



Item No. 11.1.5
Halifax Regional Council
June 10, 2014

TO: Mayor Savage and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY:

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: April 29, 2014

SUBJECT: Award - Sole Source Bell Mobility Inc. for Trunked Mobile Radio
Equipment, Access & Maintenance

ORIGIN

The approved 2013-2014 / 2014-2015 Project Budgets.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79, Halifax Regional Council may expend money for municipal purposes.

Administrative Order 35, Procurement Policy Section 8(11)(A)(b) states that a Sole Source/Single Source Purchases may occur:

- Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists.

Ministerial approval is required under section 111(5) of the HRM charter.

The following report conforms to the above Policy and Charter.

RECOMMENDATION ON NEXT PAGE

RECOMMENDATION

It is recommended that Halifax Regional Council, in accordance with Administrative Order 35, Section 8(11A), Sub-section (b) *“Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists”*, and subject to the receipt of Ministerial approval:

1. Award a sole source contract for a period not to exceed ten (10) years for equipment, access and maintenance for the trunked mobile radio system for public safety communications to Bell Mobility Inc. of \$7,079,100.43 (net HST included), subject to the successful negotiation of a contract, with first year cost of \$727,053.84 (net HST included) for equipment upgrades and the monthly recurring charges for the service and associated maintenance, with funding available as per the Financial Implications section of this report;
2. Authorize and direct the CAO or his delegate to negotiate a contract with Bell Mobility relative to the above that meets the requirements of HRM to the satisfaction of the CAO, and attains the required service and service levels and accords with the Financial Implications section of this report; and
3. Authorize the CAO to execute a contract on behalf of the Municipality resulting from these negotiations.

BACKGROUND

In 1999, the Province of Nova Scotia and Bell Mobility signed an agreement for the construction and operation of a radio system to replace the aging Nova Scotia Integrated Mobile Radio System (NSIMRS). The resulting Trunk Mobile Radio infrastructure became commonly known as TMR1.

The original TMR1 agreement between Bell Mobility and the Province was for 10 years with the option to extend the term if both parties were in agreement. Subsequent agreements have been signed guaranteeing the operation of TMR1 until May 31st, 2015, after which time the TMR1 service will be decommissioned and will no longer be in use as the network will have reached its end of life.

While TMR1 was built for the use of the Province and RCMP, it was also made available to Federal and Municipal users who had a need for wide area or multi-agency communications as well as commercial users with operations around the province. In 2002, Halifax Regional Municipality (HRM) signed an agreement with Bell Mobility to provide TMR1 service to its user groups within the HRM. This provided Halifax Regional Police, Halifax Regional Fire & Emergency, Transportation and Public Works, and Metro Transit with the ability to communicate throughout HRM with both their own user groups and any other Provincial and Federal Departments who chose to share talk groups.

HRM now has over 1600 users on TMR1 who can effortlessly communicate with each other or the other 8000 TMR1 users at the press of a button. While HRM is responsible for the management of its talk groups, fleet maps, and dispatch services for its users, the operation and maintenance of the radio system itself is the responsibility of Bell Mobility.

Given that TMR1 will be end of life as of May 31st, 2015, HRM must secure a replacement infrastructure to support on-going emergency and operations radio communications.

DISCUSSION

In May, 2013 the Province gained legislative approval to negotiate a sole source agreement with Bell Mobility to design, build and operate a next generation radio system (TMR2) to replace the TMR1 infrastructure. In August, 2013 the parties reached agreement for Bell Mobility to upgrade the existing Motorola SmartZone system to a Motorola Astro25 P25¹ compliant radio system. The formal agreement was signed by the Province in October, 2013 and construction is well underway. Final network acceptance is expected in August, 2014 and initial TMR2 users are expected to start loading October 1st, 2014.

TMR1 is a 69 site system operating in the 800 MHz frequency band. TMR2 will have 86 radio sites and operate in the newly designated 700 MHz “Public Safety” band. TMR2 will be fully supported until 2025 with the opportunity to possibly extend to 2030. TMR2 will be designed to offer increased reliability and availability.

In addition, TMR2 will offer valuable features to users not available on TMR1. These include end to end encryption, over the air rekeying (OTAR) and over the air provisioning (OTAP/POP25). End to end encryption eliminates any possible point of security breach within the system between sender and receiver. OTAR and OTAP provide the ability to make changes to encryption keys and radio programming without having to physically “touch” each radio as is necessary with TMR1.

