

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: December 14, 2011

SUBJECT: WIRELESS NETWORK IN THE SUBWAY PROJECT - STATUS

INFORMATION ITEM

RECOMMENDATION

It is recommended that the Commission receive this report for information and authorize the issuance of a Request for Proposal (RFP) to Bell Mobility Incorporated, Broadcast Australia Limited and Extenet Systems, the three (3) qualified proponents established as a result of a publicly advertised Request for Pre-Qualification document issued in December 2009.

FUNDING

Funds in the amount of \$250,000.00 are included in the 2012 TTC Operating Budget for in-house project start-up costs including project management, design review work, and operational support. These in-house expenditures will be recovered from the successful provider. In addition, any additional funds required for the design, installation, testing and implementation of the project will be paid by the successful wireless provider.

BACKGROUND

A Request for Pre-Qualification (RFPO) for the design, supply, installation, hosting and maintenance of a wireless network in the TTC's subway system (including tunnels and stations platforms) was publicly advertised on the TTC's website in December 2009. The RFPO stated that subsequent to the selection of the qualified proponent(s), the TTC may participate in a Structured Multi-Phase Bid Process (SMPBP) with the qualified proponent(s) to determine a prime contractor to award the contract and to establish conditions acceptable to both the prime contractor and the TTC.

As a result of this RFPO, the following proponents were considered qualified:

- Bell Mobility Incorporated
- Broadcast Australia Limited
- Extenet Systems

At its July 14, 2010 Commission Meeting, the Commission authorized staff to initiate the SMPBP with the three qualified proponents.

In March 2011, the TTC retained Stikeman Elliott LLP (Stikeman) to assist with the Telecommunication Network Agreement (TNA) and to ensure all requirements of the Canadian Radio-Television Telecommunication Commission (CRTC) are addressed. In addition, in June 2011, a Fairness Monitor with PPI Consulting Limited was hired through a competitive process to ensure that the procurement process will be carried out in a fair and transparent manner.

DISCUSSION

Over the past several months, staff has held several individual meetings with the qualified proponents with the presence of the Fairness Monitor to establish the commercial and technical requirements for this project.

TTC staff, with the assistance of Stikeman, has drafted the Telecommunications Network Agreement. This agreement calls for a twenty (20) year term with an option of an additional five (5) years exercisable by the TTC. The cost of the wireless network is estimated to be \$40-\$50 million and would be paid for by the successful proponent. In addition, the successful proponent will pay for all of the TTC's costs, including provision of the required project management team and operational support.

The TNA calls for the successful proponent to perform testing, as part of their due diligence, to ensure that there will be no interference to the TTC's existing systems and the upcoming Automatic Train Control system, as a result of the wireless network. As a primary technical consideration, if such interference were to be encountered any time during the term of the contract, provision has been made for the TTC to immediately shut down the wireless network, until such time as the interference issue has been resolved.

Staff anticipates having the RFP documents completed by late December 2011 and the final RFP document issued to the three qualified proponents in January 2012.

Upon completion of the procurement process, staff will report back to the Commission to consider approval to award a contract to the successful proponent.

JUSTIFICATION

As the use of wireless technology is growing and to enhance the experience of TTC's customers, it is recommended that the Commission authorize staff to continue working with the internal stakeholders with the intention of issuing the RFP in order to proceed with this project.

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