



## Change Order: Mobile Devices, Voice and Data Services

Item 10

December 8, 2022

Board of Directors

**Report:** TCHC:2022-83

**To:** Board of Directors (the “Board”)

**From:** Vice President, Information Technology Services

**Date:** November 27, 2022

### **PURPOSE:**

The purpose of this report is to seek the Board of Directors’ (the “Board”) approval for a change order to Rogers Communications Canada Inc. (“Rogers”) for \$340,000.00 to supply mobile devices and associated accessories to Toronto Community Housing Corporation (“TCHC”) and Toronto Seniors Housing Corporation (“TSHC”).

Board approval is required for the recommended change order, as the cumulative amount of all change orders exceeds the financial approval limit of TCHC’s Procurement Award Committee (“PAC”).

### **RECOMMENDATIONS:**

It is recommended that the Board:

1. Approve a change order to Rogers Communications Canada Inc. for \$340,000.00 (exclusive of taxes) to accommodate a substantial increase in TCHC and TSHC requirements for mobile devices and associated accessories; and
2. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

**REASONS FOR RECOMMENDATIONS:**

In July 2019, TCHC started negotiations with Rogers to transition from its previous mobile provider to Rogers for a period of 49 months to commence on January 1, 2020 and ending on January 31, 2024.

The original award to Rogers was based on information available at the time and included:

- 1,250 smartphone subscriptions;
- A conversion of 360 flip phones to smart phones over the course of the new agreement;
- Mobile apps enabled for HoMES would be accessed via a smartphone;
- No additional requirements were identified by the organization for long-term evolution (“LTE”) enabled devices such as hotspots;
- No additional requirements were identified by the business to provide smartphones to roles that did not currently have a smartphone; and
- A projected increase of approximately 5% for new staff over the course of the contract.

Substantial planning is required to make a transition from one provider to another. In December 2019, TCHC entered into a 49-month contract via direct award (VAC 19662) with Rogers Communications Canada Inc. for \$1,781,300.00 (exclusive of taxes) for mobile device enrolment (wireless voice and data plan, mobile device and accessories) from January 1, 2020 to January 31, 2024 as follows:

- \$1,531,000.00 for expected wireless/cellular airtime and data services; and
- \$250,300.00 for expected mobile device replacements and associated accessories.

The original agreement value for mobile hardware expenditures was based on an estimate of an additional 600 devices and accessories, and included projected employee growth and break/fix over the term of the contract equating to \$220,000.00 for mobile device replacements and \$30,300.00 for accessories. As a result of the unforeseeable conditions outlined below, the total number of mobile devices and accessories required for replacement and to meet business needs has doubled from the previous estimate.

Under the current agreement in place with Rogers, as the primary ranked vendor, Rogers always has “right of first refusal” meaning all net new and upgraded business must be offered to Rogers first. If Rogers is not able to meet the service or coverage requirements of a paging or mobile device user (e.g. they do not provide coverage in a certain area of the province), the request must be sent to the next highest-ranked vendor and so on as applicable, until the service or coverage requirements are met. Rogers is able to meet TCHC and TSHC’s requirements for additional hardware and accessories.

### **CHANGING ENVIRONMENT:**

Several events occurred after the signing of the agreement in December 2019 necessitating this change order.

1. **COVID-19 Pandemic:** In February 2020, TCHC transitioned to a remote working model as a result of the COVID-19 pandemic. Transitioning employees to remote working required issuing mobile smartphones and enrollment in mobile device plans. During the transition period between February and July 2020, approximately 290 additional users were provided devices, which was unplanned.
2. **Flexible Work:** In 2022, TCHC implemented a flexible work policy. New and existing employees eligible for flexible work will require a company issued smartphone device and to facilitate remote working. There are some employees who will be eligible for flexible work who currently do not have a mobile device. Procurement of additional devices is required.
3. **Implementation of Multi-Factor Authentication (“MFA”):** MFA is an authentication method that requires the user to provide two or more verification factors to gain access to a resource such as an application, online account, or a VPN. MFA is a core component of a strong identity and access management (“IAM”) policy. In addition to username and password, MFA requires one or more additional verification factors, which decreases the likelihood of a successful cyber-attack. ITS has deployed MFA to all employees across TCHC and TSHC in 2022. MFA’s two-factor authentication requires users to have a cell-phone to verify their identity. There are approximately 180 employees in Operations, Community Safety Unit, Development, Finance, Human Resources, and Information Technology Services who require a new smartphone and cellular services, but do not currently have a company

issued phone. Procurement of additional devices is required for these staff.

