
DATE: May 9, 2011

REPORT TITLE: EXECUTION OF THE RENEWAL OF THE VCOM GROUP AGREEMENT

FROM: Dan Labrecque, Commissioner of Public Works

RECOMMENDATION

That the Region of Peel enter into a renewal of the VCOM Group Agreement;

And further, that the required documents be executed by the duly authorized signing officers of the Regional Corporation.

REPORT HIGHLIGHTS

- On June 8, 1995 the Region of Peel, the Peel Police Services Board and the municipalities of Mississauga, Brampton and Caledon created the VCom Group and entered into the VCom Group Agreement for the purposes of procuring and operating a common voice radio communication system.
- The original VCom Group Agreement expired on June 7, 2010 and requires renewal
- A region-wide voice radio communication system has a significant fixed cost component and therefore increasing the number of users and reducing the number of duplicate systems results in a lower overall cost and therefore reduces the cost to Peel rate payers
- The use of the common system has also resulted in operational efficiencies including increased inter-operability and efficiencies in locating antenna sites which can be difficult to secure
- Based on the above mentioned, staff have drafted a renewal of the VCom Group Agreement and are seeking authority to enter into it with the other members of the VCom Group

DISCUSSION

1. Background

On June 8, 1995 the Region of Peel together with Peel Police Services Board and the municipalities of Mississauga, Brampton and Caledon created the VCom Group, a partnership intended to procure and operate a common voice radio communication system for the benefit of the Region's Public Works Department, the Peel Regional Police, and the Fire Departments of Mississauga, Brampton and Caledon.

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A formal agreement was created that set out the governance structure, the basis for cost sharing and identified risk allocation along with dispute resolution mechanisms.

The agreement expired on June 7, 2010 and members of the VCom Group have since that time negotiated the terms of the renewal agreement, a draft of which is attached to this report as Appendix I.

2. Key Agreement Components

Consistent with the terms of the expired agreement previously approved by Regional Council, the renewal agreement contains the following key components.

- Two levels of participation are identified. The founding members from the core governance committee and include the Region of Peel on behalf of its Public Works Department, Peel Regional Police and the area municipalities on behalf of their Fire Departments. A second level of user includes groups which began using the system post development and have indicated they wish to continue as members of VCom. They include the City of Mississauga on behalf of its non-emergency users, Hydro One Brampton, and the Canadian Border Services Agency at Toronto Pearson International Airport.
- Cost allocations are defined and ensure appropriate recovery of capital based on usage.
- Operational responsibilities are identified; specifically Peel Regional Police operate the system on behalf of the users with both technical and strategic input from all users.
- Risk is allocated and appropriate indemnifications are included in the agreement.
- A dispute resolution mechanism is identified which essentially involves the senior management staff from all of the agencies (to date this mechanism has not been required).

3. Agreement Effectiveness

Since its establishment, the VCom Group has worked effectively and has provided all users with a reliable and cost effective voice radio communication system.

The overall cost of any region-wide voice radio communication system has a high component of fixed costs and requires significant logistic management with regard to antenna placement and coverage. Therefore, increasing the number of users in the system results in a lower cost per user as the fixed costs are distributed among a larger group.

Large user groups such as the VCom system also increases the negotiating leverage of the organization with users and allows for greater operational efficiencies such as increased inter-operability which was a substantial benefit during the recent 2005 Air France incident at the airport.

By allowing additional users into the system the overall cost to all users has been reduced, however as users increase and decrease their participation there is a potential for cost variability. However, despite this variability the overall cost for the users is lower than the alternative of creating multiple independent systems.

Given the effectiveness and efficiency of the system to date it is recommended that the relationship be continued and that the VCom Group Agreement be renewed.

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FINANCIAL IMPLICATIONS


Sufficient funds are in the appropriate capital and operating budgets. Capital costs are estimated to be \$2,742,791.97 with annual operating costs being allocated based on actual costs incurred which will be approximately \$88,110.00.

