

INFORMATION NOTE

Advice to Deputy Minister

DATE: August 31, 2022

CLIFF#: 117846

ISSUE: Design Templates for the Connectivity Division and the New Connecting Communities BC program

BACKGROUND:

With the pending launch of the new Connecting Communities BC (CCBC) program, the Connectivity Division procured a design agency to work on a template for reports and visuals to assist our work in communicating connectivity progress to stakeholders, partners and the public.

The new program is the first version to be delivered directly by the province and will be public and industry-facing until 2027. A consistent look and feel to all connectivity programming communications will be applied.

DISCUSSION:

The Division worked with KIMBO, a design agency in Vancouver, to create a cohesive look for document templates, such as the Application Guide for the CCBC program, and reports such as the Benchmark Study, as well as creating a suite of visuals to use in a PowerPoint template. The aim of the package is to create a cohesive look and feel across materials, while staying true to government colours, branding guidelines and visual identity. KIMBO was chosen through a procurement process from the approved suppliers list for graphic designers supplied by GCPE.

Where appropriate, for example on the CCBC Application Guide, the Government of Canada logo appears with the BC Government logo. All branding guidelines are adhered to for the BC Government mark and the federal government has approved the use of their mark on materials such as the Application Guide.

Having the templates creates efficiencies for reports, materials and PowerPoints as all graphic design, and desk topping can be done in-house with the templates created.

The design package has been approved by GCPE.

NEXT STEPS:

The design package is shared here for information.

Attachment: Connectivity Design Package

Contact: Jeanne Holliss, Executive Director, Connected Communities 250 516-3848



MINISTRY OF CITIZEN'S SERVICES

OCIO CONNECTIVITY DESIGN PACKAGE

AUGUST 30, 2022

OCIO Connectivity | Look and Feel

Understand The Digital Landscape

Connectivity planning takes time. The complexity of living in a digital world makes a comprehensive and collaborative approach necessary; the long-term benefits of connectivity as a vehicle for public good make it worthwhile. Connectivity planning takes time. The complexity of living in a digital world makes a comprehensive and collaborative approach necessary; the long-term benefits of connectivity as a vehicle for public good make it worthwhile. The complexity of living in a digital world makes a comprehensive and collaborative approach necessary; the long-term benefits of connectivity as a vehicle for public good make it worthwhile. The complexity of living in a digital world makes a comprehensive and collaborative approach necessary; the long-term benefits of connectivity as a vehicle for public good

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Understand The Digital Landscape

