



REPORT FOR ACTION

Award of Provincial Vendor of Record and Non-competitive Procurement for the Supply of Paging and Mobile Devices, Accessories and Services

Date: February 11, 2025
To: General Government Committee
From: Chief Technology Officer and Chief Procurement Officer
Wards: All

SUMMARY

The purpose of this report is to seek authority for the Chief Technology Office to utilize the Province of Ontario's Vendor of Record (VOR) Arrangement Tender Number 18677 for Mobile Devices and Services (The Ontario Master Agreement). The total potential value of the VOR adoption is \$69,476,714 net of all applicable taxes and charges (\$70,669,504 net of Harmonized Sales Tax (HST) recoveries) for a term up to nine years and three months.

The City of Toronto's Technology Services Division supports mobile connectivity for over 22,600 City staff by providing wireless services (including cell phones, modems, pagers), and related accessories and services. Following advice from the Auditor General, the City has utilized the wireless VOR to save over \$10 million from favorable rates and contract terms since 2020.

To ensure business continuity and prevent service disruptions during the expiration of the previous VOR and the establishment of the new agreement, City Council approved bridge contracts in May 2024. With the new Provincial VOR in place, the City is prepared to adopt the new agreement and expects an additional \$16.5 million in direct savings and cost avoidance over the new contract period from 2025-2034.

This report is also requesting City Council Authority to enter into a Non-competitive Procurement with Paging Network of Canada Inc. for pagers and paging services due to the absence of competition. The total value for this contract award is \$1,500,000 net of all taxes and applicable charges (\$1,526,400 net of Harmonized Sale Tax Recoveries) for a two-year term.

To ensure uninterrupted service, and given that pagers and paging services are no longer included in the Provincial VOR, while Paging Network of Canada Inc. remains the sole licensed provider of paging services authorized by Industry Canada, it is necessary to proceed with the Non-competitive exception code number 2; Exclusive Rights.

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 the Chief Procurement Officer recommend that:

1. City Council grant the authority to the Chief Technology Officer in accordance with Sections 195-6.6 and 195-8.5 of the Toronto Municipal Chapter 195 (Procurement) grant authority for the Chief Technology Officer to enter into, and execute agreements that are subject to terms and conditions acceptable to the Chief Technology Officer for the provision of Mobile Devices and Services with:
 - a. Rogers Communications Canada for the value of \$57,484,224 net of all taxes and applicable charges, \$64,957,173 inclusive of all applicable taxes and charges, and \$58,495,946 net of Harmonized Sale Tax Recoveries, for an initial term of 5 years and 4 months from date of award to July 31, 2030 and two (2) additional 2-year terms to July 31, 2034.
 - b. Bell Mobility Inc. for the value of \$4,801,719 net of all taxes and applicable charges, \$5,425,942 inclusive of all applicable taxes and charges, and \$4,886,229 net of Harmonized Sale Tax Recoveries, for an initial term of 5 years and 4 months from date of award to July 31, 2030 and two (2) additional 2-year terms to July 31, 2034.
 - c. Baka Communications¹ for the value of \$1,800,361 net of all taxes and applicable charges \$2,034,408 inclusive of all applicable taxes and charges, and \$1,832,048 net of Harmonized Sale Tax Recoveries, for an initial term of 5 years and 4 months from date of award to July 31, 2030 and two (2) additional 2-year terms to July 31, 2034.
 - d. Telus Communications Company for the value of \$5,390,410 net of all taxes and applicable charges, \$6,091,163 inclusive of all applicable taxes and charges, and \$5,485,281 net of Harmonized Sale Tax Recoveries, for an initial term of 5 years and 4 months from date of award to July 31, 2030 and two (2) additional 2-year terms to July 31, 2034 and;
2. City Council grant the authority to the Chief Technology Officer to negotiate and execute a non-competitive contract in accordance with Sections 195-7.3 (D) of the Toronto Municipal Chapter 195 (Procurement) with:

¹ Baka Communications is the exclusive hardware dealer for Bell Mobility under the Provincial VOR.

