Agenda – Executive Policy Committee – February 16, 2005

REPORTS

Item No. 3 **Award of Contract for the Provision of Primary Rate Interface ISDN Line – Bid of Opportunity No. 113**
File GL-9

ADMINISTRATIVE RECOMMENDATION:

1. That the contract for provision and supply of a Primary Rate Interface ISDN communications line for the period be awarded to the responsible and qualified bidder GT Group Telecom Services, Inc. The total conditional amount before taxes is $26,476.00 over the contract duration of March 1, 2005 to February 28, 2008.

2. That authority be delegated to the Chief Administrative Officer to award future multi-year contracts for the provision and supply of a primary rate interface ISDN communications line, each contract not to exceed 5 years in duration and $10M in value."

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

Re: AWARD OF CONTRACT FOR THE PROVISION OF PRIMARY RATE INTERFACE ISDN LINE – BID OPPORTUNITY NO. 113

For submission to: EXECUTIVE POLICY COMMITTEE

Original report signed by: CHIEF INFORMATION OFFICER

Report date: February 9, 2005

Recommendation(s):

1) That the contract for provision and supply of a Primary Rate Interface ISDN communications line for the period be awarded to the responsible and qualified bidder GT Group Telecom Services, Inc. The total conditional amount before taxes is $26,476.00 over the contract duration of March 1, 2005 to February 28, 2008.

2) That authority be delegated to the Chief Administrative Officer to award future multi-year contracts for the provision and supply of a primary rate interface ISDN communications line, each contract not to exceed 5 years in duration and $10M in value."

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

Report Summary

Key Issues:

- That a contract for provision of Primary Rate Interface ISDN Line as described be awarded for 3 years to the responsible and qualified bidder submitting the lowest evaluated responsive bid which is GT Group Telecom Services, Inc.
- Offers will lapse unless acceptance by March 2, 2005.

Implications of the Recommendation(s):

General implications:

	None
X	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
X	Involves a multi-year contract

Comment(s):

- The City of Winnipeg's requirements for a Primary Rate Interface ISDN communication line is used by all departments for Corporate Dial-In access to the City's Backbone Network. The proposed multi-year contract provides the City with continued service at the best pricing possible.

Policy implications:

X	No
	Yes

Environmental implications:

X	No
	Yes

Human resources implications:

X	No
	Yes

Financial implications:

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment(s): A one-time charge for installation is funded through capital accounts. User departments have been notified and have consented to a periodical charge to their accounts to cover the cost of providing this service.

REASON FOR THE REPORT:

The contract is for an interdepartmental purchase committing payments by the City from future operating budget and accordingly, must be approved by Council.

HISTORY:

Existing contract for these services is with MTS Allstream Inc. which expired on December 31, 2004. Corporate Information Technology and Materials Management issued a bid opportunity for these services in November of 2004.

Final Receipt of offers took place on December 2, 2004 with bids being received from one offerer.

DISCUSSION:

Bids were received from one company:

GT Group Telecom Services, Inc.

Offerers had to bid on 1 year, 2 years and 3 years contract pricing.

The recommended award is for 3 years as the alternative with lowest monthly cost.

Offers will lapse unless acceptance by March 2, 2005.

In the opinion of the Department the proposed contractor has the skills and resources to satisfactorily perform the work.

The Manager of Materials has delegated authority to waive the requirements for bid and performance security and execution of a formal contract pursuant to Administrative Directive FM-002.

Financial Impact Statement

Date: January 20, 2005

Project Name:

Award of Contract for the Provision of Primary Rate ISDN Line - Bid Opportunity #113

First Year of Program 2005

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ 849				
Less: Existing Budgeted Costs	849				
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:					
Services	$ 7,661	$ 9,194	$ 9,194	$ 1,533	$ -
Debt & Finance Charges	$ -	$ 207	$ 207	$ 207	$ 207
Less: Incremental Revenue/Recovery	7,661	$ 9,194	$ 9,194	$ 1,533	$ -
Net Cost/(Benefit)	$ -	$ 207	$ 207	$ 207	$ 207
Less: Existing Budget Amounts	-	207	207	207	207
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

a.) A one-time charge for installation is funded through capital accounts.

b.) Annual Debt & Finance Charges are calculated at 7% interest per annum over 5 years.

c.) Capital expenditures include 3% charge for interest & administrative expenses.

d.) Only one tax (PST) is included in the above costs. GST is 100% refunded to the department.

e.) User departments have been notified and have consented to a periodical charge to their accounts to cover the cost of providing this service.

(Original signed by R. Abesekera)

Radhika Abeysekera
Manager of Finance and Administration

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH, AND CONCURRENCE BY:

Legal Services Division, Corporate Services Department and Materials Management Division, Corporate Finance Department.

This Report Submitted By:

Department: Corporate Information Technology
Division: IT Operations & Infrastructure
Prepared by: Stanley Yuen