

# HALIFAX

P.O. Box 1749  
Halifax, Nova Scotia  
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**Item No. 14.1.1**  
**Halifax Regional Council**  
**February 7, 2017**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed by   
\_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

Original Signed by   
\_\_\_\_\_  
Jane Fraser, Acting Deputy Chief Administrative Officer

**DATE:** January 20, 2017

**SUBJECT:** Award – Request for Proposals P14-360, Public Wifi

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## ORIGIN

Motion by Halifax Regional Council on October 21, 2014 Halifax Regional Council directing staff to issue a solicitation for Request for Proposals (RFP) to select a service provider to partner with Halifax to provide a fully managed Public Wi-Fi service.

## 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 Tenders and RFP's. The following report conforms to the above Policy and Charter.

Under the HRM Charter, Section 111(5), the Municipality requires Ministerial approval to enter into a commitment to pay money extending beyond the current fiscal year where the total commitment exceeds \$500,000.

## RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Award RFP P14-360, Public Wifi to the highest scoring proponent, Bell Aliant for a five (5) year period at a total cost of \$2,631,665 including net HST outlined in the Financial Implications section of this report.
2. Direct the CAO to execute an amendment and schedule to the existing master agreement with Bell Aliant subject to the final negotiation of terms acceptable to the CAO, receipt of Ministerial approval, and approval to form and authority by Legal Services.
3. Delegate authority to approve increases and changes to the services, as outlined in the RFP, to the CAO or his delegate, subject to budget availability.

## **BACKGROUND**

On February 11, 2014, Halifax Regional Council approved a recommendation by the Community Planning and Economic Advisory Standing Committee to endorse the Public Realm Improvement Project List. Subsequently, staff began investigating one of the candidate projects; free public Wi-Fi in the municipality's urban core.

On July 10, 2014, staff from Finance and Information, Communication & Technology (FICT) issued a Request for Information (# E14-069) via the Nova Scotia Public Tenders web portal to gauge the interest and capabilities of service providers in the marketplace. The Request for Information closed on August 7, 2014 and received comprehensive and informative responses from interested parties.

Subsequently, staff identified the following three strategic outcomes enabled by an implementation of public Wi-Fi in Halifax:

1. **Economic Development** – Other jurisdictions have experienced increased interest from businesses and developers to operate inside areas where public Wi-Fi is available and it provides a platform for delivering valuable experiences to residents, students, visitors and local business resulting in increased economic activity.
2. **“Smarter City” service delivery** – public Wi-Fi builds on the municipality's existing fiber network to permit the municipality to capitalize on connected technologies in the delivery of the next generation of municipal services. Current projects like the LED Streetlight Conversion; Traffic Signal Control Solution; and planned projects like new Parking solutions could benefit from the existence of Public Wi-Fi as a means of facilitating network connectivity. In the absence of this digital infrastructure, a heavier reliance on cellular services will be necessary.
3. **Closing the Digital Divide** – The internet has become a necessity in our daily lives. Providing free public access to the internet helps close the divide and provide opportunities to succeed in a knowledge economy.

On October 21, 2014, staff from FICT recommended that Halifax Regional Council authorize the CAO to issue a solicitation for Request for Proposals (RFP) to select a service provider to partner with Halifax to provide a fully managed public Wi-Fi service.

<http://www.halifax.ca/council/agendasc/documents/141021ca1111.pdf>

During the discussion of the motion, Halifax Regional Council expressed the desire to achieve a public Wi-Fi service which is free for public use and delivered at a minimal cost to the Municipality with no increase to internal resources. In an effort to achieve this, a managed services arrangement which afforded the service provider opportunities to generate revenue as a means to offset operating costs was deemed an appropriate strategy.

Subsequently, staff composed a RFP, incorporating input from key stakeholders including Waterfront Development Corporation and the Business Improvement Districts within the urban core and requested proposals to deliver a fully managed Wi-Fi service that would be free for public use and potentially cost neutral to the Municipality. The RFP conceived of more enhanced services to the public and any municipal service delivery uses implemented on the network to be funded by the Municipality.

## **DISCUSSION**

RFP # P14-360, Public Wi-Fi was publicly advertised on the Nova Scotia Public Tenders portal on December 16, 2014 and closed on February 10, 2015. Proposals were received as follows:

IBM  
Bell  
Fresh Group  
Telus

The proposals from IBM, Bell and Telus met the submission requirements of the RFP and were evaluated by a team comprised of staff from FICT and facilitated by Procurement.