CONCLUSION

The VCom group allows all members to realize the benefits of an emergency grade voice communication system while offsetting the significant fixed infrastructure costs through multiple users. Given that no one group would achieve the existing service level independently, the arrangement is both cost efficient and effective in delivery service.

Therefore, the renewal of the agreement and continued participation is recommended.



 Dan Labrecque
Commissioner of Public Works

Approved for Submission:



D. Szwarc, Chief Administrative Officer

For further information regarding this report, please contact Shaun Hewitt, Director of Operations Support at extension 3243 or via email at shaun.hewitt@peelregion.ca

Authored By: Shaun Hewitt

c. Legislative Services

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This **RENEWAL AND AMENDING AGREEMENT** is made in quadruplicate on the _____ day of _____, 2011.

BETWEEN:

THE REGIONAL MUNICIPALITY OF PEEL
(the "Region")

- and -

THE CORPORATION OF THE CITY OF BRAMPTON
("Brampton")

- and -

THE CORPORATION OF THE CITY OF MISSISSAUGA
("Mississauga")

- and -

THE CORPORATION OF THE TOWN OF CALEDON
("Caledon")

- and -

THE REGIONAL MUNICIPALITY OF PEEL, POLICE SERVICES BOARD
(the "Police Services Board")

WHEREAS the Parties entered into an agreement that commenced on June 8th, 1995 (the "Original VCom Agreement") to establish and operate a trunked mobile radio system (the "VCom System") within the geographical limits of Peel Region for the primary purpose of communications between emergency responders;

AND WHEREAS the Original VCom Agreement was amended by way of a Supplemental Agreement dated the 13th day of October, 1998, to provide for the addition of New Users to the System (the "Supplemental Agreement");

AND WHEREAS the Original VCom Agreement expires on June 7th, 2010

AND WHEREAS each of the Parties owns the right to use certain radio frequencies pursuant to applicable federal legislation and each of the Parties agree that all of these frequencies shall be pooled for their shared use among the remaining Parties;

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AND WHEREAS it is desirable that the responsibility for the operation and management of the VCOM System be shared amongst the Parties;

AND WHEREAS the Police Services Board has responsibility for the provision of police services in the City of Brampton and the City of Mississauga;

AND WHEREAS the VCom System has been operational since September 7th, 1997;

AND WHEREAS the Parties wish to continue their affiliation in the management of the VCom System and renew their mutual obligations and reduce these obligations in writing in the form of a contract;

AND WHEREAS paragraph 11.1 of the Supplemental Agreement provides that New Users may be permitted access to the VCom System subject to the sole and absolute discretion of Regional Council;

AND WHEREAS Peel Regional Council Resolution Number 1998-1285 dated the 22nd day of October, 1998, authorizes that Hydro One Brampton (formerly known as Brampton Hydro), the City of Mississauga and the Greater Toronto Airports Authority (GTAA) may be granted access to the VCom System;

AND WHEREAS Peel Regional Council Resolution Number 2000-394 dated the 20th day of April, 2000, authorizes that the Royal Canadian Mounted Police (RCMP) may be granted access to the VCom System;

AND WHEREAS Peel Region Council Resolution Number 2004-510 dated the 13th day of May, 2004, authorizes that the Canada Border Services Agency (CBSA) may be granted access to the VCom System;

NOW THEREFORE IN CONSIDERATION of the mutual covenants contained in this Agreement, and other good and valuable consideration the receipt and sufficiency of which is acknowledged by each of the Parties, the Parties agree as follows:

1. The Original VCom Agreement and the Supplemental Agreement shall hereinafter be referred to collectively as the "VCom Agreement".
2. The VCom Agreement shall be renewed for a term of fifteen (15) years commencing on June 8th, 2010 (the "Commencement Date") and terminating on June 7th, 2025.
3. "VCom Group" shall consist of the following: a maximum of four (4) members from the Peel Regional Police appointed by the Police Services Board, a maximum of two (2) members from the Region's Public Works Department appointed by

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Regional Council, the System Manager, and one (1) member from each of the Brampton Fire and Emergency Services, Mississauga Fire and Emergency Services, and Caledon Fire and Emergency Services, each appointed by their respective Council.

