

Amendment to Blanket Contracts and Non-Competitive Procurement for the Supply of Paging and Mobile Devices, Accessories and Services

Date: April 17, 2024

To: General Government Committee

From: Chief Technology Officer and Chief Procurement Officer

Wards: All

SUMMARY

Since 2020, the City of Toronto has utilized the Province of Ontario's Vendor of Record (VOR) to procure paging and mobile devices, accessories, and services for City staff. The Province recently extended this contract until July 31, 2024, while a new VOR is negotiated.

This report seeks spend authority for the Province's July 31, 2024, extension (through two purchase order amendments) and five (5) additional non-competitive bridge contracts that include six (6) month contingency extensions with existing VOR vendors until the City of Toronto can adopt the new VOR later this year.

The total amount of the recommended contract amendments and awards included in this report is \$13,555,000 net of all applicable taxes (\$13,793,568 net of HST Recoveries).

City Council approval is required in accordance with Municipal Code Chapter 195-Purchasing, where the current request exceeds the Chief Procurement Officer's authority of the cumulative five-year (5) commitment for each supplier, under Article 7, Section 195-7.3 (D) of the Purchasing By-Law or exceeds the threshold of \$500,000 net of HST allowed under staff authority as per the Toronto Municipal Code, Chapter 71 Financial Control, Section 71-11A.

RECOMMENDATIONS

The Chief Technology Officer and Chief Procurement Officer recommend that:

1. City Council authorize the Chief Technology Officer to:

- (a) Amend contract 47022610 with Rogers Communications Canada Inc. for the amount of \$890,000.00 net of all applicable taxes (\$905,664.00 net of HST Recoveries) until July 31, 2024, to coincide with the Government of Ontario's Vendor of Record term.
- (b) Amend contract 47022792 with Telus Communications Inc. for the amount of \$215,000.00 net of all applicable taxes (\$218,784.00 net of HST Recoveries) until July 31, 2024, to coincide with the term on the Government of Ontario's Vendor of Record term.

2. City Council authorize the Chief Technology Officer to:

- (a) Negotiate and execute a non-competitive contract with Rogers Communications Canada Inc. for the amount of \$3,600,000 net of all applicable taxes (\$3,663,360.00 net of HST Recoveries) for an initial term of five (5) months from August 1 to December 31, 2024 with the option, at the sole discretion of the City, to extend the Agreement for one (1) additional option term of six (6) months for a total potential value of \$7,150,000.00 net of all applicable taxes (\$7,275,840.00 net of HST Recoveries) to June 30, 2025;
- (b) Negotiate and execute a non-competitive contract with Telus Communications Inc. for the amount of \$1,000,000.00 net of all applicable taxes (\$1,017,600.00 net of HST Recoveries) for an initial term of five (5) months from August 1 to December 31, 2024 with the option, at the sole discretion of the City, to extend the Agreement for one (1) additional option term of six (6) months for a total potential value of \$2,300,000.00 net of all applicable taxes (\$2,340,480.00 net of HST Recoveries) to June 30, 2025;
- (c) Negotiate and execute a non-competitive contract with Bell Mobility Inc. for the amount of \$500,000.00 net of all applicable taxes (\$508,800.00 net of HST Recoveries) for an initial term of five (5) months from August 1 to December 31, 2024 with the option, at the sole discretion of the City, to extend the Agreement for one (1) additional option term of six (6) months for a total potential value of \$1,000,000.00 net of all applicable taxes (\$1,017,600.00 net of HST Recoveries) to June 30, 2025;
- (d) Negotiate and execute a non-competitive contract with Baka Communications \$500,000.00 net of all applicable taxes (\$508,800.00 net of HST Recoveries) for an initial term of five (5) months from August 1 to December 31, 2024 with the option, at the sole discretion of the City, to extend the Agreement for one (1) additional option term of six (6) months for a total potential value of \$1,000,000.00 net of all applicable taxes (\$1,017,600.00 net of HST Recoveries) to June 30, 2025; and
- (e) Negotiate and execute a non-competitive contract with Paging Network of Canada (PageNet) for the amount of \$500,000.00 net of all applicable taxes (\$508,800.00 net of HST Recoveries) for an initial term of five (5) months from August 1 to December 31, 2024 with the option, at the sole discretion of the City, to extend the Agreement for one (1) additional option term of six (6) months for a total potential value of \$1,000,000.00 net of all applicable taxes (\$1,017,600.00 net of

HST Recoveries) to June 30, 2025.

FINANCIAL IMPACT

The total amount of the recommended contract amendments and awards, including the contingency, is \$13,555,000 net of all applicable taxes (\$13,793,568 net of HST recoveries).

Table 1 - Financial Impact of Recommended Contract Amendments and Awards
(Net of HST Recoveries)

	Initial Term: Date of Amendment to July 31, 2024	Initial Term: Aug 1-Dec 31, 2024	Option to Extend: Jan 1- June 30, 2025	Total
Rogers 4811/ various cost centres	\$ 905,664	\$3,663,360	\$3,612,480	\$8,181,504
Telus 4811/ various cost centres	\$218,784	\$1,017,600	\$1,322,880	\$2,559,264
Bell Mobility 4811/ various cost centres		\$508,800	\$508,800	\$1,017,600
Baka Communic ations 4804/ various cost centres		\$508,800	\$508,800	\$1,017,600

	Initial Term: Date of Amendment to July 31, 2024	Initial Term: Aug 1-Dec 31, 2024	Option to Extend: Jan 1- June 30, 2025	Total
Paging Network of Canada 4555/ various cost centres		\$508,800	\$508,800	\$1,017,600
Total	\$1,124,448	\$6,207,360	\$6,461,760	\$13,793,568

Funding for 2024 is available within the Approved 2024 Operating Budgets of participating Divisions. 2025 funding will be addressed within future 2025 Operating Budget submissions.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as contained in the Financial Impact Section.

DECISION HISTORY

In December 2019, Bid Award Panel granted authority to the Chief Purchasing Officer to award Vendor of Record arrangement #OSS-00415819 to Rogers Communications Canada Inc., Paging Network of Canada, Telus Communications Inc. and Bell Mobility Inc. for the Supply of Paging and Mobile Devices and Services.

[Agenda Item History 2019.BA59.6](#)

COMMENTS

Technology Services Division supports mobile connectivity for over 21,000 City staff by providing mobile devices (cellphones, tablets, modems and pagers), accessories, mobile minutes and cellular data. To achieve the best value, the City has leveraged the Province of Ontario's Vendor of Record (VOR) #OSS-00415819 since 2020. When this agreement expired January 1, 2024, the Province extended it until July 31, 2024, to allow time to procure a new contract, which is expected to be awarded by Q3 2024.

Utilizing the Province of Ontario's VOR agreements is a proven approach to realize significant financial benefits for municipalities due to favourable prices and terms achieved through the Province's purchasing power. A 2020 report from the Auditor

General estimated that the City will save \$6.9 million through leveraging #OSS-00415819 for mobile services from 2020-2025 alone. The City plans to continue leveraging this contract and will return to General Government Committee and City Council to adopt the newly established VOR by Q4 2024.

Until the City can adopt the new agreement, this report mitigates interruptions to wireless connectivity for City staff by requesting spending authority to existing purchase orders and authority to negotiate and enter non-competitive bridge contracts until the end of 2024. A six (6) month contingency extension is also factored into each bridge contract should the Province experience any procurement delays.

CONTACT

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SIGNATURE

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