MRST and GST.

2. That the option to extend the existing contract for the Provision Of Telephone System Infrastructure, Related Equipment And Systems, And Cellular Wireless Services – Bid Opportunity 695-2012 – Section B (Cellular Wireless Data) be approved, for a period of

two years from December 1, 2016 to November 30, 2018, in an amount not to exceed $3,001,099.23 plus MRST and GST.

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

REASON FOR THE REPORT

As the total conditional amount to be paid by the City pursuant to the contract extension exceeds $5,000,000.00, Executive Policy Committee approval is required.

IMPLICATIONS OF THE RECOMMENDATIONS

City departments make purchases under the contract on an as-required basis. Costs are paid for by the requesting department, and funded by their existing operating budgets.

HISTORY/DISCUSSION

On November 20, 2013, Council approved the recommendations presented in Administrative Report 13-1101 for the Award of Contract for Provision of Telephone System Infrastructure, Related Equipment and Systems, and Cellular Wireless Services - Bid Opportunity 695-2012.

There was a single bid for Section A (Cellular Voice and Voice+Data). There was equal and fair evaluation across all Bidders for Section B (Cellular Wireless Data). Sections A and B were awarded to MTS Inc. along with Section C (Landline CENTREX/Analogue).

The terms of Sections A and B are December 1, 2013 to November 30, 2016 with the option to renew up to 2 mutually agreed upon 2-year extensions. The value of the initial 3-year term for Section A is $5,474,785.00. The value of the initial 3-year term for Section B is $2,470,980.00. The contract is on an "as required" basis and does not commit the City to purchase any fixed quantity.

Cellular voice and data devices provided within Sections A and B range from traditional cell phones and iPhones to specialized electronics for life-safety and public service. Renewal of the contracts will ensure continuity of critical wireless voice and data services in support of all City departments, including:

- Life-safety communication systems inside Police, Fire and EMS vehicles;
- Public Works traffic signals management, electronic transit bus signs, and other critical operations.

Departments are participating in a number of activities to maximize cost efficiencies related to mobile device usage. Activities include:

- Proactive planning of business initiatives that may influence adoption of mobile devices and plans;
- Defining and adhering to a process governing:
    - device and plan selection criteria (cell phone, smartphone, landline);

    - justification of single or multiple devices (e.g. landline plus cell phone).
- Applying the aforementioned process to the existing inventory of cellular devices, and adjusting inventories appropriately;
- Providing regular reports highlighting expenditures, notable variances, and approved/unapproved exceptions to key departmental stakeholders.

Extension of this contract was accommodated as stated in Section D2, Scope of Work. Current rates will remain in effect, amended with negotiated rates for specific services not covered in the original contract.

The Corporate Support Services Department has reviewed the work with the recommended vendor and is satisfied that they have the necessary resources and experience to perform the work.

FINANCIAL IMPACT

Financial Impact Statement **Date:** August 18, 2016

Project Name: **First Year of Program** **2016**

CONTRACT FOR EXTENSION OF THE PROVISION OF TELEPHONE SYSTEM INFRASTRUCTURE, RELATED EQUIPMENT AND SYSTEMS, AND CELLULAR WIRELESS SERVICES - BID OPPORTUNITY 695-2012 - SECTIONS A AND B

	2016	2017	2018	2019	2020
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 - Section A	$ 204,214	$ 2,450,570	$ 2,246,356	$ -	$ -
Direct Costs - Section B	$ 135,049	$ 1,620,594	$ 1,485,544		
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 339,264	$ 4,071,164	$ 3,731,900	$ -	$ -
Less: Existing Budget Amounts	339,264	4,071,164	3,731,900	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The direct costs for Section A represents the first of 2 mutually agreed upon 2 year extensions for Bid-Opportunity 695-2012 from December 1, 2016 to November 30, 2018 and is not to exceed $4,538,092.83 plus MRST and GST for a total of $4,901,140.26.
2. The direct costs for Section B represents the first of 2 mutually agreed upon 2 year extensions for Bid-Opportunity 695-2012 from December 1, 2016 to November 30, 2018 and is not to exceed $3,001,099.23 plus MRST and GST for a total of $3,241,187.17.
3. The supplier will collect GST and MRST. However, GST is not included in the above costs as the City receives 100% rebate on this tax.
4. Funding for this contract extension is through the existing budgets of the various user departments. The financial impact will have to be managed by the user departments on an individual basis. The contract is on an "as required" basis and does not commit the City to purchase any fixed quantity.

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

CONSULTATION

In preparing this report there was consultation with:

- Materials Management Division
- Legal Services (as to legal issues)

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.

In addition, there is alignment with the strategies of 01-3 Prosperity. Transit systems, Traffic Control systems, vehicle location services and various other systems align with Managing facilities to achieve strategic fit, flexibility and affordability in support of the physical consolidation of civic departments and the promotion of cross dependencies and innovative workplace strategies.

SUBMITTED BY

Department:	Corporate Support Services
Division:	Connectivity – Communication Systems Branch
Prepared by:	E. Richardson
Date:	August 11, 2016
File No.	