



## **Procurement Authorization – Mobile Devices and Services**

**Date:** October 29, 2024  
**To:** TTC Board  
**From:** Chief Financial Officer

### **Summary**

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The purpose of this report is to obtain the Board's authorization to award a contract to Rogers Communications Canada Inc. for mobile devices and services for an upset amount of \$12,648,000, inclusive of HST, for a term of 69 months, with two optional two-year extension terms to be exercised at the TTC's sole discretion. These expenditures are funded from the TTC's Operating Budget.

TTC Board approval is required as this contract award exceeds the Chief Executive Officer's delegated authority limit of \$5 million for the award of a contract for mobile devices and services.

The contract provides mobile devices, accessories, and voice and data services that are vital to the TTC's operations, enabling efficient communication, collaboration, and access to critical mobile applications. With more than 3,000 managed devices across various departments, these tools are essential for field staff and teams requiring reliable connectivity.

This contract leverages the Province of Ontario's Vendor of Record (VOR) agreement for mobile devices and services, and as such, the TTC is benefiting from preferred pricing.

### **Recommendations**

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It is recommended that the TTC Board:

1. Authorize the award of a contract to Rogers Communications Canada Inc. for Mobile Devices and Services for a total amount of up to \$12,648,000, inclusive of HST, for an initial term of 69 months commencing November 1, 2024, and ending July 31, 2030, with two optional, two-year extension terms to be exercised at the TTC's sole discretion.
2. Delegate authority to the TTC's Chief Executive Officer to exercise the first two-year optional term commencing August 1, 2030 to July 31, 2032, and increase the value of the contract in the total amount of up to \$5,473,000, inclusive of HST.

3. Delegate authority to the TTC’s Chief Executive Officer to exercise the second and final two-year optional term commencing August 1, 2032 to July 31, 2034, and increase the value of the contract in the total amount of up to \$6,255,000.

## Financial Summary

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The total value of the contract award for the initial term covering November 1, 2024 to July 31, 2030 is \$12,648,000, inclusive of HST. The contract also includes two optional, two-year extension terms. The first extension, covering the period from August 1, 2030 to July 31, 2032, has a value of \$5,473,000 inclusive of HST, while the second extension, spanning the term from August 1, 2032 to July 31, 2034, has a value of \$6,255,000, inclusive of HST.

Table 1 below summarizes the total contract value of the initial and optional extension terms:

**Table 1: Contract Value of Initial and Extension Terms**

<b>Products and Services</b>	<b>Initial 69 Month Term</b> Nov 1, 2024, to Jul 31, 2030	<b>Option 1</b> Aug 1, 2030, to July 31, 2032	<b>Option 2</b> Aug 1, 2032, to Jul 31, 2034	<b>Total</b>
Mobile Devices and Accessories	6,381	2,840	3,312	12,533
Voice and Data Services	4,812	2,003	2,223	9,038
<b>Contract Expenditure (without HST)</b>	<b>11,193</b>	<b>4,843</b>	<b>5,535</b>	<b>21,571</b>
HST non-rebatable 1.76%	197	85	97	380
<b>Total Contract Expense</b>	<b>11,390</b>	<b>4,929</b>	<b>5,632</b>	<b>21,951</b>
Rebatable HST	1,258	544	622	2,425
<b>Total Authority, including HST</b>	<b>12,648</b>	<b>5,473</b>	<b>6,255</b>	<b>24,376</b>

*(in thousands)*

The operating expenditures to be incurred over the term of the contract represent the fees for mobile devices and services to be used by the TTC. The operating expenditures for each year of the contract are outlined in Table 2 below:

**Table 2: Operating Expenditures by Year**

Products and Services	2024*	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
Mobile Devices and Accessories	314	801	888	986	1,051	1,149	1,749	1,399	1,576	1,601	1,020	12,533
Voice and Data Services	120	733	782	833	875	918	963	999	1,044	1,099	671	9,038
<b>Contract Expenditure (without HST)</b>	<b>433</b>	<b>1,534</b>	<b>1,670</b>	<b>1,819</b>	<b>1,926</b>	<b>2,067</b>	<b>2,712</b>	<b>2,398</b>	<b>2,619</b>	<b>2,700</b>	<b>1,692</b>	<b>21,571</b>
HST non-rebatable 1.76%	8	27	29	32	34	36	48	42	46	48	30	380
<b>Total Contract Expense</b>	<b>441</b>	<b>1,561</b>	<b>1,699</b>	<b>1,851</b>	<b>1,960</b>	<b>2,104</b>	<b>2,760</b>	<b>2,440</b>	<b>2,666</b>	<b>2,748</b>	<b>1,721</b>	<b>21,951</b>
Rebatable HST	49	172	188	204	216	232	305	270	294	304	190	2,425
<b>Total Authority, including HST</b>	<b>490</b>	<b>1,733</b>	<b>1,887</b>	<b>2,056</b>	<b>2,176</b>	<b>2,336</b>	<b>3,065</b>	<b>2,710</b>	<b>2,960</b>	<b>3,051</b>	<b>1,911</b>	<b>24,376</b>

(in thousands)

\*Operating Expenditures under new contract only

## Funding

Funding in the amount of \$1.11 million is included in the TTC's 2024 Operating Budget for expenses associated with products and services being procured through this contract, as approved by the TTC Board on December 20, 2023, and approved by the City Council on February 14, 2024.

