



STAFF REPORT ACTION REQUIRED

Procurement of Wireless Telecommunication Services for the Toronto Transit Commission

Date:	November 23, 2015
To:	TTC Board
From:	Chief Executive Officer

Summary

This report recommends the TTC Board approve a procurement authorization to provide Wireless Telecommunication Services for a four year period commencing January 1, 2016 to December 31, 2019.

In July 2014, the City of Toronto issued RFP No. 2014-14-3019 for the supply of Wireless Telecommunications Services and Equipment for the period January 1, 2015 to December 31, 2019. The contract was awarded to Telus Communications Company (Telus) who are a Vendor of Record for the City of Toronto. As per the City agreement the approved dealer to provide equipment is Wireless Systems Solutions and will be the subject of a separate contract. The City's RFP documents allow for the awarded pricing to be extended to City Agencies, Boards and Commissions (ABC's).

TTC has an ongoing requirement to provide wireless telecommunication services for the current 1419 Blackberry devices, 261 cellular/Mike devices, 183 tablet SIM and Air Cards. The TTC is currently under contract with Telus through the previous 5 year City contract (TTC commenced May 1, 2012 to December 31, 2014) which was extended with the same pricing, terms and conditions and expires December 31, 2015.

Recommendations

It is recommended that the Board:

1. Approves the Procurement Authorization to Telus in the total amount of \$7.6 million, inclusive of applicable taxes and a 20% contingency. This contingency is to accommodate for any increases in usage and/or additional services that may be required. The contract is to commence on January 1, 2016 for the supply of wireless telecommunication services until December 31, 2019.

Financial Summary

Sufficient funds have been included in the 2016 TTC Operating Budget, Wheel Trans Budget and various Capital Budgets and will be provided for in future budgets for the duration of the contract.

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

Issue Background

In April, 2012 the TTC awarded Telus a contract for the provision of corporate wireless services based on the City of Toronto's (City) contract with Telus which allowed pricing to be extended to Agencies, Boards and Commissions.

Accessibility/Equity Matters

This recommendation has no accessibility or equality issues.

Comments

The TTC has a requirement for the supply of corporate cellular and data services on an as required basis. These services are currently being provided by Telus by a contract issued on May 1, 2012 (joint contract already established with the City on January 10, 2010). and is due to expire on December 31, 2015. The original expiry date for this contract was December 31, 2014 however, since the City did not execute the Agreement with Telus at that time TTC extended its current contract with Telus until December 31, 2015.

The City issued a competitive Request for Proposal for Wireless Telecommunications Service in July 2014 that included corporate cellular and data services. In addition the Proposal included the requirements for cellular hardware and accessories which will be the subject of a separate procurement. Telus was the successful bidder for the City's competitive tender and was awarded a contract in April 2015 that covers the period from January 1, 2015 to December 31, 2019 in the approximate amount of \$20 million dollars.

Telus has provided pricing to TTC consistent with the City's contract. Telus advised this contract is subject to the same terms and conditions of the current contract with the City. Staff reviewed the City's contract and requested several changes to best reflect the needs of the TTC. Telus provided an updated contract incorporating the requested changes as set forth by the TTC. Telus' submission is considered to be acceptable by the TTC.

The TTC continues to pursue opportunities to optimize its buying leverage; utilizing the City of Toronto's pricing for this type of requirement as an example. The TTC intends to participate in a joint bid with the City of Toronto for the same cellular services for future requirements.

Telus's overall pricing for all like items is approximately 12% lower than the pricing currently in effect with Telus.

There currently is a total fleet of 1863 devices which is projected to increase to a total fleet of approximately 2000 devices by the end of December 2015.

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Attachment

Appendix 'A'

Appendix A

Procurement Authorization Procurement of Wireless Telecommunications Services for the Toronto Transit Commission

Description	4 Year Total (incl. taxes)
Monthly charge for cellular service	\$28,800.00
Monthly charge for Blackberry service	\$3,978,720.00
Cost per additional minutes over 250 per user (unlimited)	0
Monthly EMM (Blackberry)	\$118,422.00
VOX (Blackberry Support Helpline)	\$409,468.80
Licensing per new devices	\$277,920.00
Tablets/Sim/Aircard Monthly Charge	\$688,800.00
Roaming Charges	\$96,000.00
Long distance- Canada	\$2,880.00
Long distance – USA	\$1,800.00
Directory Assistance (included)	0
Total (tax included)	\$6,331,176.20
Total including contingency of approximately 20%	\$7,600,000.00