

## **Amendment to Toronto Fire Services' 2023 Approved Capital Budget for the Next Generation 9-1-1 capital project and Amendment to Blanket Contract 47023903**

**Date:** May 23, 2023

**To:** Executive Committee

**From:** Fire Chief and General Manager, Toronto Fire Services and Chief Procurement Officer

**Wards:** All

### **SUMMARY**

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The purpose of this report is to seek authority for the Fire Chief and General Manager, Toronto Fire Services (TFS) to increase Toronto Fire Services' 2023 Approved Capital Budget and cash flow for the Next Generation 9-1-1 capital project by \$1.4 million gross, fully funded by a Province of Ontario grant, with no impact to the City's debt requirements.

Additionally, this report seeks authority to amend and increase the maximum potential value of a current awarded contract for the supply, delivery and installation of products and services necessary to upgrade the current Toronto Fire Service (TFS) 9-1-1 telephony communications environment to a Next Generation 9-1-1 compliant platform, including warranty, maintenance, and support ("Blanket Contract Number 47023903").

The receipt of Province of Ontario grant funding, and resultant in-year budget adjustment of \$1.4 million, will support the requested amendment to Blanket Contract Number 47023903 allowing for required technology upgrades to the TFS 9-1-1 telephony communications environment to be procured from the City's current vendor, now known as Netagen Communication Technologies Inc. The total value of the current amendment to Blanket Contract Number 47023903 that is being requested is for an additional \$500,000 net of all applicable taxes and charges (\$508,800 net of HST recoveries), revising the current maximum potential contract award, including all option years and prior amendments, from \$1,676,691.45 net of all taxes and charges (\$1,706,201.22 net of HST recoveries) to \$2,176,691.45 net of all taxes and charges (\$2,215,001.22 HST recoveries).

## RECOMMENDATIONS

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The Fire Chief and General Manager, Toronto Fire Services, and Chief Procurement Officer recommend that:

1. City Council grant authority to the Fire Chief and General Manager, Toronto Fire Services to execute an amending agreement to further amend the September 1st, 2021 contract with Combat Networks Inc., for supply, delivery, and installation, of products and services necessary for Toronto Fire Services 9-1-1 telephony Next Generation 9-1-1 upgrade, as authorized by the City's Bid Award Panel, and as previously amended by Fire Chief and General Manager, Toronto Fire Services, and Deputy City Manager to reflect the change in the vendor's name to Netagen Communication Technologies Inc.; and, modify the amount and scope of Next Generation 9-1-1 upgrade products and services, the maximum potential contract award and maximum amount per contract year, (Blanket Contract Number 47023903) to increase the current maximum potential contract award, including all option years, from \$1,676,691.45 net of all taxes and charges (\$1,706,201.22 net of HST recoveries) to a new maximum potential contract award, including all option years of \$2,176,691.45 net of all taxes and charges (\$2,215,001.22 net of HST recoveries); and associated modifications to the Next Generation 9-1-1 upgrade products and services procured, and maximum amounts per contract year, in a form acceptable to the Fire Chief and General Manager, and City Solicitor and;
2. City Council amend the Toronto Fire Services 2023 - 2032 Council approved Capital Budget and Next Generation project in the amount of \$1.400 million, by increasing the total project cost and cash flow in 2023, revising the initial project cost from \$0.350 million to \$1.750 million, fully funded by a Province of Ontario grant.

## FINANCIAL IMPACT

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The staff-initiated budget adjustment of \$1.4 million in 2023 to the "Next Generation 9-1-1" project, a capital project categorized as Health and Safety, is fully funded by a Province of Ontario grant which has no impact to debt and is specifically targeted to support the implementation of Next Generation 9-1-1 technology within the Toronto Fire Services' Public Safety Answering Point (PSAP).

Previously approved budgeted project cost, net of HST recoveries, is revised in accordance with Table 1, below:

Table 1 – Budget Amendment

Project Name	SAP Account #	Cost Element	Initial Project Cost	In- Year Adjustment	Revised Project Cost
Next Generation 9-1-1	CFR132	4995	\$350,000	\$1,400,000	\$1,750,000

The application for provincial grant funding to modernize TFS' Next Generation 9-1-1 technology was approved by the Province on March 2, 2023 subject to the requirement that the City provide the appropriate documentation. The City completed and delivered the requested documentation and received the approved funding of \$1.4 million on May 5, 2023. The corresponding technology upgrades must be completed and verification must be provided to the Province of Ontario no later than July 31, 2023.

