

Unified Communications as a Service – Award of Contract

Date:	November 9, 2021
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library Board approval to award a contract to OnX Enterprise Solutions Ltd. for the supply of Unified Communications as a Service (UCaaS) that is cloud-based, in order to support Toronto Public Library's (TPL's) digital and IT strategies.

The term of the contract is two years and the estimated value of the commitment is \$859,248, excluding Harmonized Sales Tax (HST).

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. enters into a contract with OnX Enterprise Solutions Ltd. for the supply of IT Unified Communications as a Service (cloud-based services) for a two-year term at a cost of approximately \$859,248, excluding HST.

FINANCIAL IMPACT

The commitment value of the award to OnX Enterprise Solutions Ltd. over a two-year period is approximately \$859,248, excluding HST. The approximate annual costs and funding for the award are shown in the following table.

Unified Communications as a Service (UCaaS)
- Onx Enterprise Solutions Ltd.

	<u>Year</u>	<u>Capital</u>	<u>Operating</u>	<u>Commitment</u>
Award	2022	353,808		353,808
	2023		505,440	505,440
Commitment		353,808	505,440	859,248
Optional Year 1	2024		505,440	505,440
Optional Year 2	2025		505,440	505,440
Total potential value				<u>1,870,128</u>

Operating Budget

2023 operating cost	505,440
Current Bell contract	<u>340,000</u>
Net budget pressure in 2023	<u>165,440</u>

The 2022 initial cost of \$353,808 will be funded by the multi-year Service and Digital Modernization capital project. The 2023 cost of \$505,440 for the cloud-based service will be funded by the operating budget. As a result, in 2023 there will be a reduction in the services agreement with Bell Canada and the budget of \$340,000 will be used to fund the OnX costs, resulting in a net budget pressure of \$165,440, which will be included in the 2023 operating budget submission.

The contract with Onyx has an option for two additional one-year extensions at similar annual costs of \$505,440 and if they are exercised, the total potential value of the contract could be \$1,870,128. Extension options would be presented to the Board for consideration at a future date.

The Director, Finance & Treasurer has reviewed this financial impact statement and agrees with it.

ALIGNMENT WITH STRATEGIC PLAN

TPL's Strategic Plan (2020-2024) *Vital to Toronto—Building Success, Resilience and Well Being for our City* includes broadening Toronto's digital access and inclusion as one of five priorities. The provision of an IT infrastructure that enables access to technology for the public is a key initiative in advancing this priority. It also supports investing in staff & an innovative service culture to ensure that staff have the right tools to deliver exceptional customer experiences. The telephone is an indispensable piece of equipment in TPL's communications tool set for engaging with the public. Moreover, TPL has an overarching duty to provide communications technology to enable a mobile workforce, whether in

branches, in the community or at home. It will also achieve the objective in the Digital Strategy to provide a modern and sustainable IT environment.

EQUITY IMPACT STATEMENT

TPL's strategic plan has the City's equity lens embedded. This lens supports the understanding and addressing of barriers to TPL services by equity-deserving groups and vulnerable populations in the City of Toronto to advance equitable outcomes for all. Access to telecommunications is a requirement for daily life. A 2019 study, [Technology Access in Public Libraries: Outcomes and Impacts for Ontario Communities](#), highlights the importance of library technology in addressing a fundamental barrier to access and advancing digital inclusion and digital literacy for all.

DECISION HISTORY

At its meeting on January 25, 2021, the Board considered the [Digital Strategy 2020-2024](#) and approved TPL's digital strategy. The goal for Priority 5 of the digital strategy, Adaptive Technology Environment, is to provide a secure, integrated, scalable technology environment that can enable TPL's current and future priorities.

ISSUE BACKGROUND

As part of the 2017 and 2018 capital budgets, TPL received funding to migrate the telecommunications environment (including land lines) to Voice Over Internet Protocol (VOIP) for its largest sites. A total of 26 of 102 sites were completed when the project was paused in early 2019.

Integra Data Systems Corp., the successful vendor through a competitive procurement process, completed a strategic review of TPL technology infrastructure, operations and unified communications in mid-2021. Integra identified a risk with the stability and scalability of the telecommunications environment.

During the COVID-19 pandemic, TPL telecommunications operating model and environment was challenged in its ability to quickly respond and meet requirements to support public service changes and a remote work environment. In response to these challenges, supply chain shortages and the risks identified in the infrastructure and telecommunications assessment, a decision was made to accelerate the migration of the remaining 76 sites to VOIP and a project to migrate to Unified Communications as a Service (UCaaS) and move to a cloud-based service. The project was added to the Digital Strategy 2021 Action Plan and launched in July 2021.

COMMENTS

Utilizing the City's Contract 47021195 with OnX Enterprise Solutions Ltd., which resulted from the [Award of Request for Quotation No.3412-17-0324 to OnX Enterprise Solutions Ltd. for Cisco and Cisco Meraki Network Equipment and Products](#), in September 2021, TPL placed orders with OnX to purchase CISCO phones and networking equipment, totalling \$305,360, needed to migrate the remaining 76 sites to VOIP. In late October 2021, a commitment was made with OnX to procure professional services totalling \$384,090 to implement the conversion to VOIP, bringing the total commitment with OnX to \$689,450. These commitments were made by the City Librarian as they were deemed urgent in order to respond to: significant issues with the reliability of the current Bell Canada telecommunications contract; the identified telecommunication risks as library services are being reinstated under COVID-19 conditions; and supply chain disruptions and shortages in the chip market.

Given the significant investment made in CISCO hardware to date, TPL made the decision to leverage such investments and remain with CISCO products for the Unified Communications solution. OnX Enterprise Solutions Ltd. is a preferred partner of CISCO and as noted above, TPL is able to engage OnX by utilizing the City's Contract 47021195 with OnX Enterprise Solutions Ltd. The City's master contract expires on December 31, 2022, so TPL will utilize the piggyback option available to agencies and enter into a separate and distinct contract with OnX with an extended two-year year term ending on December 31, 2023. This new contract will also have provisions for up to two additional one-year extensions to enable continuance of service and provide the required time to transition to a new City contract when ready, or for TPL to complete a procurement process if the new City contract does not meet TPL's requirements.

The recommendation is for TPL to enter into a two-year contract with OnX Enterprise Solutions Ltd. to provide cloud-based Unified Communications as a Service. Extension options would be presented to the Board for consideration at a future date.

CONCLUSION

TPL's decision to migrate to a Unified Communications service is based on leading practice to ensure adequate performance, efficiency and future enhancement. By transitioning to a cloud based service the risks of hardware failure, performance issues, and the inability to communicate effectively are mitigated. The proposed contract is key to ensuring ongoing staff productivity, digital literacy and the implementation of service modernization initiatives and delivery of public service programs through the use of communication technology.

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SIGNATURE

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