Understand The Digital Landscape

Primary



Secondary



Additional colours



Font

BC Sans

Graphic Elements



OCIO Connectivity | Application Guide



CONNECTING COMMUNITIES BC | APPLICATION GUIDE

Connecting Communities BC

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Published July 2022 – Ver 1

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CONNECTING COMMUNITIES BC | APPLICATION GUIDE

Connecting Communities BC



INTAKE OVERVIEW

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1.1 Intake Objectives

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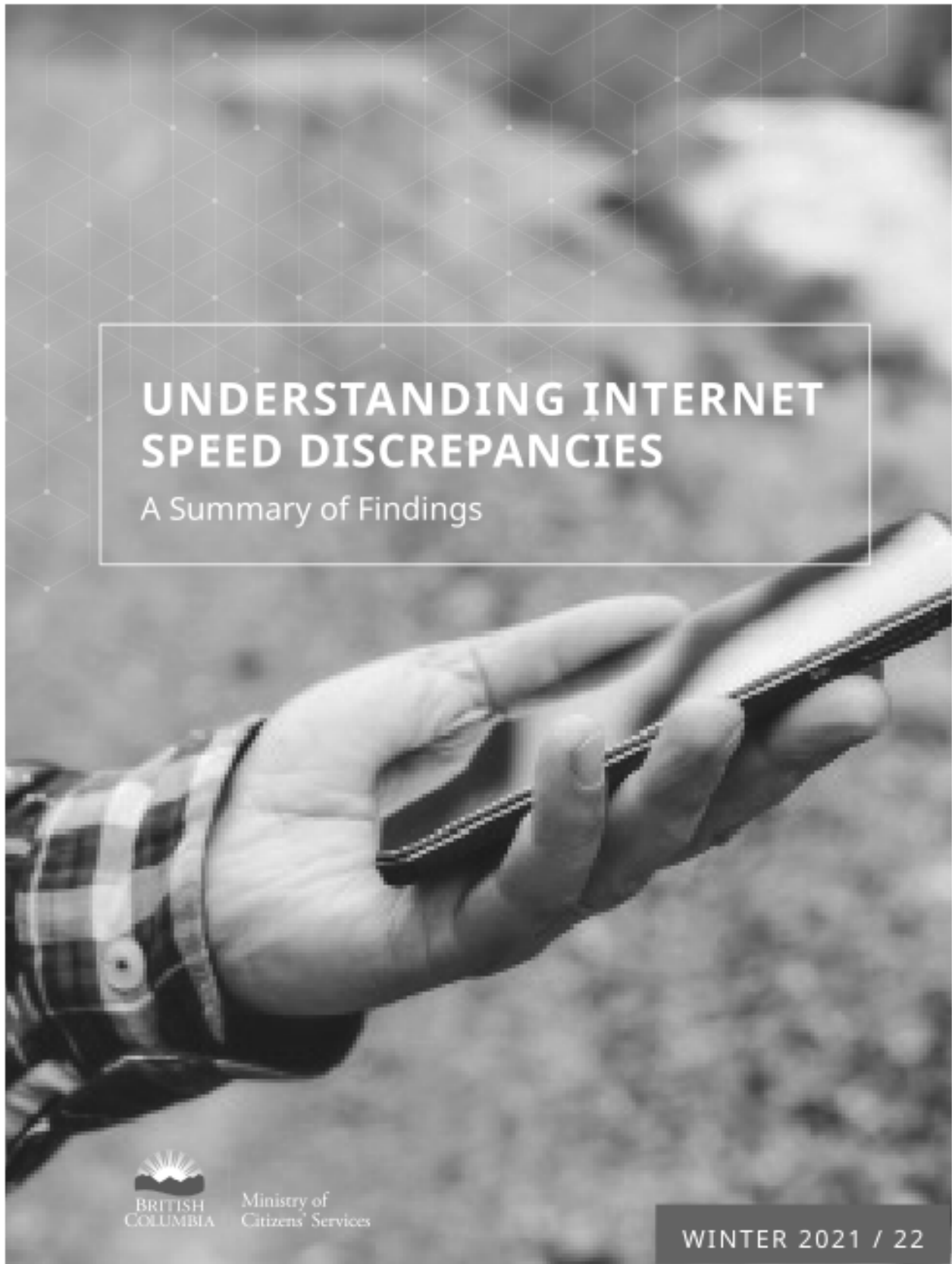
1.2 Project Scope

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OCIO Connectivity | Report Template



OCIO Connectivity | Report Template

01 CONNECTIVITY FUNDAMENTALS

DEFINITION

* National Broadband Internet Service Availability Map: Describes availability of retail broadband internet services and wholesale backbone infrastructure in Canada. The data plotted on the map is collected in partnership between the Canadian Radio-television and Telecommunications Commission (CRTC) and the federal government's Innovation, Science, and Economic Development (ISED) through annual surveys and consultation with key stakeholders, including internet service providers, federal partners, industry associations, and provinces. This data is collected and used for the statistical measure of broadband Internet service availability in Canada as well as the administration of various broadband related contribution programs.

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01 CONNECTIVITY FUNDAMENTALS

INTRODUCTION

This report summarizes the findings of a study that aims to better understand the possible discrepancies of internet speeds shown on the National Broadband Internet Service Availability Map (the map)* and the experience of communities in rural and remote British Columbia.

The study by TANEx Engineering Corporation was commissioned in response to concerns raised by a number of local governments in rural and remote communities that internet speeds reported on the map appeared not to reflect actual speeds experienced in some communities or areas surrounding the communities. Speeds outlined on the map are one factor (among others) that determine eligibility for federal funding.

TANEx was asked to examine the nature and potential cause of possible discrepancies with the goal to better understand the issue and ultimately provide a compass for actions. The full technical report can be found [here](#).

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01 INTRODUCTION
TO REPORT

- 1.1 Minister's Message
- 1.2 Introduction
- 1.3 Context
- 1.4 What the study found
- 1.5 Factors influencing speed
- 1.6 Data comparison
- 1.7 Connectivity

02 TECHNICAL
CHALLENGES

- 2.1 Technical challenges
- 2.2 Introduction
- 2.3 Context
- 2.4 What the study found
- 2.5 Factors influencing speed
- 2.6 Data comparison
- 2.7 Connectivity

03 NETWORK
CHALLENGES

- 3.1 Network challenges
- 3.2 Introduction
- 3.3 Context
- 3.4 What the study found
- 3.5 Factors influencing speed
- 3.6 Data comparison
- 3.7 Connectivity

