The Regional Municipality of York

Committee of the Whole
Finance and Administration
April 11, 2019

Report of the Commissioner of Finance

Telecommunications Procurement

1. Recommendations

1. Council authorize an extension of the agreement between the Region and Rogers Business Solutions to provide wide area network and business internet services for a further term of three years, expiring on May 14, 2022, at a total cost of $852,856.68, excluding HST.

2. Council authorize an extension of the agreement between the Region and Bell Canada to provide wide area network services for a further term of three years, expiring on May 14, 2022, at a total cost of $1,255,670.64, excluding HST.

3. The agreement between the Region and Bell Canada for business internet services, expiring on October 31, 2020, be amended to increase the contract price from $117,531.00, to $146,531.00, as a result of a change in scope.

4. The Commissioner of Finance be authorized to extend and amend the agreements on behalf of the Region.

2. Summary

YorkNet is the Region's fibre network that provides telecommunications services for Regional locations. At sites where YorkNet is unavailable, services are leased from telecommunications companies who have pre-installed infrastructure in the area.

To support YorkNet planning, this report seeks approval for the Region to extend an agreement with Rogers Business Solutions (Rogers) for wide area network (WAN) and business internet services, and to extend an agreement with Bell Canada (Bell) for wide area network services. Council approval is required under the direct purchase provisions of Section 18.1 of the Purchasing Bylaw where the extension or renewal of a contract or direct purchase would result in an aggregate term of greater than five (5) years.

This report also seeks approval for the Region to amend the agreement with Bell Canada for internet services under the additional deliverables provisions of Section 12.2 of the Purchasing Bylaw as necessitated by a change in scope.

Key Points:

- Telecommunication services support the exchange of information between different locations and over the Internet.

- An exercise is currently underway to develop a plan for the network design and physical build-out of YorkNet over the next 10 years, including transitioning circuits from telecommunication companies.

- Two WAN services contracts require extensions to support YorkNet planning activities.

- One internet services contract requires an extension to support planned future procurements.

- One internet services contract requires an amendment to support an increase in service requirements.

- Council approval is required under the direct purchase provisions of Section 18.1 of the Purchasing Bylaw and under the additional deliverables provisions of Section 12.2 of the Purchasing Bylaw.

3. Background

WAN and business internet services are used to support telecommunications for Regional staff, buildings and infrastructure

The Region uses telecommunication services to support the exchange of information between different locations and over the Internet.

WAN services enable multiple locations, including buildings, transit stations, traffic lights, and water towers, to communicate and share data with each other. This connectivity is critical for the secure, efficient and seamless transfer of data regardless of where the site is located in the Region.

The Region's fibre network, YorkNet, currently provides WAN services for 282 Regional locations. Additional WAN services are leased from telecommunications companies at sites where:

- YorkNet infrastructure is currently not available. As YorkNet infrastructure expands, Regional locations in the area are reviewed for opportunities to transition from leased services to YorkNet. Long-term planning for YorkNet will assess the viability of transitioning all Regional WAN locations to YorkNet in the future.
- A redundant service is required to ensure a high degree of 'availability', or minimal downtime resulting from maintenance and unforeseen incidents. Redundancy ensures that critical locations will always have a network connection, even if one of the lines is cut or one of the carriers suffers a failure that impacts the location.

Business internet services are used daily by Region staff to access the Internet for research, training, communication and access to cloud-based applications. These services are provided by telecommunications companies who offer internet services in York Region.

Three contracts for WAN and business internet services were awarded through standard procurement processes

In 2013, a Request for Tender T-13-44 was issued for the supply of WAN services at several Regional locations. The Request for Tender was sent to two vendors, Bell and Rogers, who had been pre-qualified through a Request for Pre-Qualification. Through the Request for Tender, individual locations were awarded to Bell or Rogers according the vendor who submitted the lowest cost bid.

In 2014, the Region's existing internet services contract with Rogers was combined with Roger's WAN services contract to support administrative processes. In 2015, the Commissioner authorized the award of additional internet services to Bell to provide network redundancy.

The three contracts are summarized in Table 1.

