

Memorandum

Vice-Principal, Administration and Finance
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TO: Board of Governors
FROM: Michael Di Grappa, Vice-Principal, Administration and Finance
SUBJECT: Call for Tenders for Cell Phone Services
DATE: February 11, 2016
DOCUMENT #: GD15-33

ACTION REQUIRED: INFORMATION APPROVAL/DECISION

ISSUE & EXPECTED OUTCOME Approval is requested for McGill University (“University”) to participate in a group public call for tenders (“CFT”) to enter into a new contract for cell phone services. The group CFT is managed by GACEQ (Groupe d'approvisionnement en commun de l'Est-du-Québec).

BACKGROUND & RATIONALE The current contract for cell phone services with Bell expires on May 31st, 2016. The University spends approximately \$1 million per year on cell phone service for 1,400 lines. Consequently, the University has a clear legal obligation to publicly tender the new contract.

Since the current contract came into effect in June 2011, following a group CFT led by GACEQ’s predecessor, the University clearly benefitted from lower rates, data packages and device selection. Preferential rates benchmarks at that time showed a 35%-40% reduction in data and voice rates.

McGill University Procurement Services participated in the development of the new CFT with GACEQ and other members. The GACEQ CFT strategy is based upon:

- 30,000 cell phone lines for 98 public organizations, including 16 universities. By comparison, the current contract targeted 12,000 lines, for approximately 100+ organizations;
- A base term of 2 years + one optional extension of two years. The current contract had a term of 3 years + two options to extend by one year (for a maximum total of 5);
- Double the daytime minutes base plan, from 100 weekday minutes (\$.04/min long distance across Canada) to 200 minutes, nationwide (no additional long distance fees);

- Double the data base plan, from 500mb to 1g;
- Unlimited texting (compared to current 100 outgoing text messages);
- Reduced contract roaming rates;

In order to participate in this public CFT, the University must enter into a mandate with GACEQ prior to the publication of the CFT on the Quebec government's website (Système électronique d'appel d'offres, SEAO).

Based on a recent contract awarded by the Centre des services partagés du Québec (CSPQ), GACEQ's assumption is that the base monthly cost will remain in the same range as the current cost (\$30.00). However, given that we will be increasing minutes, data and texting, Procurement Services estimates a yearly savings of \$100,000 (without factoring in the savings on roaming).

ALIGNMENT WITH MISSION AND STRATEGIC PRIORITIES	The University strives to reduce its operational costs and standardize its services. This contract will allow the University to improve on an already strong model for the management of business expenses related to cell phones.
COMPLIANCE WITH UNIVERSITY POLICY	Procurement activities are undertaken in accordance with the University's Procurement Policy, which mandates using strategies that will achieve best value, and compliance with the Regulations Relating to the Approval of Contracts and Signing Authority.
COMPLIANCE WITH LEGISLATION/ EXTERNAL REGULATIONS	A public call for tenders for contracts over \$100,000 is required in accordance with the <i>Act respecting contracting by public bodies</i> . In addition, any service contract with a potential duration longer than 3 years must be authorized by the Chief Executive Officer of the University (by law, its Board of Governors).
RISK FACTORS	It is a possibility that through the CFT process, a supplier other than Bell will be awarded the contract, which would lead to a rapid transition to the new provider (1,400 lines + early termination fees up to an estimated \$60,000). Budgetary savings will be affected by actual data and voice usage.
SUSTAINABILITY CONSIDERATIONS	There were several sustainability considerations taken into account in the development of this proposal. Our internal practices promote the repair and re-use of devices, extending use of devices to a minimum of three years before replacement, and prolonging lifespans with unlocked devices (ability to create pool of devices for emergency replacements). With the service provider, we are asking for a "bring your own device" option, the ability to unlock devices, and for the devices to be owned by the University.
IMPACT OF DECISION AND NEXT STEPS	Signature by Vice-Principal, Administration and Finance of the GACEQ mandate to participate in the CFT, and contract resulting from the CFT.
MOTION OR RESOLUTION FOR APPROVAL	<i>Be it resolved that the Board of Governors, on the recommendation of the Vice-Principal (Administration and Finance), authorize The Royal Institution for the Advancement of Learning/McGill University to participate in a public call for tenders managed by Groupe d'approvisionnement en commun de l'Est-du-Québec (GACEQ), for a maximum term of 4 years, at an estimated value of \$4</i>

million, and authorize the Vice-Principal (Administration and Finance) to sign any document necessary for The Royal Institution for the Advancement of Learning/McGill University to participate in the GACEQ call for tenders, provided it is reviewed by Legal Services.

Be it further resolved that the Board of Governors approve the selected contract and authorize the Vice-Principal (Administration and Finance) to sign it, and any accessory documents, provided that they are reviewed by Legal Services, as appropriate.

APPENDICES

Drafts of call for tenders and contract available upon request.