The 2024 expenditures based on the existing expiring contract from January 1, 2024, to October 31, 2024, are projected to be \$670,000 (including non-rebatable HST), and given funding an additional \$441,000 (including no-rebatable HST) from November 1, 2024, to December 31, 2024, based on the new contract's pricing.

Funds will be included in future budgets based on each year's anticipated usage requirements and are subject to annual budget approvals, as noted in Table 2 above. The 2024 budget was based on a promotion offered through the previous contract, which provided standard mobile devices at no cost. However, this promotion is set to expire at the end of 2024. It is anticipated that an additional \$482,000 will be required in 2025 and will be included in the TTC's 2025 Operating Budget submission to cover the anticipated costs of mobile devices in the new contract.

## **Equity/Accessibility Matters**

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Equity, Diversity, Inclusion and Accessibility is a key principle of the TTC's Corporate Plan, and as a proud leader in providing accessible public transit in the city of Toronto, one of the TTC's service objectives is a commitment to ensure reliable, safe and inclusive transit services for all our customers, moving Toronto toward a more equitable, sustainable and prosperous future. The services being procured through this contract award allow for more flexibility and accessibility, therefore promoting productivity with less geographical constraints, and catering to the needs of our employees who may require better accommodation arrangements.

Additionally, these services will continue to meet the Accessibility for Ontarians with Disabilities Act (AODA) as it relates to remaining compliant with Telecommunication Device for the Deaf (TDD) and Text Telephone (TTY) standards, providing essential communication support for individuals with hearing and speech impairments.

## **Decision History**

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The TTC's existing contract for the supply of mobile devices is also with Rogers and leveraged the Province of Ontario's now-expired Vendor of Record (VOR), OSS-00415819 – Paging and Mobile Devices and Services. The contract was awarded under staff authority in the total upset limit amount of \$4,080,000, including HST, and covered the period December 31, 2019, to January 31, 2022. In alignment with the VOR, the TTC contract also included an optional two-year extension term which was exercised by the TTC, bringing the expiring date to July 31, 2024.

The current TTC contract was amended, under staff authority, to add additional services available under the VOR, as well as to extend the term, bringing the total revised amount to \$4,830,000, including HST, with an expiry date of October 31, 2026. The extension to 2026 is required to ensure that any plans acquired under the expiring contract, can have their invoices paid under the previous agreement. Any new devices or plans acquired or renewed will be under the new contract.

## **Issue Background**

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Mobile devices and services are essential tools within an enterprise, enabling communication, collaboration, and access to mobile applications that enhance employee productivity, from routine communications to critical operations, such as safety and emergency responses. These devices provide a flexible, efficient means of connecting the workforce, facilitating real-time collaboration, and ensuring that employees remain reachable, regardless of their location.

At the TTC, mobile devices play a crucial role in supporting the workforce's growing mobility needs. With more than 3,000 managed devices in use, including both Android and iOS platforms, employees across various departments rely on these devices to perform their tasks more effectively. From field staff requiring constant communication and access to mobile applications to teams who depend on reliable mobile connectivity, TTC provisions mobile devices to ensure seamless operations.

Since 2019, the TTC has leveraged the Provincial VOR with Rogers and benefited from preferred pricing. The outgoing VOR expired July 31, 2024, and the Province has established a new VOR, again with Rogers, which staff recommend leveraging for the mobile devices and services that TTC requires.

## Comments

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Based on a competitive bid process, the Province of Ontario established a new VOR for mobile devices and services covering the initial six-year period from August 1, 2024 to July 31, 2030, with two additional optional term extensions of two years each. The VOR includes four vendors that can provide services and Rogers was selected as the top-ranked Primary Vendor offering the lowest cost.

Staff recommend leveraging the Provincial Vendor of Record (VOR) with Rogers to establish a new TTC contract for mobile devices and services. By doing so, the TTC can secure the best possible pricing through volume discounts negotiated at the provincial level, ensuring cost-efficiency while still meeting the TTC's specific requirements, terms, and conditions.

The products and services that will be acquired under the proposed contract include:

- **Mobile Devices:** Smartphones to be provisioned to TTC employees for communication, access to mobile applications, and operational support.
- **Accessories for Mobile Devices:** Accessories, such as protective cases and chargers, to be provided to ensure that mobile devices are well-protected and functional.
- **Voice and Data Services:** These services provide essential connectivity, including cellular voice communications and data access.

The proposed contract offers TTC the most competitive discounted pricing for mobile devices, accessories, and voice and data services. The new pricing plans are 10% lower than those in the previous contract, providing significant cost savings. However, this contract includes a 3-year commitment compared to the 2-year commitment in the prior agreement. Despite the longer term, the contract ensures fixed pricing throughout the duration, allowing TTC to benefit from stable costs and long-term value.

## Contact

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**Signature**

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