Table 1
Summary of Telecommunications Contracts

Vendor	Service	Contract Term
Rogers	WAN and Internet	May 2014 – May 2019
Bell	WAN	May 2014 – May 2019
Bell	Internet	October 2015 – October 2020

4. Analysis

Planning exercise currently underway to develop 10-year roadmap for YorkNet

YorkNet's objectives include serving the connectivity needs of the Region and local MUSH (municipality, university, hospital, and school) sector partners and fostering opportunities with the private sector to enhance services in underserved areas.

The YorkNet network is expected to grow to 800 kilometers by 2034. This growth will enable the network to link almost all Regional facilities and provide high-speed connectivity to most of the Region. Planning for this growth will occur in stages to reflect Regional growth patterns, advancements in technology and changes in the telecommunications industry.

To assess opportunities and meet connectivity needs over the short and medium terms, YorkNet staff, in partnership with the Information Technology Services branch, is currently conducting a planning exercise for the network design and physical build-out of YorkNet over the next 10 years. The plan will identify network architecture and the physical network build-out, including timelines and equipment requirements for the transition of additional Regional locations from external WAN service providers to YorkNet.

YorkNet staff is also working with Regional departments to develop a cost-benefit analysis that will demonstrate the value of investing in fibre connectivity.

WAN contract extensions are required to support YorkNet planning activities and procurement processes

The YorkNet planning exercise is anticipated to take up to eighteen months to complete, at which time staff will be able to identify specific Region locations that:

- Require interim WAN services until YorkNet is available in their area
- Are outside of the scope of planned YorkNet build-out.

A subsequent procurement will be issued to establish new WAN contracts for these locations. It is estimated that an additional 18 months will be required to complete this procurement process and successfully transition locations to the new service provider.

Extending the Region's existing WAN service contracts with Rogers and Bell over the next 36 months (three years) will minimize service disruptions and enable service reliability during this time. Any additional required WAN connections that are unavailable from YorkNet over the next three years will be purchased from Rogers and Bell as additional deliverables under the existing contracts. Staff will endeavour to obtain best value for these services through the solicitation of quotes from both Rogers and Bell.

Internet services will continue to be provided by telecommunications companies over the near-term

There may be future opportunities for YorkNet to offer Internet connectivity options via a "gateway" link that provides Region locations with connections to services outside of the Region's WAN. Until this option can be further assessed by YorkNet, services from telecommunications companies will continue to be required to meet the Region's connectivity needs.

An extension and amendment to the Region's internet services contracts is needed to continue providing connectivity

The Region's current internet service contracts expire at different times, with the Rogers contract ending in May 2019 and Bell's contract ending in October 2020. A 18-month extension to the Roger's contract will align the expiry dates, enabling staff to issue a Request for Proposal for a single vendor to provide internet services.

A corresponding increase to the Bell contract is also required to support internet services over the remaining contract term. An anticipated reduction in the scope of services was delayed by three years, resulting in higher than expected costs over the contract term.

In addition, both contracts will require a bandwidth upgrade in August 2019 to support a continued increase in Internet use.

The extension of these contracts will enable staff to continue accessing applications and resources necessary to meet business requirements and provide services.

5. Financial

The estimated cost to extend each of the telecommunications contracts is provided in Table 2.

Table 2
Telecommunication Contracts
Estimated Total Extension Costs

Vendor	Service	Extension Term	Estimated Total Cost ($)
Rogers	WAN and Internet	Three years (2019-2022)	852,856.68*
Bell	WAN	Three years (2019-2022)	1,255,670.64
Total			2,108,527.32

* Includes cost to extend WAN services for an additional three years ($792,274.68) and internet services for an additional 18 months ($60,582.00).

The estimated cost calculations factor in annual cost adjustments and forecasted changes in user, business and operational requirements.

The cost of the business internet services contract with Bell over the remaining 18 months of the contract is $29,000, excluding taxes. The contract end date is October 31, 2020.

The required funding is included in the approved 2019 Finance Department budget and the approved 2020-2022 operating outlook.

6. Local Impact

There are no direct municipal impacts as a result of this report.

7. Conclusion

Staff is seeking Council authorization to extend telecommunications contracts with Rogers and Bell for terms of up to three years, and for the addition of funds to the business internet

services contract with Bell to support changes in scope. Telecommunication services are critical to the Region's operations.

For more information on this report, please contact Richard Leest, (A) Director, Information Technology Services, at 1-877-464-9675 ext. 71812. Accessible formats or communication supports are available upon request.

Recommended by:

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