

NO: R007

COUNCIL DATE: January 22, 2018

REGULAR COUNCIL

TO: **Mayor and Council**

DATE: **January 15, 2018**

FROM: **General Manager, Corporate Services**

FILE: **1345-01**

SUBJECT: **Extension of Contract No. 1220-050-2015-009 for Wireless Services and Devices**

RECOMMENDATION

The Corporate Services Department recommends that Council:

1. Approve a twenty-four month extension of Contract No. 1220-050-2015-009 from January 22, 2018 to January 21, 2020 for the non-exclusive supply of cellular wireless service plans and devices to Bell Mobility Inc. in the total estimated amount of \$1,150,000.00 including GST;
2. Set the expenditure authorization limit for the extension to Contract No. 1220-050-2015-009 at \$1,265,000.00 including GST and contingency; and
3. Authorize the General Manager, Corporate Services to execute the extension of Contract No. 1220-050-2015-009.

BACKGROUND

In April 2015, a Request for Expression of Interest (RFEOI # 1220-050-2015-009) was issued for the supply and implementation of cellular wireless service plans and devices for a 2-year term (January 21, 2016 to January 21, 2018) with the City's option to extend the contract for up to 2 years under the same terms and conditions.

On December 14, 2015, Council approved the Award of Contract No. 1220-050-2015-009 (the "Contract") for the supply and implementation of wireless services and devices to Bell Mobility Inc. in the amount of \$863,000.00 excluding taxes (Corporate Report No. R238; 2015 is attached as Appendix "I").

For administrative clarity, Corporate Report No. R238; 2015 requested approval solely for a 2-year term. The reflection of the additional 2-year option was inadvertently omitted from the recommendations. Based on a legal review of this omission, it has been determined that an extension to the Contract is without prejudice to competing proponents as it is in-line with the term stated in the original RFEOI competition and the resulting Contract.

The types of products and services related to this initiative include:

- Regular and ruggedized cellphones, and smartphones;
- Mobile data services for field laptops, tablets, automatic vehicle location, security cameras, and other computing appliances;

- Local, Canada-wide, USA, and International voice, text, and data services, as well as travel bundles;
- Wi-Fi calling; and
- Pooling (sharing) of voice, data, and other services.

DISCUSSION

Over the past 24 months the number of mobile service plans throughout the organization grew 35%, while cellular-data consumption grew by 18%. This growing trend is expected to continue primarily as a result of:

- More staff being equipped to connect with line of business and safety systems;
- More cellular-data being consumed by mobile applications; and
- City infrastructure continuously being upgraded with new Internet of Things sensors and appliances.

A twenty-four month extension to the contract with Bell Canada Inc. has been negotiated that is favourable to the City in terms of:

- A projected 1.6% savings in the average cost per device per month for cellular wireless service plans and device upgrades, in comparison to the previous twenty-four month contract, which represents good value for money when comparing current market rates; and
- A 167% increase to the size of the City's shared data pool, sustaining projected data consumption growth.

In addition, Bell Mobility Inc. has consistently delivered satisfactory services to the City under the existing Contract. Based on the above, it is recommended that the City exercise its option to extend Contract 1220-050-2015-009 for an additional 2-year term.

SUSTAINABILITY CONSIDERATIONS

Extending the Contract supports the City's Sustainability Charter, specifically the following Corporate Sustainability objective:

- Objective #7: Integrate sustainable purchasing into our way of business.

FUNDING

Funding for this contract extension is available in the annual Operating Budget in each of the applicable years.

CONCLUSION

The Corporate Services Department recommends that Council:

1. Approve a twenty-four month extension of Contract No. 1220-050-2015-009 from January 22, 2018 to January 21, 2020 for the non-exclusive supply of cellular wireless service plans and devices to Bell Mobility Inc. in the total estimated amount of \$1,150,000.00 including GST;
2. Set the expenditure authorization limit for the extension to Contract No. 1220-050-2015-009 at \$1,265,000.00 including GST and contingency; and
3. Authorize the General Manager, Corporate Services to execute the extension of Contract No. 1220-050-2015-009.

Rob Costanzo
General Manager,
Corporate Services

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Appendix "I" – Corporate Report No. R238; 2015

NO: R238

COUNCIL DATE: December 14, 2015

REGULAR COUNCIL

TO: Mayor and Council

DATE: December 2, 2015

FROM: General Manager, Finance and Technology

FILE: 1355-100

SUBJECT: Wireless Services and Devices Agreement

RECOMMENDATION

The Finance & Technology Department recommends that Council approve a 2 year agreement with Bell Mobility for the supply and implementation of wireless services and devices at an estimated total amount of \$863,000 excluding taxes.

BACKGROUND

The majority of cellular wireless services for the City are currently provided by Bell Mobility. The last 2 year agreement with Bell Mobility ended August 19, 2015.

The types of products and services related to this initiative include:

- Regular and rugged wireless cellphones, and smartphones;
- Mobile data services for field laptops and other computing appliances;
- Local, Canada-wide, USA, and International voice, text, and data services, as well as travel bundles; and
- Pooling (sharing) of voice, data, and other services.

DISCUSSION

In May 2015, the City issued Request for Expression of Interest #1220-050-2015-009 for the supply and implementation of Wireless Service and Devices.

The City received five responses (three from Telus with different fulfillment partners). Based on factors including their network stewardship and expansion strategy, the ability to offer a full and diverse suite of services and devices, and the experience of the fulfillment provider, these were shortlisted to the following three proponents:

1. Bell Mobility (direct provider for both services and device fulfillment)
2. Rogers Wireless for services, with Fraser Valley Wireless for device fulfillment
3. Telus Mobility for services, with Apex Wireless for device fulfillment

Shortlisted vendors were invited to summarize, highlight, and clarify their response in person, then were provided with 13 months of generalized usage and device fleet data with a request to provide pricing for domestic and roaming plan and services costs, as well as device hardware costs. An extensive evaluation was conducted, based on a set of pre-determined criteria.

The selection criteria included:

- the breadth of the proponent’s experience in similar initiatives (including transitioning, deployment, and conversion activities);
- the fit and breadth of available products and services to the City of Surrey requirements;
- the ability to manage reporting, invoicing, and the partnership;
- the costs for plans, services, and devices; and
- the value of any proponent’s sign-up incentives, differentiating value proposition, and in-building signal coverage investment.

Results of Evaluation

Bell Mobility provided the most competitive pricing and best demonstrated an offering of products and services that meet or exceed the parameters outlined in the Request For Expression of Interest. The average cost per device per month is projected to reduce by 37%.

FUNDING

Funding for this contract is available in the annual Operating Budget in each of the applicable years.

SUSTAINABILITY CONSIDERATIONS

The recommendations of this report will assist in achieving the objectives of the City’s Sustainability Charter; more particularly, the following scope action items:

- EC1: “Corporate Economic Sustainability” that focuses on ensuring the City’s resources are used efficiently and responsibly; and
- EN4: “Employee Trip Reduction Program” that centers on assisting employees in making sustainable transportation choices by offering alternative meeting methods that allow employees to connect, communicate and collaborate remotely, thereby reducing the number of trips that are necessary for conducting City business that has the effect of reducing greenhouse gas emissions.

CONCLUSION

It is recommended that Council authorize staff to enter into a 2 year agreement with Bell Mobility for the supply and implementation of wireless hardware and services at an estimated total amount of \$863,000 excluding taxes. This includes projected long distance and roaming costs, and the cost to refresh 810 cellphone and smartphone devices.

Vivienne Wilke, CPA, CGA
General Manager
Finance and Technology