



## ADMINISTRATIVE REPORT

Report Date: May 9, 2013  
Contact: Nick Kassam  
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VanRIMS No.: 08-2000-20  
Meeting Date: July 24, 2013

TO: Standing Committee on Planning, Transportation and Environment

FROM: Chief Information Officer, Director of Finance and Chief Purchasing Official

SUBJECT: Contract Award for Wireline Network Services

### *RECOMMENDATION*

- A. THAT Council authorize City staff to negotiate, to the satisfaction of the City's Chief Information Officer, Chief Librarian, Chief Constable, Director of Legal Services, Director of Finance, and Chief Purchasing Official, and to enter into a contract with TELUS Communications Company for the provision of wireline network services for a term of three years, (with the option to extend for two additional one-year terms) with an estimated contract value of \$3,100,000 over the term, to be funded through approved operating budgets.
- B. THAT the Director of Legal Services be authorized to execute and deliver on behalf of the City and the Vancouver Police Board, 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 legal documents are executed and delivered by the Director of Legal Services.

### *REPORT SUMMARY*

The City has issued a Request for Proposal (RFP - PS20120635) for the provision of wireline network services ("wireline") on BC Bid and received four proposals in response to the RFP. City staff on the RFP evaluation committee, and subsequently the Bid Committee, has considered the proposals received and on that basis this report recommends that the City negotiate and, if such negotiations are successful, enter into a contract as described above with TELUS Communications Company.

### *COUNCIL AUTHORITY/PREVIOUS DECISIONS*

The City's Procurement Policy requires that contracts with values over \$2 million be approved by Council following review and recommendation by the Bid Committee. Bid Committee has considered and approved TELUS Communications Company as the successful proponent.

### *REPORT*

#### *Background/Context*

The City of Vancouver, including the Vancouver Park Board, Vancouver Police Board and The Vancouver Public Library, require wireline network services on an on-going basis to conduct its operations. Wireline network services represent a segment within telecommunications that includes voice, data, and business internet applications.

Voice services include but are not limited to local and long distance calls, toll-free numbers, caller-ID, and business lines. Reserved 604-area code numbers, abbreviated dialing (between different City sites) as well as voice features (e.g. voicemail, call forwarding, etc.) are also services included in voice services. Data services provide network connectivity to sites located throughout the City, and connectivity between Engineering, Police and Fire radio systems and Engineering Telemetry systems. Internet services provide stable and cost-effective internet access for the City, as well as for the public through VPL.

This RFP for Wireline Services was an enterprise-wide initiative, which provided an opportunity to competitively engage the marketplace for services which enable the organization's operations. In addition, it provided an opportunity to partner with service providers who would provide a high-level of service and be responsive to City's current needs and desire to enhance its wireline experience in the future.

#### *Strategic Analysis*

The RFP was issued in accordance with the City's Procurement Policy. The City received four proposals in response to the RFP. The proposals were evaluated under the stewardship of Supply Chain Management to ascertain which of the proposals offered the best overall value to the City through the work of an evaluation team comprised of representatives from Corporate IT, VPL, and VPD.

In determining if the recommended proposal offered the best overall value to the City, both quantitative and qualitative factors were considered, among other factors;

- Ability to provide specific functionality (voice, data, internet)
- Demonstrated experience and capability
- Demonstrated ability to adhere to City's value, including sustainability and innovation
- Ability to provide competitive financial offering

## *Implications*

### *Financial*

Funding is available within the approved operating budgets for City of Vancouver departments, the Vancouver Public Library, and the Vancouver Police Department. As a result of the competitive RFP process, the City was able to consolidate the supplier base, negotiate and achieve cost certainty for the proposed three-year contract term and an estimated forecasted savings of approximately 15% over the current cost based on historical spend and services.

## *CONCLUSION*

In summary, City staff recommends that the City of Vancouver, Vancouver Library Board, and Vancouver Police Board enter into a three-year contract, with the option to extend for two additional one-year terms for an estimated contract value of \$3,100,000 over the term, with TELUS Communications Company for the provision of wireline network services. TELUS Communications Company provides the best overall value to the City.

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