



ADMINISTRATIVE REPORT

Report Date: March 31, 2015
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Meeting Date: April 29, 2015

TO: Standing Committee on Planning, Transportation and Environment

FROM: General Manager of Human Resources, Digital Strategy and IT, Chief Digital Officer and Chief Purchasing Official

SUBJECT: Contract Award for City of Vancouver Public Wi-Fi

RECOMMENDATION

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of Human Resources, Digital Strategy and IT, City's Director of Legal Services, and the City's Chief Purchasing Official and enter into the following agreements;
- 1) A Twenty (20) year Master Wi-Fi License Agreement (MA) in relation to Request for Applications (RFA) PS20141083 - City of Vancouver Public Wi-Fi with TELUS Communications Company (TELUS) at no cost to the City;
 - 2) A Twenty (20) year Master Wi-Fi License Agreement (MA) in relation to Request for Applications (RFA) PS20141083 - City of Vancouver Public Wi-Fi with Shaw Cablesystems GP (Shaw) at no cost to the City;
 - 3) and a five (5) year agreement (with the option to extend additional periods up to the term of the MA) with TELUS, as part of the MA, to provide public Wi-Fi at 43 locations as outlined in the RFA at no cost to the City.
- B. THAT the Director of Legal Services, Chief Purchasing Officer and General Manager of Human Resources, Digital Strategy and IT be authorized to execute on behalf of the City the contract contemplated by Recommendation A;
- C. THAT no legal rights or obligations will be created by Council's adoption of Recommendations A and B above unless and until such contract is executed by the authorized signatories of the City as set out in these Recommendations.

REPORT SUMMARY

The City issued a Request for Applications (RFA) PS#20141083 - City of Vancouver Public Wi-Fi on December 16, 2014. The RFA was advertised on the City of Vancouver website and BC Bid and the work was called in accordance with the terms and condition of the City's Procurement Policy AF-015-01.

City staff on the RFA evaluation committee, and, subsequently, the Bid Committee, has considered the responses received, and on that basis recommend that the City negotiate and if such negotiations are successful enter into a contract as described above with TELUS and Shaw.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City's Procurement Policy AF-015-01 requires that contracts with values over \$2 million and /or exceed a five (5) term must be approved by Council following review and recommendations by the Bid Committee. The Bid Committee has considered, and recommended TELUS and Shaw, as the successful proponents.

REPORT

Background/Context

Provision of Public Wi-Fi aligns with:

- The City's Digital Strategy, Initiative #4 - Infrastructure & Assets Pillar, calls for "Expanded digital access throughout the city". A broadly deployed public Wi-Fi network is identified by the Digital Strategy as a key indicator of a digital city.
- The Tourism Vancouver Master Plan
- The Vancouver Economic Action Strategy

Demand for public access Wi-Fi in many areas of the City, particularly at the locations specified in the RFA, has become critical. The primary drivers for demand are: economic development, tourism, digital divide, emergency response, business transformation and competitive pressures.

The Public Wi-Fi Request for Applications sought to identify qualified applicants with an interest in placing their telecommunications equipment in or on City-owned buildings or street infrastructure. Applicants would be able to use that equipment for the Applicants' own private purposes, provided that it is also used to provide free public Wi-Fi at the specified locations. The RFA specified a list of 43 building and 2 street infrastructure locations developed by the City for an initial deployment of public Wi-Fi.

The first purpose of the RFA was to identify applicants with whom to enter into agreement(s) with respect to the initial locations at the conclusion of the RFA process. However, the City also owns a large number of other public facilities, and has a large array of other street based infrastructure, and it expects to seek the implementation of public Wi-Fi at some such sites over the next few years.

Therefore, the second purpose of this RFA is to generate a list of pre-qualified applicants, who could be called upon by the City from time to time in relation to future installations. The Master Agreements for both buildings and street poles will allow these future sites to be awarded to this pre-qualified list, according to the terms and conditions of the agreements.

Installing and operating public Wi-Fi services is costly. The RFA seeks to leverage changes in the Telecom & Internet Service Provider (ISP) network expansion strategies to enable the City to provision Public Wi-Fi at no cost to the City and no cost to the public.

Strategic Analysis

The RFA was issued in the accordance with City's Procurement Policy AF-015-01. The City received three responses from: TELUS Communications Company, Shaw Cablesystems G.P. and Vancouver Community Network. The responses were evaluated through the work of an evaluation team comprised of the Chief Digital Officer and representatives from Human Resources, Engineering Services and Vancouver Park Board under the stewardship of Supply Chain Management to ascertain if the responses offered good overall value to the City, both quantitative and qualitative factors were evaluated.

Some of the Criteria considered in the overall evaluation process included:

- Business Proposal inclusive of commercial terms, volume of free data, landing page, captive portal considerations and cost to the City;
- Company history and length of time in business, knowledge and experience of the company, and capability of its personnel;
- Ability to meet the City's Wi-Fi service technical considerations requirements, inclusive of:
 - Service access & use
 - Service capability
 - Deployment, support & communication
 - Service security
 - Physical specifications of equipment, and
 - Promotion & general benefits
- Ability to provide variations and/or alterations creating innovative or novel approaches to the City's objectives and requirements.

Based on the overall evaluation, Telus and Shaw are selected as pre-qualified service providers and recommended for a Master Agreement with the City, which will enable both vendors to compete on future locations and enter into site-specific licenses with the City. The application from TELUS provided best overall value to the City, specifically for the 43 initial building locations, resulting in the recommendation for these 43 locations. The two (2) street pole locations will not be awarded at this time, allowing City staff to further review technical considerations.

Financial Implications

Finance has reviewed and confirmed that there is no City funding required for this project. The City will not forego any revenue associated with having public Wi-Fi installed at these locations through this contract.

Legal

The 20 year Master License Agreement on its own does not grant a license to use any particular City property but only sets out a set of terms and conditions to apply to site-specific licenses granted under the Master License Agreement. The Master License Agreement does not obligate the City to enter into any site-specific licenses. This report recommends entering into 43 site-specific licenses with Telus pursuant to the Master License Agreement to be negotiated with Telus. Each of those 43 site-specific licenses will have 5 year terms with two additional 5 year optional renewal terms.

CONCLUSION

In summary, City staff recommends that the City of Vancouver negotiate and enter into 20 year Master Agreements with both Telus Communications Co. and Shaw Cablesystems GP and a five year contract, with the option to extend the contract, with TELUS, for supply of public Wi-Fi at 43 specified City owned locations.

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