



**STAFF REPORT
ACTION REQUIRED**
with Confidential Attachment

**Bell Integrated Telecommunications Infrastructure
Contract Dispute Status Update and Request for Interim
Single Year Extension**

Date:	May 27, 2015
To:	Government Management Committee
From:	Chief Information Officer and City Solicitor
Wards:	All
Reason for Confidential Information:	This report relates to the receiving of advice that is subject to solicitor-client privilege, and litigation or potential litigation.
Reference Number:	P:\2015\Internal Services\I&T\Gm15006I&T (AFS #21194)

SUMMARY

The purpose of this report is to provide Government Management Committee with supplementary confidential information related to GM2.6 staff report, which was deferred at the February 17, 2015 Committee meeting, and GM3.15 staff report, which was referred to report back at the August 31, 2015 Government Management Committee meeting.

Based on the information contained within the confidential attachment, staff recommend that the 2010-2015 contract authority amount be increased by \$5.131 million, net of GST and that an interim single year extension to the Bell Integrated Telecommunications Infrastructure (ITI) contract be authorized in the amount of \$9.043 million net of GST.

RECOMMENDATIONS

The Chief Information Officer and City Solicitor recommend that:

1. City Council direct that the confidential information in Attachment 1 remain confidential as it relates to the receiving of advice that is subject to solicitor-client privilege, and litigation or potential litigation.
2. City Council grant authority to increase contract number 47015457 for the Integrated Telecommunications Infrastructure (ITI) and related Services with Bell Canada by \$5.131 million net of HST recoveries (\$5.042 million excluding taxes) from \$54.204 million net of HST recoveries (\$53.266 million excluding taxes), so that the new financial authority during this period will be an upset amount of \$59.335 million net of HST recoveries (\$58.308 million excluding taxes).
3. City Council grant authority for the Chief Information Officer to extend the current ITI contract and increase the contract value with Bell Canada for one (1) year commencing October 1, 2015 ending September 30, 2016, for an additional estimated amount of \$9.043 million net of HST recoveries (\$8.887 million excluding taxes) based on the same pricing, terms and conditions.

Financial Impact

The expected expenditure against the current October 1, 2010 - September 30, 2015 ITI contract is \$59.335 million net of HST recoveries (\$58.308 million excluding taxes), which includes the additional authority request of \$5.131 million net of HST recoveries (\$5.042 million excluding taxes).

The contract extension expenditure for the period October 1, 2015 – September 30, 2016 is \$9.043 million net of HST recoveries (\$8.887 million excluding taxes).

Neither the 2010 - 2015 contract amount increase nor the proposed 1 year extension have any financial or budgetary impacts and all amounts are included in approved budgets.

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

DECISION HISTORY

At its meeting of February 17, 2015 Government Management Committee deferred the report (February 20, 2015) from the Chief Information Officer and Director, Purchasing and Materials Management (Item GM2.6) and requested a supplementary report be provided with confidential information related to the Bell Integrated Telecommunications Infrastructure (ITI) contract.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM2.6>

At its meeting of April 8, 2015 Government Management Committee referred Item GM 3.15 to the Chief Information Officer, Director, Purchasing and Materials Management

and City Solicitor, with the request that they review the outstanding issues and report to the Government Management Committee on August 31, 2015.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM3.15>

ISSUE BACKGROUND

Government Management Committee deferred the decisions related to the staff recommendations to grant authority to amend the Bell ITI contract authority amount for the 2010-2015 term as well as grant financial authority for the 2016-2020 term. This direction was provided to staff as a result of an unresolved contract issue. Staff were directed to report back at the August 31, 2015 Government Management Committee meeting on the resolution of the outstanding issue.

COMMENTS

It is essential for the reasons as outlined in the Confidential Attachment that Committee and Council consider the matter of the extension of the Bell ITI contract in this cycle of Council.

Based on the information contained in Confidential Attachment 1, staff are providing an update on the contract issues related to the Bell ITI contract and recommend that Council grant authority for a one year extension of the contract from October 1, 2015 – September 30, 2016, in the upset amount of \$9.043 million.

Additionally, staff are recommending that Council grant authority for amending the 2010-2015 contract authority by \$5.131 million so that there is sufficient financial authority to complete the first term of the contract.

Staff will provide a final status report to the August 31, 2015 Government Management Committee related to the Bell contract status, as well as a separate staff report from Legal related to the status of the Cogeco contract as previously requested.

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SIGNATURE

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ATTACHMENTS

Attachment 1 - Confidential Information:

Bell Integrated Telecommunications Infrastructure Update and Request for Interim
Single Year Extension