

HALIFAX

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Item No. 14.1.6
Halifax Regional Council
January 24, 2017

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by 

SUBMITTED BY:

Jacques Dubé, Chief Administrative Officer

Original Signed by 

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: December 22, 2016

SUBJECT: Province of Nova Scotia RFP No. 60146639, Local Voice Services (Landlines)

ORIGIN

The expiry of Halifax Regional Municipality's existing contracts for land based local voice services. Local voices services refers to all municipal land line telephone services. This does not include cellular mobile services.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79 Halifax Regional Council may expend money for municipal purposes. Administrative Order #35, the Procurement Policy, requires Council to approve the award of contracts for sole sources exceeding \$50,000 or \$500,000 for RFP's and tenders respectively. Administrative Order #35, the Procurement Policy Section 4(8) states: The Procurement Section shall collaborate with other governments, agencies, boards and commissions, public sector entities and associations such as the F.C.M. (Federation of Canadian Municipalities) and the U.N.S.M. (Union of Nova Scotia Municipalities) to attain greater consistency and efficiencies in the procurement process.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Award the contract resulting from Province of Nova Scotia RFP No. 60146639, Local Voice Services to Bell Aliant Regional Communications, Limited Partnership ("Bell Aliant") ending on December 31, 2019 at an estimated cost of \$2,274,791 including HST; with funding from Operating Account A421-6201 as per the financial implications section of this report;
2. Direct the CAO to execute the contract subject to approval as to form and authority by HRM Legal Services; and
3. Direct the CAO to delegate to the Director of Finance and ICT, the ability to extend the contract to ensure co-termination with the Province of Nova Scotia's contract with Bell Aliant subject to the Municipality's operational requirements and satisfactory performance on the part of Bell Aliant.

BACKGROUND

The Municipality has taken advantage of the Province of Nova Scotia agreement with Bell Aliant for the past 17 years for landline phone services, capitalizing on MASH (Municipalities, Academia, Schools and Health) and Province of Nova Scotia rates. In total the Municipality has approximately 3000 landlines which are billed on a per line basis. In 2013, the Municipality was invited by the Province of Nova Scotia to be a full partner in the issuance of a solicitation to update and replace the existing master service agreement (MSA). The Province of Nova Scotia pricing for local voice services has been in effect for the Municipality since April 1, 2015 under the MASH Sector Entity Centrex & Unified Communications Services Schedule and (MSA).

March 2013 – Previous Contract Expired

Dec 2013 – RFP Response Due

Sept 2014 – Bell Awarded Contract for Local Voice Services by Province of NS

January 2015 – Province of NS signs 5 year contract with Bell ending on Dec 31, 2019

April 2015 – HRM signs letter of intent with Bell for Local Voice Services (so we could assume the lower rates, while negotiating the new contract terms)

Current – Draft contract between HRM and Bell Aliant complete for the remaining time under the contract with the Province, up until Dec 31, 2019. Council to award contract if in agreement

DISCUSSION

The Province of Nova Scotia issued a non-binding Request for Proposal No. 60146639 seeking proposals to provide Local Voice Services on October 13, 2013 and closed on December 5, 2013. Two proposals were received from Bell Aliant and Eastlink. An evaluation committee comprised of staff from the Province of Nova Scotia, Halifax Regional Municipality (ICT), Dalhousie University, and facilitated by Province of Nova Scotia Procurement evaluated the proposals and defined Bell Aliant as the highest scoring proposal. Subsequent to a judicial review of the procurement process and negotiation of the Province of Nova Scotia contract, Municipal ICT staff entered into negotiations with the successful proponent with the support of HRM Procurement and Legal Services. Staff are satisfied that the parties have arrived at terms and conditions acceptable to the Municipality in order to continue with cost savings outlined below.

FINANCIAL IMPLICATIONS

HRM has been able to take advantage of the Bell Aliant contract price for Province of Nova Scotia local voice services beginning April 1, 2015. This resulted in annual cost savings of \$372,927 (including HST) for local voice services. The cost of local voice services for our previous contract was approximately \$827,885 annually. Costs for this current fiscal year will be paid from Operating Account A421-6201 and have been budgeted accordingly. Finance has confirmed the availability of funds.

5 Year contract pricing for Local Voice Services	\$2,274,791
Annual contract cost of Local Voice Services	\$ 454,958
Less: Cost of Local Voice Services prior to MSA	\$ 827,885
Annual cost reduction due to contract pricing for Local Voice Services	(\$372,927)

RISK CONSIDERATION

Halifax Regional Municipality ICT has considered the risk of not having local voice services and has determined the provision of Local Voice Services is mission critical to the Municipality. This service must be seamless with minimal disruption. The Municipality relies on local voice services to deliver valuable Public Safety services such as 911 as well as 311 call center. The value of the local voice services is instrumental in providing these services and was taken into consideration in renewing this contract.

COMMUNITY ENGAGEMENT

None required.

ENVIRONMENTAL IMPLICATIONS

No identified environmental impacts.

ALTERNATIVES

The alternatives of not having a local voice contract with Bell Aliant would mean possible market rates at 5-6 times the proposed contract rate. Our essential services rely on landline services to respond to emergency situations. Wireless services are always an option for the replacement of some local voice services but cannot meet our complete business requirements for all of Halifax Regional Municipality.

ATTACHMENTS

None.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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