The Province is the owner of the master contract for the TMR2 network. Under the Province’s contract, HRM is identified as a qualified user of the new system; this would be achieved through a separate contract with Bell Mobility. Since Bell Mobility are the owners of the network infrastructure and sole provider of the access to the network, there are no alternative vendors that could provide the same service to meet the public safety communications demands within HRM. Administrative Order #35 allows Regional Council to consider a sole source/ single source purchase where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular vendor and no alternative or substitute

¹ When TMRI was designed and installed in 1999, it represented the current Association of Communications Officials (APCO) standards and the best wide area two way radio technologies, Motorola SmartZone OmniLink, available. Since then however, the APCO standards have been redefined and the technology status has been drastically altered. The APCO standards, P25, have been adopted by Public Safety agencies throughout North America as the standards they will use to facilitate the ever increasing need for interoperability in the area of field communications. The key differences with P25 are that it is fully digital and designed to simplify adding, upgrading and swapping components.

exists. Staff recommends entering into a sole source contract with Bell Mobility to allow access and use of the TMR2 system.

On February 28th, 2014 HRM received a proposal from Bell Mobility Inc. for equipment and services in consideration of the need to negotiate a contract. The equipment upgrade would include 110 digital vehicle repeaters, 973 upgraded radios of that 327 will be encrypted for Halifax Regional Police, 604 new radios, 230 VANOC radios for the volunteer fire departments and 20 dispatch consoles for the Integrated Emergency Services division.

FINANCIAL IMPLICATIONS

Based on the Bell Mobility price of 6,788,159.90 plus net HST of \$290,940.53 for equipment replacement/upgrade for total of \$7,079,100.43 (net HST included), funding is available in the 2014/15 Project Budget from Project Account No. CID01362 – Trunk Mobile. The budget availability has been confirmed by Finance.

Budget Summary:	Project No. CID01362 – Trunk Mobile	
	Cumulative Unspent Budget	\$7,419,987.69
	Less: Sole Source Award	<u>\$7,079,100.43</u>
	Balance	\$ 340,887.26

The balance of funds will be used to work with the service provider to improve service through the purchase of additional equipment or through addressing known coverage issues that exist on the network.

The value of the award is based on a like-for-like replacement of HRM's existing equipment and service. Subsequent to entering into the agreement, and HRM's involvement in a planned pilot facilitated by the PNS, the quantities may be amended. Any resulting increases to the contract will be subject to the Contract Amendment Guidelines in Administrative Order #35, Procurement Policy.

The service and maintenance portion of the contract will commence on June 1, 2015. Based on a monthly cost of \$58,097.75 plus net HST, the ongoing annualized cost will be \$697,173.00 plus net HST of \$29,880.84 for a total of \$727,053.84 and will be included in the 2015/16 Operating budget process.

COMMUNITY ENGAGEMENT

No community engagement has been undertaken specifically for this project.

ENVIRONMENTAL IMPLICATIONS

Although this is a new communication system, staff has identified a portion of the existing equipment is compatible with the new network and will be reused rather than replaced.

ALTERNATIVES

Council could direct staff to develop a solicitation for the development of a “stand-alone” HRM emergency communications system. This is not recommended by staff as such a process will not align with the discontinuance of the existing TMR1 system and any resulting solution will create interoperability challenges associated with communications between different agencies and jurisdictions during emergency situations and may result in higher equipment and service costs, since the Province is assuming the cost of the new infrastructure for TMR2. Further, a continued partnership with the PNS on TMR2 is a positive shared services opportunity between the different levels of government.

Any alternative system would not be able to reside on the TMR2 network infrastructure.

ATTACHMENTS

Attachment A: Administrative Order 35 (excerpt)

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902-490-4210, or Fax 902-490-4208.

Report Prepared by: Jim Kirk, Manager, Service Management & Operations (237-9117)

Report Approved by: _____
Donna Davis, Chief Information Officer (490-4417)

Procurement Review: _____
Anne Feist, Manager, Procurement (490-4200)

Report Approved by: _____
Greg Keefe, Director of Finance & ICT/CFO (490-6308)

**Attachment A
Administrative Order 35 (excerpt)**

8(11) A. Sole Source/Single Source Purchases. These occur:

- (a) To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative.
- (b) Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists.
- (c) For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.
- (d) For the purchase of goods on a commodity market.
- (e) For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor.
- (f) For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.
- (g) For the procurement of a prototype of a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.
- (h) For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership
- (i) For the procurement of original works of art.
- (j) For the procurement of goods intended for resale to the public.
- (k) For the procurement from a public body or a not-for-profit corporation.
- (1) For the procurement of goods or services for the purpose of evaluating or piloting new or innovative technology with demonstrated environmental, economic or social benefits when compared to conventional technology, but not for any subsequent purchases.