



SUBJECT: Contract Extension for Wide Area Network (WAN)
Connectivity and Internet Services

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RECOMMENDATION:

1. That the report entitled “Contract Extension for Wide Area Network (WAN) Connectivity and Internet Services” be received;
2. That the contract for WAN Services and Internet Services be extended for two (2) years (October 1, 2020 - September 30, 2022) to Rogers Communications at 11.6% discounted rate, in the amount of \$577,814.44, inclusive of HST, broken down as follows;

• October 1, 2020 – December 31, 2020	\$ 72,226.81
• January 1, 2021 – December 31, 2021	\$288,907.22
• January 1, 2022 – September 30, 2022	<u>\$216,680.41</u>
Total (2 years)	\$577,814.44
3. That the contract for Internet Services with higher bandwidth (increasing from 500Mbps to 600Mbps) be extended for two years (October 1, 2020 - September 30, 2022) to Bell Canada at the existing 2019 rate, in the amount of \$79,006.46 inclusive of HST, broken down as follows;

• October 1, 2020 – December 31, 2020	\$ 9,875.81
• January 1, 2021 – December 31, 2021	\$ 39,503.23
• January 1, 2022 – September 30, 2022	<u>\$ 29,627.42</u>
Total (2 years)	\$ 79,006.46
4. That the WAN Services from Rogers and the two Internet Services from Rogers and Bell to be funded from operating budget account# 400-404-5108 in amount of \$656,820.90 (inclusive of HST) over a two (2) year period;
5. That the tendering process be waived in accordance with Purchasing Bylaw 2017-8, Part II, Section 7 (1) (c) which states “when the extension of an existing contract would prove more cost-effective or beneficial”;
6. AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

To exercise the option to extend contract 339-R-09 for Dual Redundant Internet Services and Wide Area Network (WAN) for an additional two (2) year term (October 01, 2020 to September 30, 2022) with Rogers Communications and Bell Canada.

BACKGROUND:

In 2009, the City of Markham awarded Internet Services and Wide Area Network (WAN) Connectivity via contract 339-R-09 to Rogers Communications and Bell Canada with Staff recommendations for 40 Mbps Internet Services (which was later upgraded to 200Mbps) and a managed 1 Gigabit Fibre connectivity solution to connect 34 City and Library sites, as well as a managed 10 Gigabit Fibre connectivity between the Civic Centre and 8100 Warden Avenue with Rogers Communications, and 500 Mbps Internet Services with Bell Canada. The fibre WAN connectivity provides the architectural and technical viability needed in order to meet the demands of delivering services for the City's residents from all City facilities. Accordingly, it has enabled the City to deploy key business applications across the network such as Voice over Internet Protocol (VoIP) for telecommunication, serving enterprise Geographic Information System applications over the internet, Closed Circuit Television (CCTV) and Supervisory Control and Data Acquisition (SCADA) capabilities for Waterworks, automated software deployment across the city, and for Automated Vehicle Location (AVL) for City fleet.

In addition, the City has been and will continue to provide enhanced self-service capability through the portal including recreation program registration, audio (and content) streaming of all Committee and Council meetings to the public, and free wireless public internet access in selected City facilities, among others. As City staff need to access higher bandwidth on a day-to-day basis to perform their duties (while on site or working from home) and the City continues to provide increased access to services through technology, the reliability and affordability of the technology infrastructure becomes increasingly important.

OPTIONS/ DISCUSSION:

The WAN is a vital component of the City's data network and access to fast and reliable internet connectivity continues to be a key priority to support virtual recreation programs and remote workers during the COVID pandemic. Staying with the current supplier would ensure the continued supply of a proven and reliable solution in this critical area and the avoidance of considerable disruption in the event of replacement.

In order to minimize the risk of internet outage from using a single provider, for redundancy and service provider diversity, the City also uses Bell Canada services as a second line of internet connection and staff recommend the contract with Bell Canada for these services to be renewed at the existing rate.

Staff concluded that it is in the best interest of the City to renew internet and WAN Services with Rogers Communications, and with both Rogers Communications and Bell Canada for internet services due to the following reasons:

1. Both Rogers Communications and Bell Canada are the only two vendors that provide the fibre connectivity in Markham. Both vendors continue to remain competitive with other service providers in the market;
2. The recommended contract extension pricing includes:
 - A negotiated 11.6% monthly rate reduction with Rogers Communications for the WAN connectivity and Internet services, for a net savings of \$38,090.40 per year;
 - A negotiated internet bandwidth increase from 500 Mbps to 600 Mbps for public wireless access at same rate.
3. Both Bell Canada and Rogers Communications have a proven track record with the City, and have provided satisfactory customer services during the current Term of 2010 – 2020.

It is recommended that the WAN and internet service contracts be extended for additional two (2) years with both Rogers and Bell. The cost for this service renewal is contained within the existing ITS operating budget.

FINANCIAL CONSIDERATIONS

The annual service fee for WAN and Internet Services will be paid from operating account 400-404-5108 as part of annual budget approved by Council.

	Total Cost of Award 2021 - 2022	Cost of Award by Year		
		Oct - Dec 2020	Jan to Dec 2021	Jan - Sep 2022
Rogers	\$ 577,815	\$ 72,227	\$ 288,908	\$ 216,680
Bell	<u>79,006</u>	<u>9,876</u>	<u>39,503</u>	<u>29,627</u>
Subtotal	656,821	82,103	328,411	246,307

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2020 Budget Impact		
Budget for Oct to Dec 2020	\$ 91,626	(A)
Cost of Award	<u>82,103</u>	(B)
Savings for 2020	9,523	(C) = (A) - (B)

2021 Budget Impact		
Current Annual Budget	\$ 366,501	(D)
Cost of Award	<u>328,411</u>	(E)
Savings for 2021	38,090	(F) = (D) - (E)

Savings from October - December 2020 (C) in the amount of \$9,523 will be included in the 2020 year-end operating results of the City.

The 2021 operating budget will be reduced by \$38,090.

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

Not applicable

RECOMMENDED BY:

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Chief Information Officer, ITS

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Commissioner, Corporate Services