Agenda – Executive Policy Committee – March 12, 2024

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.

ADDENDUM REPORTS

Item No. 28 Single Source Approval for 6 Month Contract for the Provision of Microsoft Licensing Services

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That a Single Source contract extension for the provision of Microsoft Licensing Services with Insight Canada Inc. be approved, Purchasing Reference No. 68-2022, for the six-month period from April 1, 2024, to September 30, 2024, in the estimated amount not to exceed $3,428,122.00, MRST and GST extra, as applicable, pursuant to B4.1(i) of the Materials Management Policy, where the supply is for interim contractual arrangements following the expiration of a contract.

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions and award of contract for the six-month extension with Insight Canada Inc. in an amount not to exceed $3,428,122.00, MRST and GST extra, as applicable, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

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: Single Source Approval for 6 Month Contract for the Provision of Microsoft Licensing Services

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
T. Rushforth	K. Eunson-Ross Acting Director	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

The current Microsoft Licensing Services contract expires on March 31, 2024. This report's recommendation is to extend the contract for six months to allow time to participate in an upcoming Request for Proposal (RFP) with the Government of Manitoba. This contract provides various Microsoft Licensing Services such as procurement of Microsoft 365 subscriptions.

The Recommendations of this report are compliant with the Materials Management Policy, but may not comply with the applicable Trade Agreements. Further details are provided in the History/Discussion section.

RECOMMENDATIONS

1. That a Single Source contract extension for the provision of Microsoft Licensing Services with Insight Canada Inc. be approved, Purchasing Reference No. 68-2022, for the six-month period from April 1, 2024, to September 30, 2024, in the estimated amount not to exceed $3,428,122.00, MRST and GST extra, as applicable, pursuant to B4.1(i) of the Materials Management Policy, where the supply is for interim contractual arrangements following the expiration of a contract.

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions and award of contract for the six-month extension with Insight Canada Inc. in an amount not to exceed $3,428,122.00, MRST and GST extra, as applicable, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

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

Where the estimated value of the single source contract to be negotiated exceeds $1 million, and the procurement may not be permitted under the various Trade Agreements, Executive Policy Committee (EPC) approval is required pursuant to B8.1.1(b) of the Materials Management Policy.

IMPLICATIONS OF THE RECOMMENDATIONS

This agreement provides a standing offer, allowing the City to purchase Microsoft licensing subscriptions and products on an "as required" basis. Products purchased will be funded through approved Operating Budgets within the Innovation & Technology Department and departmental budgets.

HISTORY/DISCUSSION

In December 2018, the Government of Manitoba issued Request for Proposals No. ICTP-0019-2018/19-BTT for a "Software Licensing Solution Provider (LSP)" (the "RFP"). On April 1, 2019, the Government of Manitoba subsequently awarded the Request for Proposal (RFP) contract for "Provision of Microsoft License Solution Provider Services and Licensing Support Services" to Acrodex Inc. dba PCM Canada (now Insight Canada Inc.) for the period of April 1, 2019, to March 31, 2024. As the City was named as a participant in the Government of Manitoba's RFP, the City is also considered an Affiliate under the resulting Microsoft Business Services Agreement ("MBSA") and Enterprise Agreement entered into between the Province and Microsoft, and can avail itself of these service offerings, and enter into an agreement with Insight Canada Inc. for Microsoft purchases on substantially the same terms and conditions as the Government of Manitoba.

On February 9, 2022, the Chief Financial Officer approved the award of contract for the Provision of Microsoft License Solution Provider Services and Licensing Support Services with Insight Canada Inc. (formerly Acrodex/PCM Canada), at a total estimated cost of $2,797,563.46, MRST and GST extra, as applicable for the period of date of award until March 31, 2024.

This single source contract extension is for the period from April 1, 2024, to September 30, 2024 and will be subject to the same terms and conditions as the existing contract for the provision of Microsoft Licensing Services with Insight Canada Inc.

This procurement is subject to the New West Partnership Trade Agreement ("NWPTA"), which incorporates the requirements of the Canadian Free Trade Agreement ("CFTA"), and the Comprehensive Economic and Trade Agreement ("CETA") (collectively the "Trade Agreements"). The Trade Agreements do not appear to contain an exception that would permit the actions in Recommendations 1 and 2 of this Report. In the opinion of the Public Service, though minimal, there is a risk a complaint could be brought against the City pursuant to the Trade Agreements should the Executive Policy Committee approve these Recommendations.

The City planned to participate in a new RFP to be issued by the Government of Manitoba, but this RFP has been delayed and has not been posted as of February 20, 2024. The City plans to participate in the new RFP once it is awarded, estimated to be in May of 2024.

The Contract Administrator (Innovation & Technology) is satisfied that the recommended Contractor has the necessary experience and resources to perform the work of the contract satisfactorily and has satisfactorily performed the work since the beginning of the contract in accordance with the requirements of the Contract.

This single source is in accordance with B4.1 (i) of the Policy which states that the supply is for interim contractual arrangements following the expiration of a contract.

IT Expenditure Approvals will be obtained during the contract term for purchases where the total estimated value including five years of maintenance could exceed $75,000.

FINANCIAL IMPACT

Financial Impact Statement **Date:** March 5, 2024

Project Name: **First Year of Program** **2024**

Single Source approval for 6 Month Contract for the Provision of Microsoft Licensing Services

	2024	2025	2026	2027	2028
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	$ 3,668,091	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	3,668,091	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs represent the estimated cost of $3,668,091 ($3,428,122 plus $239,969 MRST) for the contract for the Provision of Microsoft Licensing Services with Insight Canada Inc. from April 1, 2024 through to September 30, 2024. Funding for this contract is through approved budgets of various user departments. The financial impact will be managed by the user departments on an individual basis. The work of the contract is performed on an "as required" basis and the contract does not commit the City to purchase any fixed quantity.

Randy Bernard

Randy Bernard, CPA, CMA
Manager of Finance & Administration (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

This initiative aligns with 01-3: Prosperity

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CAP), and it was determined that the CAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Innovation & Technology
Division: Service & Infrastructure
Prepared by: T. Rushforth
Date: March 5, 2024