Agenda – Executive Policy Committee – June 18, 2020

Report – Standing Policy Committee on Innovation and Economic Development – June 15, 2020

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than four business days preceding the committee meeting, be considered by Committee.

Item No. 1 Award of Contract for the Provision of Cellular Wireless and Cellular Data Services – Materials Management Reference #1145-2019

STANDING COMMITTEE RECOMMENDATION:

On June 15, 2020, the Standing Policy Committee on Innovation and Economic Development concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the City enter into, execute, and deliver and approve an award a contract for the purchase of Cellular Wireless and Cellular Data Services from Bell MTS, a division of Bell Canada, at a total estimated cost of $9,000,000.00 including MRST, GST extra for the period of date of award until May 21, 2023, with two (2) mutually agreeable one (1) year extensions.

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

Agenda – Executive Policy Committee – June 18, 2020

Report – Standing Policy Committee on Innovation and Economic Development – June 15, 2020

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On June 15, 2020, the Standing Policy Committee on Innovation and Economic Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Award of Contract for the Provision of Cellular Wireless and Cellular Data Services – Materials Management Reference #1145-2019

Critical Path: Standing Policy Committee on Innovation and Economic Development - Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
D. Parks	G. Cottick	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

The Public Service is recommending the approval of a three-year contract with two (2) one-year extensions, on a co-operative purchase agreement with the Government of Manitoba for the Provision of Cellular Wireless and Cellular Data Services. Through discussions with the Government of Manitoba and a detailed review of the contract, the Public Service has determined that the pricing advantages available on the Government of Manitoba contract will provide significant savings and that it is in the City's best interest to join this co-operative purchase agreement rather than releasing our own request for proposals.

This contract, combined with the City's previous investment in an Enterprise Mobility Management platform is projected to offer savings exceeding $600k per year for the life of the agreement.

The Recommendation of this Report is compliant with the Materials Management Policy, but not strictly compliant with the applicable Trade Agreements. Further details are provided in the History/Discussion section.

RECOMMENDATIONS

1. That the City enter into, execute, and deliver and approve an award a contract for the purchase of Cellular Wireless and Cellular Data Services from Bell MTS, a division of Bell Canada, at a total estimated cost of $9,000,000.00 including MRST, GST extra for the period of date of award until May 21, 2023, with two (2) mutually agreeable one (1) year extensions.

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

As the total conditional amount to be paid by the City pursuant to the contract is for a purchase that obligates the City to expenditures on future budgets, Council approval is required.

IMPLICATIONS OF THE RECOMMENDATIONS

City Departments will 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. Services purchased under this contract are subject to a 24 month commitment, with the option of early termination fees to remove a device from service before the end of the commitment. These fees may not be payable from currently approved budgets.

HISTORY/DISCUSSION

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

- The Award of Contract for Section A: Cellular Voice and Voice+Data, for the period from December 1, 2013 to November 30, 2016, was awarded to MTS Inc.; and

- The Award of Section B: Wireless – Data Only, for the period from December 1, 2013, to November 30, 2016, was awarded to MTS Inc.

On September 14, 2016, Executive Policy Committee (EPC) approved the recommendation to exercise the first of two optional contract extensions for Sections A and B.

On November 28, 2018, EPC approved the recommendation to exercise the second contract extension. The revised contract's terms were December 1, 2018 to November 30, 2020 with no further options to renew.

On March 3, 2017, the Standing Policy Committee on Innovation approved Innovation Capital Fund (ICF) for an Innovation Seed project to explore opportunities to enhance the management of the growing smartphone fleet within the City of Winnipeg through use of an Enterprise Mobility Management (EMM) platform. The Seed project objective was achieved through a Request for Proposal (252-2017), resulting in the selection of the IBM MaaS360 solution. This Seed project was deemed to have been successful and moved to Minimum Viable Project (MVP) status in late 2019 and approved for full deployment to all City-owned devices.

On May 22, 2019 the Government of Manitoba awarded a contract for Provision of Mobile Cellular Services and Cellular Devices to Bell MTS, a division of Bell Canada, for the period of May 2019 to May 2023 with option for one (1) mutually agreed upon extension. As the City was named as a participant in the Government of Manitoba's Request for Proposals Offers, we can avail ourselves of these service offerings, and enter into an agreement with Bell MTS on substantially the same terms and conditions as the Government of Manitoba.

Cellular voice and data devices provided within our current contract range from traditional cell phones and iPhones to specialized electronics for life safety and public service. Award of this cooperative contract will ensure continuity of critical wireless voice and data services in support of all City departments, including but not limited to:

- Life safety communication systems inside Police, Fire and EMS vehicles;
- Public Works traffic signals management, electronic transit bus signs, and other critical operations; and
- Cellular phone voice and data usage for City staff.