Subsequent to the evaluation of the three (3) remaining proposals, and per the terms and conditions of the RFP, each of the proponents was invited to a confidential conference with members of the evaluation committee and facilitated by Procurement, in order to more closely understand HRM's requirements in relation to their proposal and each were allowed to submit a best and final proposal following the conference. After the confidential conference and prior to submitting a best and final proposal, Telus withdrew from this stage of RFP process.

Per the requirements stated in the RFP, ICT staff, supported by Procurement and Legal Services entered into negotiations with the highest scoring proponent of this stage and via the negotiation process substantial contractual risks were discovered, resulting in a reassessment of both the negotiation and the responses in relation to the Municipality's intent and expectations. The original RFP responses included proposals for possible revenue generating marketing opportunities, but any of these opportunities would have added to the cost to the municipality and complexity to the contract(s) without providing any certainty of revenue or guaranteed return on money spent. The original responses did not achieve Council's goal of a cost neutral solution and staff provided a private and confidential Public Wi-Fi Procurement update to Council, In Camera on May 31, 2016.

Subsequent to the In Camera Council discussion, staff were directed by the CAO to re-engage the three original proponents to submit a further best and final offer based on clarifications by the Municipality regarding a refinement of the geographic coverage and the addition of Halifax Central Library, Halifax North Memorial Library and Alderney Public Library to the scope. Telus, Bell Aliant, and IBM Solutions each submitted best and final offers in consideration of the clarification of the scope of the work. The final offer from Telus did not fully meet the requirements of the Scope of Work.

The best and final offer proposals from the remaining two (2) qualified proponents were scored using the criteria in Appendix A as follows:

Bell Aliant        775/1000  
IBM Solutions    657/1000

Cost proposals were evaluated based on a five (5) year life cycle.

Per the conditions of the RFP, staff have entered into negotiations for the addition of Public Wifi Service to an existing Master Service Agreement with Bell Aliant and those negotiations are substantially complete.

As a part of the negotiation, staff have directed Bell Aliant to implement the Public Wifi services on a site-by-site basis beginning with the Waterfront and Grand Parade sites to ensure that Public Wifi is available for upcoming events including Canada 150 celebrations and the Tall Ships visit to Halifax.

### **FINANCIAL IMPLICATIONS**

Based on the highest scoring proponent's cost for the one-time implementation of \$357,757 plus net HST of \$15,364, for a total implementation cost of \$373,091 funding is available in Project Account CI000013, Funding has been confirmed by Finance.

Budget Summary:	<u>Project Account No. CI000013</u>
Cumulative Unspent Budget	\$ 897,117
<b>Less: RFP No. P14-360</b>	<b><u>\$ 373,091</u></b>
Balance	\$ 524,026

The project was estimated in the Approved 2016/17 Project Budget with capital costs of \$945,000.

The projected annual operating costs and OCC requirement is \$451,715 including net HST per year. The total estimated five (5) year cost is \$2,165,750 plus Net HST of \$92,824 for a total five (5) year operating cost of \$2,258,574. The annual recurring OCC costs of \$451,715 are being put forward as an item for consideration within the multi-year FICT budget during the COW 17/18 budget process.

**RISK CONSIDERATION**

A public Wi-Fi service within the Halifax Regional Municipality will enhance the lives of residents, improve the tourism experience and increase economic development. Offering a high quality experience to the public and visitors to Halifax allows the Municipality an opportunity to improve the Halifax brand.

The risk of not awarding this contract is the loss of these benefits to the Municipality.

Financial, legal and compliance, and service delivery risk associated with these recommendations is considered low.

**ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications associated with this contract.

**ALTERNATIVES**

Council could choose not to award this contract.

**ATTACHMENTS**

Appendix A – Evaluation Scoresheet  
Appendix B – Proposed Coverage Map

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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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Appendix A – Evaluation Scoresheet

<b>Criteria</b>	<b>Max Score</b>	<b>Bell Aliant</b>	<b>IBM Solutions</b>
Public Wifi Service Access and Use	200	147	147
Public Wifi Service Capability	50	38	37
Public Wif Service Roadmap	100	44	61
Physical Specifications	50	37	36
Deployment Support and Communication	50	36	38
Wifi Service Security	100	76	75
Innovation	100	65	77
Corporate Capability and References	50	32	29
<b>Subtotal</b>	<b>700</b>	<b>475</b>	<b>500</b>
Cost	300	300	157
<b>Total</b>	<b>1000</b>	<b>775</b>	<b>657</b>
Lifecycle cost incl net HST		\$2,631,665	\$3,696,056

Appendix B – Proposed Coverage Map

