Agenda – Executive Policy Committee – September 16, 2025

REPORTS

Item No. 2 Single Source Negotiation and Award of Contract for the Supply and Delivery of QLUE Software with Blockchain Intelligence Group Purchasing Reference No. 171-2025

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That a Single Source Negotiation and award of contract be approved and the City enter into, execute, and deliver an award a Contract for the Supply and Delivery of QLUE Software with Blockchain Intelligence Group in the amount of $93,760.00 plus PST 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: Single Source Negotiation and Award of Contract for the Supply and Delivery of QLUE Software with Blockchain Intelligence Group
Purchasing Reference No. 171-2025

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
D. Ranger	Scot A. Halley, A/Chief of Police	T. Graham	J. Dunford

EXECUTIVE SUMMARY

The Winnipeg Police Service Financial Crime Unit/Cyber Investigation team conducts investigations which frequently involve the use of cryptocurrency as the medium by which fraud actors and cyber criminals transact. The ability to trace cryptocurrency transactions and the movement of assets is paramount in the ability to identify suspects and collect evidence. The QLUE tracing software, produced by Blockchain Intelligence Group, will assist investigators in the tracking of crypto assets, the identification of suspects and collection of evidence related to financial and cybercrime.

A single source is recommended because the product's advantageous pricing structure, widespread adoption amongst law enforcement agencies, and Canadian origin.

Funding for the purchase of this software is already in place via a grant through the Criminal Property Forfeiture Fund.

The Recommendation of this Report is not compliant with the Purchasing Policy or the applicable Trade Agreements. Further details are provided in the History/Discussion section.

RECOMMENDATIONS

1. That a Single Source Negotiation and award of contract be approved and the City enter into, execute, and deliver an award a Contract for the Supply and Delivery of QLUE Software with Blockchain Intelligence Group in the amount of $93,760.00 plus PST 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

As the total value of the procurement exceeds the applicable thresholds of the New West Partnership Trade Agreement ("NWPTA"), and the Canadian Free Trade Agreement ("CFTA") (collectively the "Trade Agreements"), and the Trade Agreements do not contain a provision that would permit this single source, approval by the Executive Policy Committee is required pursuant to B8.1.1 of the Purchasing Policy.

IMPLICATIONS OF THE RECOMMENDATIONS

The work can be completed within the available budget and no new money is required. The funds are budgeted in account 001-294010-223452

HISTORY/DISCUSSION

In 2022, the Winnipeg Police Service Financial Crime Unit/Cyber Investigation Team secured a grant through the Criminal Property Forfeiture Fund for the purchase of cryptocurrency tracing software.

Subsequently, software licences were acquired from a US based vendor, Ciphertrace, for their Inspector tracing software, for a period of seven years.

In 2023, Ciphertrace was acquired by MasterCard International Inc. Subsequently, in March of 2024 the Winnipeg Police Service was notified that the Ciphertrace Inspector software had reached End of Life and the contract with the Winnipeg Police Service was being terminated.

The Winnipeg Police Service was able to obtain a refund for the full amount of the contract.

Permission was sought and granted from the Criminal Property Forfeiture (CPF) Branch to re allocate the CPF funds for similar software, sourced from a new vendor.

After testing the QLUE software from Blockchain Intelligence Group, a Canada-based company, it was determined to meet the needs of the Winnipeg Police Service.

Further, QLUE software is widely utilized by many law enforcement agencies in Canada, as well as agencies of the Government of Canada. Blockchain Intelligence Group also has customers globally, including state Bureaus of Investigation and state Attorneys General.

At present, there are two other vendors offering tracing software that were considered. Both companies are US-based and offer comparable tracing tools. However, the costs for these tools, on a similar contract, is higher than QLUE, primarily due to the prices being in USD.

In conclusion, Blockchain Intelligence Group is the preferred vendor and the only one being considered due to the following factors:

- Pricing structure (significant savings when compared to the other recognized vendors in the market);
- Widespread adoption and usage amongst Canadian and international law enforcement agencies, allowing for integration of investigations; and

- Canadian-based entity used by many other Canadian police agencies.

This proposal is for a three-year contract for QLUE tracing software. While the previous contract with Ciphertrace was for six years, it was for one licence, which is proprietary to a single investigator. This proposed contract for QLUE would provide three licences allowing three investigators access to the QLUE tracing tool.

As the estimated value of the proposed contract exceeds $75,000, which exceeds the thresholds for single source under the Purchasing Policy and the applicable Trade Agreements, Executive Policy Committee approval is required.

This procurement is subject to New West Partnership Trade Agreement ("NWPTA"), and the Canadian Free Trade Agreement ("CFTA") (collectively the "Trade Agreements"). The Trade Agreements do not appear to contain an exception that would permit the action(s) in Recommendation 1 of this Report. However, in light of the circumstances and value in this case, in the opinion of the Public Service the risk that a complaint, if brought against the City pursuant to the Trade Agreements, would be successful is low should Council approve this Recommendation.

It is the opinion of the Public Service that Blockchain Intelligence Group has the necessary experience and resources to do the work.

On July 30, 2025, the Winnipeg Police Board received this report from the Winnipeg Police Service for review and consideration. On July 30, 2025, through communication from the Executive Director and Secretary, the Winnipeg Police Board advised that it accepted this report for information, and indicated that the Winnipeg Police Service may proceed with the submission of this report.

FINANCIAL IMPACT

Financial Impact Statement

Date: July 30, 2025

Project Name:

First Year of Program **2025**

Single Source Negotiation and Award of Contract for the Supply and Delivery of QLUE Software with Blockchain Intelligence Group

	2025	2026	2027	2028	2029
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	$ 100,323	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	100,323	-	-	-	-
Net Cost/(Benefit)	$ 0	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts		-	-	-	-
Net Budget Adjustment Required	$ 0	$ -	$ -	$ -	$ -

Additional Comments: Direct costs above include MRST. Funds are available in account 001-294010-223452 and funded by Criminal Property Forfeiture

Kerri Kreitz July 30, 2025

Assistant Director of Finance
Winnipeg Police Service

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services as to legal matters.

OURWINNIPEG POLICY ALIGNMENT

The proposed contract aligns with the following element of the *OurWinnipeg 2045* goal of Good Health and Well-Being:

- Objective #3 - Proactively identify and address threats to community safety and well-being. Promote physical and mental health by mitigating, planning for, responding to, and recovering from, emergencies, disasters and crime.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

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

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report aligns with the Winnipeg Poverty Reduction Strategy (PRS), and it was determined that the PRS is not applicable.

SUBMITTED BY

Department: Winnipeg Police Service
Division: Division 43 – Financial Crime Unit
Prepared by: David Ranger
Date: July 30, 2025
File No: 171-2025

Attachments: N/A