Any funding not spent by July 31, 2023, must be returned to the Province. The City must re-apply in order to be considered for additional grant funding in each of the remaining two years (2024/2025) of the grant program. No information on the subsequent grant application process has been made available yet.

The total value of the further contract amendment identified in this report is \$500,000 net of all applicable taxes and charges (\$508,800 net of HST recoveries) which will increase the maximum total potential contract value, inclusive of all Option Years, and prior amendments, authorized by the Fire Chief and the Deputy City Manager from \$1,676,691 net of all taxes and charges (\$1,706,201 net of HST recoveries) to \$2,176,691 net of all taxes and charges (\$2,215,001 net of HST recoveries). Further information is provided in Table 2 below.

Table 2 – Financial impacts of requested contract amendment (net of HST recoveries)

Contract Number 47023903 - Amendment History	
Contract Value for the Initial Term (September 2021 to December 31, 2022), as approved by Bid Award Panel	Maximum Potential Contract Total Value, including all four separate Option Years, as approved by Bid Award Panel
\$732,866.45	\$1,197,401.22
Contract Value for the Initial Term (September 2021 to December 31, 2022) as amended by the Fire Chief and General Manager, Toronto Fire Services in February 2022	Maximum Potential Contract Total Value, including all four separate Option Years, as amended by the Fire Chief and General Manager, Toronto Fire Services in February 2022
\$834,626.45	\$1,299,161.22
Contract Value for the Initial Term (September 2021 to December 31, 2022) including prior amendment and first Option Year (January 1, 2023 to December 31, 2023) as further amended by the Deputy City Manager, in April 2023	Maximum Potential Contract Total Value, including all four separate Option Years, as further amended by the Deputy City Manager, in April 2023
\$1,357,800.15	\$1,706,201.22

Contract Number 47023903 - Amendment History	
Proposed Amendment to Maximum Potential Contract Total Value, including all Option Years	\$508,800.00
Revised Maximum Potential Contract Total Value, including all Option Years	\$2,215,001.22

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

## DECISION HISTORY

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At its meeting of April 7, 2021, Bid Award Panel adopted, without amendment, Item BA129.2 - Award of Ministry of Health - Vendor Record (VOR) Arrangement Tender 8690 for 9-1-1 Telephony Communications Solution for City of Toronto Fire Services to Combat Networks Inc. awarding a blanket contract to Combat Networks Inc. (now Netagen Communication Technologies Inc.) for the non-exclusive supply, delivery and installation of products and services necessary to upgrade the current Toronto Fire Service (TFS) 9-1-1 telephony communications environment to a Next Generation 9-1-1 compliant platform, including warranty, maintenance and support for a period of approximately one year from date of award, with option to extend the agreement for up to four additional separate one year periods ("Option Years")

<https://secure.toronto.ca/council/agenda-item.do?item=2021.BA129.2>

On March 7, 2019, City Council approved the 2019 Capital Budget and 2020-2028 Capital Plan which included the approval of \$0.350 million for the Next Generation 9-1-1 capital project.

<https://secure.toronto.ca/council/agenda-item.do?item=2019.EX2.5>

## COMMENTS

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### Provincial Grant

Technology enabling the delivery of 9-1-1 emergency calls across Canada is changing. The Canadian Radio-Television and Telecommunication Commission (CRTC) has mandated that all incumbent local exchange carriers (Bell Canada in Ontario) currently providing 9-1-1 service transition to an internet protocol-based emergency call delivery network or "ESInet", commonly referred to as Next Generation 9-1-1 (NG 9-1-1). Furthermore, the CRTC has mandated the decommissioning of legacy 9-1-1 switched circuit technology by March of 2025.

In order to assist municipalities that operate Public Safety Answering Points (PSAPs) with the transition to NG 9-1-1 the Province of Ontario, announced a \$208 million

funding initiative on April 14th, 2022. The Province accepted applications for funding between December 1, 2022, and January 10, 2023.

Toronto Fire Services (TFS) applied for this grant funding to support the division's ongoing efforts and project for NG 9-1-1 upgrades. TFS received notification on March 2, 2023, that the division's application for funding had been approved subject to the completion and provision of appropriate documentation to the Province. The City completed and delivered the requested documentation and received funding in the amount of \$1.4 million on May 5, 2023. The funding provided by the Province of Ontario, as specified by the Province, is specifically targeted at the implementation of NG 9-1-1 technology within the TFS Communications Centre Public Safety Answering Point, (PSAP). Eligible expenditures must be incurred and confirmation be provided to the Province no later than July 31, 2023.