Departments will participate in several 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;

- Adhering to a process governed through the EMM platform:
    - All phones being automatically enrolled into EMM platform at time of deployment;
    - Adoption of lowest cost plan based on utilization data available in EMM;
    - Device and plan selection cost optimization criteria (smartphone, data modem);
    - Justification of multiple devices (e.g. landline plus cell phone).

- Applying the Flex Smartphone Plans, which include:
    - Unlimited Canada Wide Calling
    - Unlimited Canada Text and Multimedia Messaging
    - Unlimited Canada to US & International Texting
    - Unlimited Canada to US Calling
    - Optional Data Plans
        - 0GB to 1GB Flex Plan
        - 1GB to 3GB Flex Plan
        - 3GB to 6GB Flex Plan
        - 6GB to 25GB Flex Plan

Based on the City's current contract, Section A: Cellular Voice and Voice+Data charges are estimated to be in excess of $1.9 million dollars annually. The new Government of Manitoba Flex Smartphone Plan pricing, combined with the EMM platform and its ability to monitor data usage and alert when a device has exceeded data thresholds, provides an opportunity to utilize lower-tiered (and therefore more economical) data plans wherever possible. As a result, the City expects to save in excess of $600k annually (over $1.8m over the lifetime of the contract.)

EMM usage monitoring may also recommend certain users with very low data usage switch to a less expensive cell phone and remove the data plan entirely (leveraging Wi-Fi as required), providing additional savings.

Under the current contract, Section B: Wireless – Data Only charges exceed $1m annually. Utilizing the Government of Manitoba's Flex contract pricing no significant change in expenditure in this area is expected. The City has over 3,000 data-only devices utilizing low data, with over 800 utilizing pooled data, and will explore further options within this contract to reduces costs even further.

Our current contract 695-2012 is set to expire on November 30, 2020, so the City must have a new contract in place prior to this date.

The Innovation, Transformation & Technology Department has reviewed the work with the Government of Manitoba and the recommended vendor and is satisfied that they have the necessary resources and experience to perform the work.

The Recommendation of this Report complies with the Materials Management Policy, but does not strictly comply with the Canadian Free Trade Agreement ("CFTA"). The Government of Manitoba's Request for Proposals establishes a buying group; i.e., it allows the City and other public sector organizations in Manitoba to participate in the procurement on the same terms available to the Government of Manitoba. Article 504.7 of the CFTA requires a procuring entity to publish a notice of its participation with a buying group on one of the tendering websites or systems designated by its Party (the Party is the applicable signatory to CFTA, being the Government of Manitoba). The Government of Manitoba posted the Request for Proposals on its electronic tendering service (MERX) on April 16, 2018. The Request for Proposals stated other public sector organizations may participate in it, and in that context expressly listed The City of Winnipeg. But the City did not publish its own notice of its participation with the buying group, as it had not yet established a process for posting a notice on the City website which would link to MERX. In the opinion of the Public Service, there is a risk a complaint could be brought against the City pursuant to the CFTA should Council approve this recommendation, but in the opinion of the Public Service the risk of such a complaint being brought, in these circumstances, is low.

FINANCIAL IMPACT

Financial Impact Statement

Date: April 17, 2020

Project Name:

Award of Contract for the Provision of Cellular Wireless and Cellular Data Services – Materials Management Reference #1145-2019

First Year of Program **2020**

	2020	2021	2022	2023	2024
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	$ 250,000	$ 3,000,000	$ 3,000,000	$ 2,750,000	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 250,000	$ 3,000,000	$ 3,000,000	$ 2,750,000	$ -
Less: Existing Budget Amounts	250,000	3,000,000	3,000,000	2,750,000	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. Direct costs above represent the costs of awarding a 3 year contact for with an estimated start date of December 1, 2020. Total cost of the contract is estimated to be $9,000,000 including PST. GST has been excluded as this is 100% refundable to the City.
2. Contract is on an "as required" basis and does not commit the City to purchase any fixed quantity. Funding for this contract will be paid for by user departments current operating budgets. Services purchased under this contract are subject to a 24 month commitment, with the option of early termination fees to remove a device from service before the end of the commitment. These fees may not be payable from currently approved budgets.

Electronically signed by
Tanis Yanchishyn
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

Innovation, Transformation, and Technology Department – Communications Systems Branch
Corporate Finance Department - Materials Management Division
Legal Services Department (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

01-1 City Building
01-2 Safety and Security
01-3 Prosperity

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

NA

SUBMITTED BY

Department: Innovation, Transformation, and Technology
Division: Connectivity – Communications Systems Branch
Prepared by: D. Parks
Date: April 22, 2020