4. The Parties agree that any surplus or deficit to the VCom annual operating budget may be deposited into, or withdrawn from, the VCom reserve fund by a majority vote of the VCom Group members.
5. The Parties acknowledge that the radio frequencies formerly allocated to each Party individually are now allocated by Industry Canada to the VCom System. The Parties further acknowledge and agree that in the event of an expansion of the VCom System, the System Manager may apply for additional frequencies from Industry Canada. Any additional frequencies shall be allocated for use amongst the Parties and New Users, as approved by the VCom Group.
6. The Parties acknowledge that the VCom System will require replacement by 2014. The Parties agree to participate in the project to renew the VCom System (the "VCom Renewal Project") and to contribute a proportionate share of the cost of replacing the VCom System in accordance with Schedule "A". The Parties agree that the authorized maximum number of radios that each Party is allowed to operate on the VCom System shall be accordance with Schedule "A"

The Parties agree that under the VCom Renewal Project the VCom System shall be replaced with a multi-site, mission critical, Public Safety, trunked, two-way, voice radio communications network infrastructure that complies with the latest APCO Project 25 specifications.

The Parties acknowledge that the VCom Renewal Project will be a multi-year project commencing in 2010 and concluding by 2014. The Parties further acknowledge that the VCom Group will manage all stages of the VCom Renewal Project from acquisition and implementation up to and including Final Acceptance of the Infrastructure. The Region shall be authorized to enter into contracts for the construction of the Infrastructure, however all of the Parties shall be responsible for various costs associated with the VCom Renewal Project in accordance with this Agreement.

7. Each Party shall indemnify (the "Indemnifying Party") the other Party (the "Indemnified Party"), where applicable, and hold such other Indemnified Party harmless against claims, losses and/or damages brought by any third party for negligence or willful misconduct of the Indemnifying Party in connection with the subject matter of this Renewal and Amending Agreement. For greater certainty, each Party shall not be responsible or liable for the actions of the other, but shall only be responsible for those direct proportionate losses, damages or claims caused by itself respectively. The Parties further acknowledge and agree not to hold the

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Region liable for any loss occasioned by the failure to provide continuous operation of the VCom System due to any cause whatsoever.

8. The Parties agree that any dispute arising from the subject matter of this Renewal and Amending Agreement which cannot be resolved by the VCom Group, shall be referred to a panel of executive managers (the "High Level Negotiation Team") for a determination of the issue. The High Level Negotiation Team shall be comprised of the following individuals:
 - a. The Commissioner of Public Works (on behalf of the Region);
 - b. The Commissioner of Community Services (on behalf of Brampton);
 - c. The Commissioner of Community Services (on behalf of Mississauga);
 - d. The Chief Administrative Officer (on behalf of Caledon); and
 - e. Deputy Chief Corporate Services or the CAO Policing (on behalf of the Police Services Board)

A Party may refer a matter to the High Level Negotiation Team by delivering a Notice Requesting Dispute Resolution to the other Parties which notice shall set out in reasonably sufficient detail the matter or matters in dispute.

Upon circulation of a Notice Requesting Dispute Resolution, the High Level Negotiation Team shall convene a meeting within ten (10) business days at which all Parties shall make a good faith effort to resolve the matter(s) under dispute. Further, the Parties agree that all negotiations shall be concluded within ten (10) business days of their commencement, unless otherwise extended by unanimous consent. In the event that the High Level Negotiation Team successfully settles the dispute, the Parties shall issue a joint statement detailing the manner in which the dispute has been resolved, and the matter shall be deemed to be concluded. The Parties agree that they shall do their utmost to make full and timely disclosure of all relevant facts, information and documents to facilitate such negotiations.