The City's receipt of this funding and the in-year budget adjustment will allow for a further amendment to Blanket Contract Number 47023903, to increase its value and obtain further products and services necessary to upgrade the current TFS 9-1-1 telephony communications environment to a NG 9-1-1 compliant platform, aligning with provincial grant funding eligibility criteria.

Additionally, the funding will provide for other purchases outside of Blanket Contract 47023903 with other suppliers for other improvements that will also fall within the provincial eligibility criteria for hardware, software, infrastructure and project support directly related to the introduction and integration of NG 9-1-1 within the TFS PSAP.

### **Further Contract Amendment to Contract Number 47023903**

Bid Award Panel authorized the award of a contract to Combat Networks Inc. ("Blanket Contract Number 47023903") for the non-exclusive supply, delivery and installation of products and services necessary to upgrade the current TFS 9-1-1 telephony communications environment to a NG 9-1-1 compliant platform, including warranty, maintenance and support for a period of approximately one year from date of award, with option to extend the agreement for up to four additional separate one year periods ("Option Years").

The maximum value of Blanket Contract Number 47023903 as approved by Bid Award Panel was \$732,866 net of Harmonized Sales Tax (HST) recoveries; however, the total potential contract award including all of the Option Years as awarded would be \$1,329,661 including all applicable taxes and charges; \$1,176,691 net of all applicable taxes and charges; and \$1,197,401 net of HST recoveries. The Bid Award Panel authority specified the maximum value of the initial term, and further specified the maximum potential value of each of the four separate Option Years, if any of these four separate options to extend the term were exercised.

After the City's award and entering into of Blanket Contract Number 47023903 with the vendor, Combat Networks Inc. undertook amendments to the articles of incorporation to change the vendor's name to Netagen Communication Technologies Inc. (hereafter

"Netagen"). Blanket Contract Number 47023903 was amended to reflect the current name of the vendor.

In February 2022 the Fire Chief and General Manager authorized an amendment, in accordance with City of Toronto Municipal Code Chapter 71, Financial Control and Chapter 195, Purchasing, to add a contingency amount to the contract to address additional requirements discovered during implementation.

This amendment to Blanket Contract Number 47023903, with Netagen, increased the total value of the contract during the initial term by \$100,000 (net of HST) from \$732,866.45; to \$834,626.45 and increasing the total value of the contract including all option years from \$1,197,401.00 to \$1,299,161.22 (net of HST recoveries)

In April 2023, the Deputy City Manager authorized a further amendment, in accordance with City of Toronto Municipal Code Chapter 71, Financial Control and Chapter 195, Purchasing, within available budgets, in order to add capacity to the contract and enable expenditures that are eligible for reimbursement by the Provincial grant program prior to the July 31 deadline.

This April 2023 amendment to Blanket Contract Number 47023903, with Netagen, increased the total value of the contract during the first option year by \$407,040.00 (net of HST recoveries); increasing the value of the contract during the initial term and first option year from the previously amended maximum of \$834,626.45 to \$1,241,666.45; and increasing the total value of the Blanket Contract Number 47023903 including all option years, as previously amended from \$1,299,161.22 to \$1,706,201.22 (net of HST recoveries).

The total effect of these previous amendments were to change the name of the vendor to reflect the corporate name change; and increase the total value of the agreement during the first term; first option year; and overall maximum value. It is now proposed to further amend Blanket Contract Number 47023903, to allow for the purchase of additional \$500,000 net of all applicable taxes and charges (\$508,800 net of HST recoveries) of goods and services from Netagen to upgrade the current TFS 9-1-1 telephony communications environment to an NG 9-1-1 compliant platform during the current term.

Specifically, the amendment would allow for TFS to purchase the goods and services from Netagen required to create and supply a separate "development environment" which would be distinct from the "production environment" currently supplied by Netagen under Blanket Contract Number 47023903. This can be accomplished by procuring more of the same products and services currently available on the contract. Obtaining a separate "development environment" will greatly reduce risk related to change management. A "development environment" will allow for greater flexibility and increased efficiencies as TFS validates the impact of any enhancements, patches or software updates prior to introducing these changes into the active NG 9-1-1 operational system.

The total value of this amendment to Blanket Contract Number 47023903, as previously amended, that is being requested is for an additional \$500,000 net of all applicable

taxes and charges (\$508,800 net of HST recoveries). This will increase the current maximum value of the Blanket Contract Number 47023903, including all option years, from \$1,676,691.45 net of all taxes and charges (\$1,706,201.22.15 net of HST recoveries) to \$2,176,691.45 net of all taxes and charges (\$2,215,001.22 HST recoveries).

## **CONTACT**

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## **SIGNATURE**

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Geneviève Sharkey  
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