

Contract Award - An Unsolicited Proposal – The Wired Canada Program

Date:	February 25, 2010
To:	Government Management Committee
From:	Director, Toronto Office of Partnerships General Manager, Parks, Forestry and Recreation Director, Purchasing & Materials Management Division
Wards:	All
Reference Number:	P:/2010/Internal Services/pmmd/GM10014pmmd (AFS #11710)

SUMMARY

The purpose of this report is to advise on the results of Request for Proposal No. 9155-10-7008, issued to invite counter proposals to the unsolicited proposal received from The Oxford Group for the provision and maintenance of internet-ready computers in City facilities, and to request authority to enter into an agreement with The Oxford Group.

RECOMMENDATIONS

The Directors of the Toronto Office of Partnerships and of the Purchasing and Materials Management Division, and the General Manager of Parks, Forestry and Recreation recommend that:

1. City Council grant authority to enter into an agreement with The Oxford Group for the provision and maintenance of internet-enabled computers in Toronto Community Housing and in Parks, Forestry and Recreation venues at no cost to the City.

FINANCIAL IMPACT

This award will have no net cost impact on the City's 2010 or future operating budgets. All costs and risks associated with the initiative are to be borne by The Oxford Group. Project costs include, but are not limited to, the computers themselves, as well as printers, furniture, and high-speed internet subscriptions. The Oxford Group will also be responsible for setting up and maintaining all hardware and software. In addition, to

further mitigate liability concerns, The Oxford Group is also responsible for ensuring adequate general and property insurance coverage.

The eventual full deployment of all workstations is projected to produce incremental revenues of \$585,000 for the City over the initial 5-year term. This amount reflects an average annual payment of \$117,000 to the City. The Revenues are to be assigned to Parks, Forestry and Recreation Division and will be reflected in the Division's future Operating Budget submissions.

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

DECISION HISTORY

At its meeting on April 29-30, 2009, City Council considered the unsolicited proposal in the report titled "Pilot Project between the City of Toronto, Toronto Community Housing Corporation and the Oxford Group" and approved the initiative in principle. Furthermore, as mandated by the City's Unsolicited Quotations or Proposals Policy, City Council directed that The Oxford Group's proposal be subjected to the "Swiss Challenge," a specialized procurement process that is distinct from the City's typical RFQ/RFP procedure.

<http://www.toronto.ca/legdocs/mmis/2009/gm/reports/2009-04-15-gm22-cr.pdf>

ISSUE BACKGROUND

In early 2008, a private firm (The Oxford Group) submitted an unsolicited proposal to the Toronto Office of Partnerships to place, as part of a wider trans-Canada initiative called the Wired Canada Program, one thousand (1,000) internet-ready computers in City venues, specifically Toronto Community Housing sites and facilities operated by the Parks, Forestry and Recreation Division. The Program is to be funded through corporate sponsorships. In return for the free use of City space, the desktop computers would be freely available for use by Toronto residents. Moreover, the City would be guaranteed an annual revenue stream.

The Swiss Challenge process involves seeking competing counter proposals to The Oxford Group's original submission. If a superior counter proposal was to be received, The Oxford Group would be given the opportunity to match or improve on the selected counter proposal within thirty days. If The Oxford Group elected to do so, the City would recommend to City Council that a contract be negotiated with The Oxford Group. If The Oxford Group decided not to match or improve on the selected counter proposal, the City would recommend that negotiations be undertaken with the proponent of the selected counter proposal with the objective of entering into an agreement based on their superior submission.

Complete details of the Swiss Challenge procedure may be found at:

COMMENTS

A Swiss Challenge RFP was issued by the Purchasing and Materials Management Division (PMMD) on January 14, 2010 for providing and maintaining internet-ready computers that can be freely accessed by the public in various City facilities while guaranteeing annual revenue to the City all at no risk to the City.

No counter-proposals were received to the Swiss Challenge RFP. It is, therefore, recommended that the City execute an agreement with The Oxford Group, based on their original proposal.

The Toronto Office of Partnership will undertake to manage the contract with The Oxford Group since this partnership is multi-Divisional.

The Fair Wage Office has reported that the recommended firm has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

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