

Attachment 1 – Confidential Information made public on June 3, 2010

Security Funding Requirements for the 2010 G8/G20 Summits

Date:	February 19, 2010
To:	City Council
From:	City Manager

CONFIDENTIAL INFORMATION

1. Budget Adjustments

The following budget adjustments should be approved to ensure funding commitments can be made to provide staffing for security related to the event, procure certain essential equipment and put critical infrastructure in place in time for the G8/G20 Summits:

- a. Toronto Police Service’s 2010 Operating Budget, once approved by Council, be increased by \$122.154 million gross and \$0 net, to be reimbursed by the Government of Canada, and that a quarter of this increase be approved in the Council Approved 2010 Interim Operating Budget Estimates.
- b. Various City Operating Budgets, once approved by Council, as outlined in Appendix A to the Confidential Attachment 1, be increased by \$12.127 million gross and \$0 net, to be reimbursed by the Government of Canada, and that a quarter of this increase be approved in the Council Approved 2010 Interim Operating Budget Estimates.
- c. Increase the Council Approved 2010 Capital Budget by \$15.0 million, \$7.5 million of which to be reimbursed by the Government of Canada and \$7.5 million to be funded from existing capital reserves, creating a Capital Budget and project, G8/G20 Radio Communication System.
- d. Toronto Police Service’s 2010 Council Approved Capital Budget for State of Good Repair projects be increased by \$0.713 million gross and \$0 net, \$0.713 million to be reimbursed by the Government of Canada.

2. Sole Source Contract Award

- 1. Due to limited timelines, Council should authorize awarding the following sole source contracts to Motorola Canada Limited:

- a. For the purchase of radio infrastructure materials and services required to ensure that the City's voice radio infrastructure can accommodate the additional voice communications traffic during the G8/G20 Summit meetings, the total amount not to exceed \$10,000,000 net of GST.
- b. For the purchase of 351 portable radios and upgrades to existing radios for Fire and EMS to ensure compatibility with the radio infrastructure and that sufficient radios are available to provide the required policing and security services, the total amount not to exceed \$2,800,000 net of GST.

Financial Impact

The \$149.994 million recommended adjustment to the 2010 Operating and Capital Budgets will be funded by the Federal Government in the amount of \$142.494 million, with City funding of \$7.5 million, funded from existing capital reserves, as detailed in the following table.

Operating Budget (\$000s)	2010 Gross Adjustment	Federal Funding	City Funding
Toronto Police Service	122,153.9	122,153.9	0.0
Toronto Emergency Medical Services	6,937.8	6,937.8	0.0
Toronto Fire Services	2,644.4	2,644.4	0.0
Emergency Management, Health, Facilities, Waste & Water	1,563.4	1,563.4	0.0
TTC & Transportation	686.9	686.9	0.0
Communications, Planning & Coordination	294.4	294.4	0.0
Sub Total 2010 Operating Budget (\$000s)	134,280.8	134,280.8	0.0

Capital Budget (\$000s)	2010 Cash Flow Adjustment	Federal Funding	City Funding
City - G8/G20 Radio Communication System Project	15,000.0	7,500.0	7,500.0
Toronto Police Service - State of Good Repair	713.1	713.1	0.0
Sub Total 2010 Capital Budget (\$000s)	15,713.1	8,213.1	7,500.0

Total 2010 Budget Impact (\$000s)	149,993.9	142,493.9	7,500.0
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The \$15 million for the Radio Communications System Project includes an appropriate contingency amount.

The identified operating budget impacts for the TPS are primarily required to fund the salaries and premium pay for the TPS, accommodations for external police services, and various non-staffing expenses for an estimated 7,500 security personnel that will be deployed to ensure the safety of the International Protected Persons (IPPs), VIPs and Toronto businesses, residents and workers during the G8 and G20 Summits.

Staff are recommending that the City share of capital equipment be funded from existing capital reserves. The Council Approved 2010 Capital Budget and 2011 – 2019 Capital Plan includes funding for the Radio Replacement Project to accommodate a request for proposal to upgrade the radio infrastructure for the City's emergency services in 2011.