Notwithstanding that a matter has been referred to the High Level Negotiation Team under the provisions of this section, the Parties shall throughout the period of the negotiations continue to perform their respective obligations under the terms of this Renewal and Amending Agreement.

Any matter that cannot be resolved by the High Level Negotiation Team within the stipulated time period shall be referred to Regional Council for a final determination of the issue. The Parties agree that any decision of Regional Council pursuant to this section shall be final and binding with no further right of appeal.

9. Except as set out in this Renewal and Amending Agreement, the terms and conditions of the VCom Agreement shall remain unchanged and in full force and effect. In the event of a conflict between the terms of the VCom Agreement and the

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terms of this Renewal Amending Agreement, the Renewal Amending Agreement shall take precedence.

10. The Parties hereby covenant that they shall perform and observe the covenants, provisions and stipulations in the VCom Agreement as fully as if such covenants, provisions and stipulations had been repeated herein in full.
11. The Parties represent and warrant to each other that they have the right, full power and authority to enter into this Renewal and Amending Agreement.
12. Time shall be of the essence of this Renewal and Amending Agreement.
13. This Renewal and Amending Agreement shall enure to the benefit of, and be binding upon, the parties hereto and their representative successors and permitted assigns.

- signatures appear on following page -

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IN WITNESS WHEREOF the Region has executed this Renewal and Amending Agreement under the hands of its authorized signing officers this ____ day of _____, 2011.

) THE REGIONAL MUNICIPALITY OF PEEL

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Per: _____

Name:

Title:

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Per: _____

Name:

Title:

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)

We have authority to bind the Corporation

IN WITNESS WHEREOF Brampton has executed this Renewal and Amending Agreement under the hands of its authorized signing officers this ____ day of _____, 2011.

) THE CORPORATION OF THE CITY OF
) BRAMPTON

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Per: _____

Name:

Title:

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Per: _____

Name:

Title:

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We have authority to bind the Corporation

IN WITNESS WHEREOF Mississauga has executed this Renewal and Amending Agreement under the hands of its authorized signing officers this ____ day of _____, 2011.

) THE CORPORATION OF THE CITY OF

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) **MISSISSAUGA**

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Per: _____

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Name:

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Title:

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Per: _____

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Name:

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Title:

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We have authority to bind the Corporation

IN WITNESS WHEREOF Caledon has executed this Renewal and Amending Agreement under the hands of its authorized signing officers this ____ day of _____, 2011.

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THE CORPORATION OF THE TOWN OF CALEDON

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Per: _____

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Name:

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Title:

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Per: _____

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Name:

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Title:

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We have authority to bind the Corporation

IN WITNESS WHEREOF the Police Services Board has executed this Renewal and Amending Agreement under the hands of its authorized signing officers this ____ day of _____, 2011.

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THE REGIONAL MUNICIPALITY OF PEEL POLICE SERVICES BOARD

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Per: _____

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Name: Emil Kolb

Title:

Per: _____

Name: Frederick Biro

Title:

We have authority to bind the Corporation

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Schedule "A" – Proportionate Cost Sharing for the VCom Renewal Project

VCOM User Agencies	Infrastructure Cost Percentage	Infrastructure Cost	Authorized Maximum Number of Radios
Founding Members			
The Regional Municipality of Peel, Police Services Board	36.026%	\$8,646,300.07	1986
The Regional Municipality of Peel (Public Works)	11.428%	\$2,742,701.97	630
The Corporation of the City of Mississauga (Fire)	6.857%	\$1,645,621.18	378
The Corporation of the City of Brampton (Fire)	5.182%	\$1,243,720.30	286
The Corporation of the Town of Caledon (Fire)	3.666%	\$879,837.07	202
New Users			
Hydro One Brampton	2.263%	\$543,109.30	125
The Corporation of the City of Mississauga	22.562%	\$5,414,799.73	1244
Canadian Border Services Agency	12.016%	\$2,883,910.39	663
TOTAL	100.00%	\$24,000,000.00	5514

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