- a. Paging Network of Canada Inc. for the value of \$1,500,000 net of all taxes and applicable charges, \$1,695,000 inclusive of all applicable taxes and charges, and \$1,526,400 net of Harmonized Sale Tax Recoveries, for an initial term of 2 years from date of award to March 31, 2027.

FINANCIAL IMPACT

The total potential contract awards identified in this report for VOR, including all option years, is \$78,508,687 inclusive of all applicable taxes and charges and 69,476,714 net of all applicable taxes and charges. The total potential cost to the City is \$70,699,504 net of HST recoveries.

The total potential contract award identified in this report for the non-competitive procurement with Paging Network of Canada Inc. is \$1,695,000 inclusive of all applicable taxes and charges and \$1,500,000 net of all taxes and applicable charges. The total potential cost to the City is \$1,526,400 net of HST recoveries.

Funding in the amount of \$8,026,450 for 2025 is available within the 2025 Operating Budgets of participating Divisions. Funding for the remaining contract periods from January 1, 2026 to July 31, 2030 will be included in the 2026-2030 Operating Budget submissions for the participating divisions. Should the City choose to exercise its option to renew for an additional two (2) separate two (2)-year periods, then appropriate funding, if needed, will be included in the 2030-2034 annual Operating Budget Submissions for participating Divisions.

Financial impacts are summarized in Table 1 and 2 below:

Table 1 – Financial Impact Summary of Recommended Contract by Term (Net of HST Recoveries)

	Initial Term Date of Adoption to July 31, 2030	First Option to Extend: August 1, 2030-July 31, 2032	Second Option to Extend: August 1, 2032, July 31, 2034	Total (2025-2034)
Rogers 4811/ various cost centres	\$31,786,217	\$14,327,785	\$12,381,943	\$58,495,946
Telus 4811/ various cost centres	\$3,342,268	\$963,817	\$1,179,197	\$5,485,281

	Initial Term Date of Adoption to July 31, 2030	First Option to Extend: August 1, 2030-July 31, 2032	Second Option to Extend: August 1, 2032, July 31, 2034	Total (2025- 2034)
Bell Mobility 4811/ various cost centres	\$2,910,407	\$970,815	\$1,005,007	\$4,886,229
Baka Communications 4804/ various cost centres	\$1,144,951	\$201,273	\$485,824	\$1,832,048
Paging Network of Canada Inc. 4555/ various cost centres	\$1,526,400	\$0	\$0	\$1,526,400
Total	\$40,710,243	\$16,463,690	\$15,051,971	\$72,225,904

Table 2 – Financial Impact by Year of Recommended Contract (Net of HST Recoveries)

		Rogers	Telus	Bell Mobility	Baka Communic ations	Paging Network of Canada Inc.	Total
		4811/ Various cost centres	4811/ Various cost centres	4811/ Various cost centres	4804/ Various cost centres	4555/ Various cost centres	
Initial Term Date of Adoption to July 31, 2030	2025	\$5,333,277	\$999,995	\$593,941	\$488,677	\$610,560	\$8,026,450
	2026	\$4,824,758	\$404,350	\$505,411	\$36,578	\$763,200	\$6,534,297
	2027	\$6,493,962	\$393,202	\$505,411	\$49,809	\$152,640	\$7,595,023
	2028	\$6,040,377	\$401,789	\$505,411	\$50,182	\$0	\$6,997,759
	2029	\$5,041,014	\$518,491	\$505,411	\$95,634	\$0	\$6,160,550

