Award of Contract for the Provision of Transparent LAN Services
File GL-9 (Vol. 17)

4. The Executive Policy Committee has been advised that an existing Contract for the provision of Transparent LAN Services is with GT Group Telecom Services Corp. and expires over the course of 2002. Corporate Information Technology and Materials Management issued a Tender for these services in February, 2002, which closed in March, 2002.

Final Receipt of offers took place on March 6, 2002, with bids being received from two companies:

GT Group Telecom Services Corp.
MTS Communications Inc.

Bidders were requested to provide pricing on an award as a whole (Sections A, B, C, and D), deemed to be Alternative 1 and/or pricing on award by section, deemed to be Alternative 2.

All bids were in accordance with the requirements of the Tender Package except as follows:

a) GT Group Telecom Services Corp.:

i) included P.S.T. in their extended bid prices, but the unit prices do not appear to include P.S.T. As the tender should have stated PST and GST extra, it is reasonable for the bidder to include PST in the Total Bid Price, not in the unit price, and make note of the discrepancy. The extension of the unit prices resulted in a lower total price than read out at the public opening.

ii) Contract termination charges were stated as a per centage of the balance of the contract. As the amount would be difficult to determine, this response was acceptable.

b) i) MTS stated "For MTS to comply with the City of Winnipeg's requested Due Dates or in-service dates, we request that the City of Winnipeg provide MTS with a written purchase order by no later than April 15, 2002." Such a request should not be considered to be a requirement or condition.

Clause D2.2 of the tender package states:

"Section D - shall be a Transparent LAN leased line service able to provide full duplex simultaneous 10 Mbps data transfers in both the upstream and downstream directions from 552 Plinquet Street wiring closet to 7th Floor - 510 Main Administration Building installed and operational prior to July 2, 2002."

ii) Contract termination charges were stated as a formula of number of months, or may be waived, for the balance of the contract. As the amount would be difficult to determine, this response was acceptable.

The requirements for Bid and Performance Securities, and the execution of a formal contract were waived for this purchase in accordance with the authority delegated to the Director of Purchasing by The Board of Commissioners on April 9, 1992, and February 9, 1995.

The recommended bidders have, by successfully performing previous work similar in nature, scope and value, demonstrated that they have the necessary qualifications and resources to perform the work of this contract.

The recommended award is by sections (Alternative 2) to the bidder offering the lowest total costs per section.

A comparison of the bidders' pricing is outlined on Attachment "A": Evaluation of Bids. The Financial Impact Statement prepared is outlined on Attachment "B".

The lowest total bid is a result of awarding Sections A, B and C to GT Group Telecom Services Corp. and Section D to MTS Communications Inc.

The offers will lapse unless accepted by June 4, 2002.

The Executive Policy Committee recommends:

I. That the contract for provision of Transparent LAN services for the period be awarded by section (Alternative 2) to the responsible and qualified bidders comprising:

- Section A, B, and C to GT Group Telecom Services Corp. in the total conditional contract amount of $59,880.00, plus P.S.T. and G.S.T.

- Contract duration – Section A July 1, 2002, to June 30, 2003
  Sections B and C July 1, 2002, to June 30, 2004

- Section D to MTS Communications Inc. in the total conditional contract amount of $36,266.00, plus P.S.T. & G.S.T.

- Contract duration – Section D July 1, 2002, to June 30, 2004

II. That the Manager of Materials be authorized to issue Purchase Orders accordingly.

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

Attachment “A” referred to in Clause 4 of the Report of the Executive Policy Committee dated May 15, 2001

ATTACHMENT A: EVALUATION OF BIDS

		GT Alternative 1		GT Alternative 2		MTS Alternative 1		MTS Alternative 2		Alternative 2 Award by Section		
Description	**Qty**	**Unit Price**	**Ext. Price**	**Unit Price**	**Ext. Price**	**Unit Price**	**Ext. Price**	**Unit Price**	**Ext. Price**	**Unit Price**	**Ext. Price**	
2000 Portage	12	$ 1,125.00	$ 13,500.00	$ 998.00	$ 11,976.00	$3,253.00	$ 39,036.00	$ 3,253.00	$ 39,036.00	$ 998.00	$ 11,976.00	GT
Installation Charge	1	$ -	$ -	$ -	$ -	$3,000.00	$ 3,000.00	$10,150.00	$ 10,150.00	$ -	$ -	
421 Osborne	24	$ 1,125.00	$ 27,000.00	$ 998.00	$ 23,952.00	$1,184.00	$ 28,416.00	$ 1,184.00	$ 28,416.00	$ 998.00	$ 23,952.00	GT
Installation Charge	1	$ -	$ -	$ -	$ -	$3,000.00	$ 3,000.00	$ 7,450.00	$ 7,450.00	$ -	$ -	
1539 Waverly	24	$ 1,125.00	$ 27,000.00	$ 998.00	$ 23,952.00	$1,184.00	$ 28,416.00	$ 1,184.00	$ 28,416.00	$ 998.00	$ 23,952.00	GT
Installation Charge	1	$ -	$ -	$ -	$ -	$3,000.00	$ 3,000.00	$ 7,850.00	$ 7,850.00	$ -	$ -	
552 Plinguet	24	$ 1,125.00	$ 27,000.00	$ 1,125.00	$ 27,000.00	$1,184.00	$ 28,416.00	$ 1,184.00	$ 28,416.00	$1,184.00	$ 28,416.00	MTS
Installation Charge	1	$20,000.00	$ 20,000.00	$36,000.00	$ 36,000.00	$3,000.00	$ 3,000.00	$ 7,850.00	$ 7,850.00	$7,850.00	$ 7,850.00	
			$114,500.00		$ 122,880.00		$ 136,284.00		$157,584.00		$ 96,146.00	

Attachment "B" referred to in Clause 4 of the Report of the Executive Policy Committee dated May 15, 2002

Financial Impact Statement 24-Apr-02

Project Name: **First Year of Program** **2002**

Award of Contract for the provision of Transparent LAN Services

	2002	2003	2004	2005	2006
Capital					
Capital Expenditures Required	$ 8,685	$ -			
Less: Existing Budgeted Costs	-	-			
Additional Capital Budget Required	$ 8,685	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 8,685				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 51,640	$ 39,305	$ -	$ -	$ -
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ 51,640	$ 39,305	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ 51,640	$ 39,305	$ -	$ -	$ -

The monies for this award were not budgeted for in 2002. The division will have to reallocate existing budget funds by re prioritizing.

Original signed by Radhika Abeysekera
Manager of Finance & Administration