The G20 Summit will create additional pressures on current City radio infrastructure, requiring the City to partially advance purchases originally scheduled for 2012 into 2010. Staff will consider the impact of this partial advancement for emergency purchases on the City's procurement strategy and corresponding Capital Budget and report back through the 2011 Capital Budget process. This report will include strategies to mitigate the impact on the City's procurement strategy to ensure a fair and open competition for the planned system replacement.

All figures in this report are estimates and currently under review by the City and the Government of Canada. To financially assist the City (and other affected jurisdictions), the Government of Canada has established funding programs to reimburse provincial/territorial and municipal partners to recover all eligible incremental costs that will be incurred specifically in relation to the G8 and G20 Summits that will be hosted by Canada in 2010.

Although funding agreements are not yet finalized with the Government of Canada, a commitment has been made by the Federal Government ensuring that all costs incurred as a direct result of hosting the G8 and G20 Summits will be reimbursed.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its in-camera meeting of January 21, 2010, the Toronto Police Services Board considered a confidential report dated January 21, 2010 from the Chief of Police regarding the projected impact of the G8/G20 Summits on the Toronto Police Service.

The Toronto Police Services Board recommended that the Board forward a copy of this report to the City Manager so that the necessary funds can be approved by City Council to enable the Service and the City to make necessary commitments for equipment and other needs required for G8/G20 security operations.

COMMENTS

On December 7, 2009, the Prime Minister announced that Toronto will host the G20 Summit on June 26 and 27, 2010, immediately following the G8 Summit in Muskoka. On February 19, 2010, the Federal Government announced that the G20 Summit will be located in downtown Toronto, at the Metro Toronto Convention Centre. The security and protection surrounding the G8 and G20 is very intricate and collaboration from various law enforcement partners is taking place to ensure a safe and secure event. These combined efforts will result in the largest security event in Canadian history.

The RCMP has created the Summit Integrated Security Unit, which is comprised of the RCMP, the OPP (in the G8 context), the Canadian Forces, Toronto Police Service, Peel

Regional Police and other law enforcement and security experts working collaboratively to ensure the safety of the International Protected Persons (IPPs), VIPs and the community. The Summit Integrated Security Unit will work to minimize the potential of impact of police security operations as well as impact on the city of Toronto and surrounding areas.

As the Toronto Police Service (TPS) has responsibility for policing and is the police force of jurisdiction in Toronto, they will assist in protecting the Internationally Protected Persons (IPP) and VIPs as well as, secure the outside perimeter of the G20 Security Zones for the guests of the Canadian Government and the community. It will be the responsibility of the TPS to deal with any protests outside the security perimeter established by the RCMP or disruptions such as those involving road closures not under the highway jurisdiction of OPP.

The Toronto Police Service has made a request to the Government of Canada to reimburse all eligible incremental policing and security costs. Chief Blair has received a positive response from Public Safety Canada confirming that incremental security costs incurred by the City as a direct result of hosting the G8 and G20 will be reimbursed.

Although funding agreements are not yet finalized with the Government of Canada, the City must procure certain essential equipment and put critical infrastructure in place in time for the event.

Radio Infrastructure

A critical operational requirement of the G8-G20 security is radio communications. The following critical design requirements have been identified as operational necessities:

1. An additional 2,500 radios on a rental basis for TPS
2. Communications meeting or exceeding existing system reliability
3. Command and control centers at TPS' MICC (Major Incident Command Center) and at the existing TPS communications centers
4. Citywide Police Service operations must not be impacted
5. Fire and EMS operations must not be adversely affected
6. 75 Additional encrypted voice talkgroups are required
7. Additional capacity must be integrated with existing radio consoles and be fully interoperable with existing systems.

With additional Police on duty to service the G8 and G20 Summits, requiring an additional 2,500 radios, the existing City of Toronto Public Safety Voice Radio System cannot support the additional capacity. A simple expansion of the existing radio infrastructure to accommodate the additional requirements of the G20 is not possible due to the lack of available equipment. The current system is quickly approaching end of life and key components have not been manufactured for some time.