		Rogers	Telus	Bell Mobility	Baka Communic ations	Paging Network of Canada Inc.	Total
		4811/ Various cost centres	4811/ Various cost centres	4811/ Various cost centres	4804/ Various cost centres	4555/ Various cost centres	
	2030	\$4,052,829	\$624,441	\$294,823	\$424,072	\$0	\$5,396,165
First Option to Extend: August 1, 2030-July 31, 2032	2030	\$3,809,835	\$173,644	\$202,253	\$30,547	\$0	\$4,216,279
	2031	\$6,451,696	\$410,088	\$485,408	\$56,155	\$0	\$7,403,348
	2032	\$4,066,253	\$380,084	\$283,154	\$114,571	\$0	\$4,844,063
Second Option to Extend: August 1, 2032, July 31, 2034	2032	\$3,035,878	\$179,740	\$209,376	\$30,854	\$0	\$3,455,849
	2033	\$5,265,155	\$762,072	\$502,503	\$417,991	\$0	\$6,947,721
	2034	\$4,080,910	\$237,386	\$293,127	\$36,978	\$0	\$4,648,401
Total		\$58,495,946	\$5,485,281	\$4,886,229	\$1,832,048	\$1,526,400	\$72,225,904

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

DECISION HISTORY

In May 2024, City Council granted authority to the Chief Technology Officer and Chief Procurement Officer to amend blanket contracts and execute non-competitive procurement with Rogers Communications Canada Inc., Paging Network of Canada Inc., Telus Communications Inc. and Bell Mobility Inc. for the Supply of Paging and Mobile Devices and Services. [Agenda Item History 2024.GG12.13](#)

In April 2021, City Council received the Auditor General's 2020 Annual Report - Demonstrating the Value of the Auditor General's Office for information. The report cited

City-wide contract savings by leveraging the Province of Ontario's wireless contract rates. [Agenda Item History 2021.AU8.3](#)

In December 2019, Bid Award Panel granted authority to the Chief Procurement 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](#)

In April 2018, City Council adopted an Audit of the City's Wireless Telecommunication Contracts where the requested the City to explore inter-governmental procurement opportunities for acquiring telecommunication services for the next RFP.

[Agenda Item History 2018.AU8.3](#)

COMMENTS

The City of Toronto is ready to adopt the new competitive Provincial Vendor of Record (VOR) for Mobile Devices and Services. The contract includes cell phones, accessories, and services for City staff as well as modems and related accessories for internet connectivity in City buildings. Though previous wireless VORs included pagers and related services, this service is no longer available within the new agreement. As a result, the City must proceed with a non-competitive procurement with Paging Network of Canada Inc., the sole licensed provider of paging services in Ontario by Industry Canada.

The Provincial VOR includes a tiered 3 supplier ranking, with a primary first choice supplier. Alternate suppliers may be selected if the primary vendor cannot fulfill the request and/or if multiple suppliers are required. This is beneficial for City divisions that stagger their fleet as part of emergency planning.

Since switching from independently procured contracts to the VOR in 2020, the City has realized over \$10 million in savings. In the new agreement, the City continues to see competitive pricing and terms compared to market rates, particularly with significant discounts on monthly airtime and data plans.

Adopting the new VOR aligns with the City's plan for ensuring continued value and efficiency for City operations, with an estimated \$16.5 million in direct savings and cost avoidance over the new contract period from 2025-2034.

The City is also strengthening device management through improved processes and removing unused and/or legacy assets where possible. Notably, in late 2022, the City launched an internal wireless service request portal where City staff can order wireless devices and accessories and monitor device inventory, usage, invoicing, and approvals. In 2024 the City has saved over half a million dollars from increased monitoring and reporting, including removing idle accounts and increasing repurposing unused lines by 16%.

DIGITAL INFRASTRUCTURE IMPACT STATEMENT

The Digital Infrastructure Strategic Framework (DISF) is a corporate-wide and principles-based strategy adopted by City Council. It provides guidance for all Digital Infrastructure Initiatives to ensure that related decisions align with corporate objectives and are not made in isolation. The recommendations of this report align with the DISF through supporting business continuity and digital transformation, by enabling staff to continue providing reliable and efficient services.

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SIGNATURE

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