4. **Mobile Hot-spot Devices (“MiFi”):** TCHC has issued approximately 30-plus mobile hot-spot devices to employees for remote locations that do not have direct or wireless access to TCHC’s network. These devices are deployed in remote situations like the Swansea Mews operations center to allow multiple employees to connect to a central WiFi hot-spot for connection to TCHC’s network.
5. **Transition of Contract Managed Buildings to Direct Managed:** TCHC is currently transitioning contract managed properties back to direct management by Toronto Community Housing. This initiative includes the transition of employees from Del and Greenwin to TCHC. This resulted in an unplanned increase of an additional 300 mobile devices and associated accessories.
6. **Toronto Seniors Housing Corporation:** On June 1, 2022, Toronto Seniors Housing Corporation was established as a distinct and independent corporation. The agreement with Rogers did not contemplate the need to provide mobile devices and accessories to another corporation. While most employees transferring from TCHC to TSHC retained their TCHC devices, there continues to be a need to provide mobile devices to new employees not anticipated in the original award. Additional procurement of devices is required.
7. **Increased Device Issues:** ITS is seeing a higher than projected increase in device issues resulting in more devices requiring replacement. The change order has factored in a higher percentage of device replacement over the next 14 months of the remaining contract.

#### **CHANGE ORDER SUMMARY:**

To date, there has been one change order executed for this award for voice and data services, which was approved by BIFAC on April 8, 2022. At that time, ITS did not bring forward a change order for the mobile device and associated accessories portion of the award. ITS had not yet completed the analysis for the hardware portion of this award as ITS had not yet confirmed supply, price or expected delivery dates with Rogers. Therefore, the change order amount required could not be determined until now.

The details of all changes orders are noted in Table 1.

Table 1: Purchase Order and Change Order Summary

Approval	Description	Reason	Individual CO Amount
BIFAC – April 8, 2022	Add Funds to Rogers Mobile Devices Voice and Data Services Contract (Wireless/cellular airtime and data services only)	TCHC Directed	\$1,279,111.50
Cumulative approved change orders to date			\$1,279,111.50
Change order as requested in this report (mobile devices and accessories only)			\$340,000.00
<b>Total Cumulative change orders</b>			<b>\$1,619,111.50</b>
Original contract awarded (VAC 19662)			\$1,781,300.00
<b>Revised total contract amount</b>			<b>\$3,400,411.50</b>
<b>Cumulative CO % of contract award/purchase order</b>			90.90%

**PROCUREMENT PROCESS:**

This change order is recommended under the following justification under section 4.3(a) of TCHC's Procurement Policy:

- v. To ensure compatibility with goods and services previously acquired where there are no reasonable alternatives or substitutes.

**IMPLICATIONS AND RISKS:**

Rogers Communication Canada Inc. is the current provider of mobile devices, voice and data service. TCHC is contractually obligated to procure all additional mobile devices and accessories through Rogers until the expiry of the current agreement.

The Vice President, Information Technology Services has reviewed the pricing and determined it to be reasonable and acceptable for the work.

Funding for this Change Order is within the 2022 ITS budget. A portion of these costs will be recovered through the Shared Delivery Agreement with TSHC. Funding for future years will be requested in each consecutive year of the term from the ITS Divisional Capital and Operating Budgets, and appropriate costs recovered through the Shared Delivery Agreement.

**SIGNATURE:**

*"Luisa Andrews"*

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Luisa Andrews  
Vice President, Information Technology Services

**STAFF CONTACT:**

Luisa Andrews, Vice President, Information Technology Services  
416-981-5012  
Luisa.Andrews@torontohousing.ca