



MANAGEMENT REPORT

Date: February 10, 2025
To: Mayor and Council
From: Naeem Khan, Chief Technology & Security Officer
Report Number: COU25-013
Attachments: None

Title: Updated Recommendation for Tender T-2024-36: Supply and Delivery of Meraki Hardware and Licensing

Objective: To inform Council of a change in the award of Tender T-2024-36

Background: On November 29, 2024, the City issued Tender T-2024-36 for the supply and delivery of 139 video surveillance cameras and 3-year licensing for nine City facilities. The project aimed to replace outdated and unreliable systems, ensuring improved security, operational efficiency, and compliance with cybersecurity best practices.

There were 6 bids received, all of which were understood to be authorized resellers of Cisco hardware systems.

Based on the staff recommendation, Council approved the award of this tender to the lowest bidder, C.E. Technology Solutions Ltd., at a total cost of \$204,479.00, including HST.

The next lowest bidder was at a cost of \$218,033.31, including HST.

Analysis: Due to an administrative error, C.E. Technology Solutions Ltd. had provided their quote at a price that was not authorized within their reseller agreement, and as such, are unable to fulfill the bid. Due to this error of the vendors calculations we are unable to go forward with this vendor.

To understand the reseller agreements, staff contacted the supplier directly to discuss. As this error was not the fault of the City nor the supplier, the supplier has agreed to absorb the difference, and honour the awarded pricing to the next lowest qualified bidder, Synnapex Inc.

This is an unusual anomaly in the bid process, however, since all the qualified bidders were supplying Cisco products, moving to the next lowest bidder does not present significant risks to the City.

Council is asked to rescind their resolution awarding this tender to C.E. Technology Solutions Ltd., and to repeal the By-law and to award the tender to Synnapex Inc.

This change results in no financial impact, maintaining the total cost of \$204,479.00, including HST.

As the project was planned in 2024, to be funded from the capital program but not completed, the expenses will be recorded in 2025 and funded from unspent reserve funds.

As noted in the previous report, one third of the licensing costs will be expensed through the IT operating expense accounts annually, funded by a transfer from the reserve funds, while the equipment expenditures will be expensed through the capital program in 2025 and funded from the capital reserve funds as approved in the 2024 budget. Any additional contractor costs will be expensed through the regular operating budget as required during the installation phase in 2025.

Financial impact to current year operating budget:

None.

Financial impact on future year operating budget:

In 2026 and 2027, the remaining licensing costs will be included in the operating budgeted expenses (one-third in each year). In 2029, the licensing cost for the Meraki solution will need to be renewed for an estimated \$18,000 (excluding HST) per year.

Alignment with Strategic Priorities:

Enhance our Infrastructure

Like the original award report, this report aligns with this priority as it replaces outdated video surveillance systems with modern, reliable technology, improving security and operational efficiency across City facilities.

Alignment with One Planet Principles:

Health and Happiness

This report aligns with this principle by improving the safety and security of City facilities, creating a more secure and protected environment for staff and visitors.

Zero Carbon Energy

The replacement of outdated video surveillance equipment with modern technology contributes to improved energy efficiency. New systems, like the Meraki solution, are

designed to consume less energy and align with current sustainability standards, reducing the City's overall energy footprint.

Staff Recommendation: THAT Council rescind Resolution R2025-05 and repeal By-law 1-2025 awarding Tender T-2024-36 to C.E. Technology Solutions Ltd.;

AND THAT Council authorize the award of Tender T-2024-36: Supply and Delivery of Meraki Solutions to Synnapex Inc. at a total cost of \$204,479.00, including HST and 3-year licensing.

Prepared by: Naeem Khan, Chief Technology & Security Officer

Recommended by: Joan Thomson, Chief Administrative Officer