Motorola has subsequently provided the detail design and costs to supply and install core switching equipment and three digital standards based (APCO P25) radio sites in a

manner that addresses G8 and G20 requirements as stated by TPS. The installation schedule will require 14.5 weeks to complete. The tight timeline, with completion before the G8 and G20 events, precludes any delays to the procurement of this infrastructure.

Staff from Police, Fire and EMS, in accordance with the Voice Radio System Governance Agreement, have explored all potential alternatives and have endorsed the Motorola solution as the only technical implementation that can address the G8 and G20 requirements within the allocated time frame. Key points in support of the Motorola sole source solution are:

- The required level of integration with the existing infrastructure utilizes interfaces and protocols that are proprietary to Motorola, precluding all other potential vendors;
- Compatible infrastructure from other sources is not available. Staff investigated former G20 hosts, other municipalities, Olympics organizers as well as the RCMP/OPP and infrastructure was simply not available, technically incompatible or both; and
- Use of commercial cellular type carriers does not meet the stated requirements.

The required upgrades and expansions are expected to have an impact on the current Radio Communications System Replacement Project. The G20 radio infrastructure investment may create a material advantage to the incumbent supplier, Motorola. The extent and impact to the Radio Communications System Replacement Project RFP process is under review by project staff from Police, Fire, EMS, PMMD, Internal Audit, and the project Fairness Commissioner. Staff will endeavour to mitigate the impact this purchase may have on the RFP planned for the broader Radio Communications System Replacement Project.

TFS/EMS Radios

In a November 16 2009 report to Budget Committee (<http://www.toronto.ca/legdocs/mmis/2009/bu/bgrd/backgroundfile-25238.pdf>) the Radio Communications System Replacement Project Steering Committee recommended that portable radios used by TFS that have exceeded their life expectancy be replaced; in the case of TFS this represents less than half of the 750 radios in service. The required radios must match the existing compliment and be able to operate on the existing radio infrastructure as well as meet the digital (P25) infrastructure standards.

The TFS and EMS requirements for additional radios for the G20 event accelerates the original project timelines but allows for acquisition of radios that will be needed.

As with the additional G20 requirements, other vendors' products are not suitable and the purchase warrants a sole source to Motorola due to the proprietary nature of the existing infrastructure.

The \$2.8 million will allow for the purchase of 351 radios to be utilized by TFS and EMS at the event before being put into operational service replacing existing units that have exceeded their intended life cycle.

Motorola Price Justification

All contractual agreements between the City or the Toronto Police Service and Motorola since 1998, regarding the Radio Communications System Project, have included Price Justification clauses. The contract language specifically requires Motorola to provide evidence that the prices charged to the City of Toronto or the Toronto Police Service are "commercially reasonable and do not include an element of profit that is in excess of that normally obtained by Motorola on the sale of products and services of similar quality and quantity".

Staff from the Toronto Police Service and the City will ensure that contractual obligations under the Price Justification clause are adhered to.

The Fair Wage Office has reported that Motorola Canada Limited has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

ATTACHMENTS

Appendix A to Confidential Attachment 1 – Detailed Recommended 2010 Operating Budget Adjustments, excluding the Toronto Police Service

**Appendix A to Confidential Attachment 1
Detailed Recommended 2010 Operating Budget Adjustments
(Excluding the Toronto Police Service)**

Program (\$000s)	Recommended 2010 Operating Budget Adjustment		
	Gross	Revenue	Net
Emergency Medical Services	6,937.8	6,937.8	0.0
Toronto Fire Services	2,644.4	2,644.4	0.0
Policy, Planning, Finance & Administration*	714.8	714.8	0.0
Facilities & Real Estate	630.8	630.8	0.0
Toronto Transit Commission	547.5	547.5	0.0
City Manager's Office	294.4	294.4	0.0
Transportation Services	139.4	139.4	0.0
Solid Waste Management	102.4	102.4	0.0
Public Health	75.0	75.0	0.0
Toronto Water	40.3	40.3	0.0
Total Recommended 2010 Operating Budget Adjustment	12,126.8	12,126.8	0.0

* Adjustments are applicable to the Office of Emergency Management with PPF&A.