Agenda – Executive Policy Committee – November 30, 2016

REPORTS

Item No. 1 Increase in Contract Value – Purchase of P25 Radio System and Services

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the Executive Policy Committee approve an increase in contract value of $782,161.86 plus MRST and GST for the contract awarded to Harris Canada Systems Inc. under Section C of RFP 635-214 – Request for Proposal for the Purchase of P25 Radio System and Services, increasing contract authority from $6,900,046.58 to $7,682,208.44 plus MRST and GST.

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

ADMINISTRATIVE REPORT

Title: Request for Increase in Contract Value for the Purchase of P25 Radio System and Services, Section C – RFP 635-2014

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
D. Hamm	S. West (CSS) J. Lane (WFPS) G. Perrier (WPS)	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

The Public Service is asking the Executive Policy Committee to authorize an increase in the value of a contract related to the P25 Public Safety Radio project. Additional funds are not required because the increased costs will be accommodated within the existing project budget. However, an increase in contract value must be authorized by the Executive Policy Committee when the total value of the contract exceeds $5 million.

The increase concerns mobile and portable radio equipment that is being procured through Section C of Request for Proposal 635-2014 – P25 Radio System and Services.

On November 25, 2015, Harris Canada Systems Inc. was awarded a contract to supply equipment valued at $6,900,046.58 plus MRST and GST for a period of 60 months. The value of the award to Harris Canada Systems Inc. was based on forecasts provided by Winnipeg Fire Paramedic Service and Winnipeg Police Service in the second half of 2015.

It has since been determined that additional quantities of these items will be required because of several different factors, including staffing growth in certain units and the need for additional spare devices.

As a result, the total value of the equipment required from Harris Canada Systems Inc. is about 11% higher than the original contract award. The additional costs total $782,161.86 plus MRST and GST, which would increase the value of the award to Harris Canada Systems Inc. to $7,682,208.44 plus MRST and GST.

RECOMMENDATIONS

1. That the Executive Policy Committee approve an increase in contract value of $782,161.86 plus MRST and GST for the contract awarded to Harris Canada Systems Inc. under Section C of RFP 635-214 – Request for Proposal for the Purchase of P25 Radio System and Services, increasing contract authority from $6,900,046.58 to $7,682,208.44 plus MRST and GST.

2. 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

Although this is not a request for additional funds, the Public Service requires the Executive Policy Committee's approval of an increase in contract value when the total conditional amount of the contract exceeds $5 million.

IMPLICATIONS OF THE RECOMMENDATIONS

Items awarded under Section C – Mobile & Portable Radios are purchased on an as-needed basis with no fixed minimum quantity. Accordingly, there is no firm commitment for future budgets in the event of substantial changes in the requirements for work.

HISTORY/DISCUSSION

The Corporate Support Services (CSS) Department, in conjunction with the Winnipeg Fire Paramedic Service (WFPS) and Winnipeg Police Service (WPS), issued a Request for Proposal for the Purchase of P25 Radio System and Service – RFP 635-2014, on September 29, 2014. Proposals were received from multiple vendors across four Sections:

- Section A – Leased Services, and Section B – P25 Infrastructure, provided for the major radio network infrastructure.

- Section C – Mobile & Portable Radios, provided for handheld and vehicular radios and accessories.

- Section D – Dispatch Consoles, provided for equipment used within the City's dispatch centres.

Contracts were awarded on November 25, 2015.

Prior to award, Section C quantities were estimated based on information provided by WFPS and WPS staff.

During the detailed implementation planning activities that ensued, it was discovered that the value of Section C was understated because of the following gaps:

- The quantities of radios required were higher than originally estimated because:

    - WPS forecasts were based on historical information that predated the restructuring of the Service, and the Headquarters move, both of which increased demand for radios. Additionally, WPS staffing has grown within the Cadet and other units since the forecasts were provided.
    - WFPS now has more in-service personnel, as well as new radio requirements within executive functions and the Winnipeg Regional Health Authority.The

number of spare radios was underestimated because WFPS did not account for spares that are placed into service while radios are being repaired.

- Due to an RFP evaluation omission, CSS training costs were excluded from Section C.

- Replacement radio batteries projected for purchase in years 3-5 are now included (if suitable 3rd party equivalents are not available by that time).

In the opinion of CSS, WFPS and WPS, the contractor has the skills and resources to satisfactorily complete the Work.

FINANCIAL IMPACT

Financial Impact Statement **Date:** October 20, 2016

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

Request for Over-Expenditure Authorization for the Purchase of P25 Radio System and Services, Section C – RFP 635-2014

	2016	2017	2018	2019	2020
Capital					
Capital Expenditures Required	$ -	$ 647,557	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	647,557	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required-First Call on 2016 Budget	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ 65,726	$ 65,726	$ 65,726
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ 65,726	$ 65,726	$ 65,726
Less: Existing Budget Amounts	-	-	65,726	65,726	65,726
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The recommendation is requesting an increase in contract value of $782,161.86 (plus MRST and GST) for the contract with Harris Canada Systems Inc. The increase concerns mobile and portable radio equipment that is being procured through Section C of Request for Proposal 635-2014 - P25 Radio System and Services. 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.
2. Funding for the increase in contract value in 2017 is through the existing 2016 Adopted Capital Budget for Winnipeg Police Service (WPS) Trunk Radio System 2202300016.
3. Funding for the increase in contract value in 2018 to 2020 is anticipated to be accommodated within the WPS and Winnipeg Fire Paramedic Services (WFPS) Operating Budgets for 2018 to 2020, which have not yet been approved by Council.
4. 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 Department

CONSULTATION

In preparing this report there was consultation with:

Materials Management Division, Corporate Finance Department

OURWINNIPEG 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.

SUBMITTED BY

Department:	Corporate Support Services in conjunction with Winnipeg Fire Paramedic Service and Winnipeg Police Service
Prepared by:	D. Hamm, Connectivity – Communication Systems Branch, Corporate Support Services
Date:	October 25, 2016
File No.	