OCIO Connectivity | Iconography



OCIO Connectivity | Powerpoint



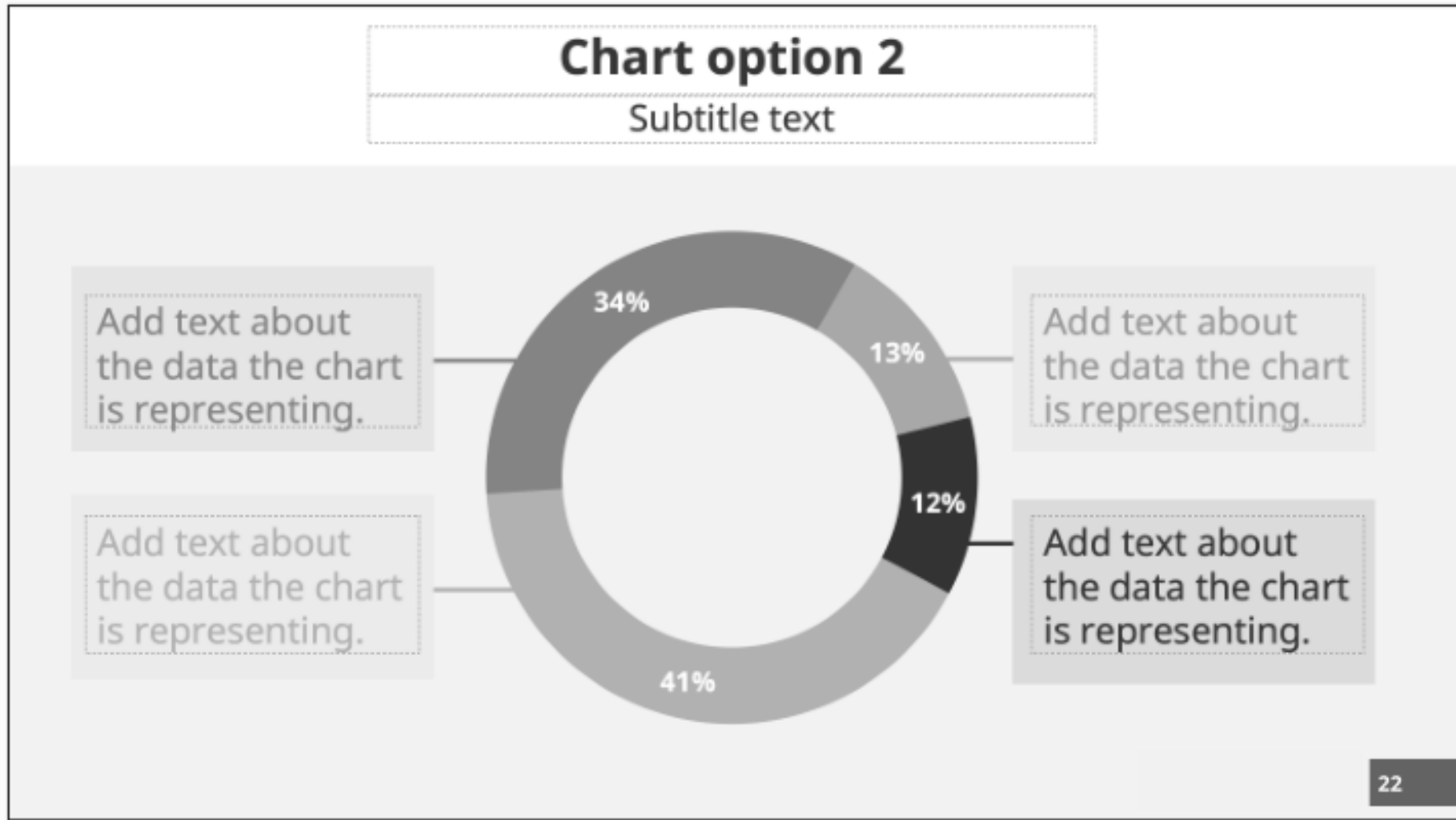
Graphic option 1

Subtitle text

Use this slide to convey data, statistics, or progress. Adjust the circles by double-clicking on the outer part of the circle until two orange circles pop up. Toggle them until you're happy with the position. Change the text within the circle to describe what the data is conveying.

Note: These icons are intended to visually convey a value and are manually adjustable. To represent specific data, we recommend choosing a graph or creating your own SmartArt option (Insert > SmartArt)

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KIMBODESIGN®

THANK YOU!

INFORMATION NOTE

Advice to the Deputy Minister

DATE: September 9, 2022

CLIFF#: 118340

ISSUE: Strategic Telecommunication Services Deal Performance Quarterly Report (FY2021/22 Q4 Treasury Board Report ending March 31).

DESCRIPTION:

- The Strategic Telecommunication Services Deal Performance quarterly report (Treasury Board report), as per the Telecommunications Service Master Agreement (TSMA) requirement, provides detailed information on the Strategic Investment Fund, Connectivity, TSMA Service Quality, Onboarding, and TSMA Value for Money, that aligns with the strategic objectives identified in the TSMA Deal.
- Due to the data aggregation and analysis required to validate the financial information received from TELUS, the report is completed approximately four months post the referenced quarter.

BACKGROUND:

- The Telecommunications Office generates and processes the treasury board report every quarter of the fiscal year, under the term of the deal.
- Financial information entered into this report is obtained from the Quarterly Spend Report (QSR) provided by TELUS to the Telecommunication Office. The QSR is received within 60 days from the end of the quarter that is to be reported. The financial information must be verified and presented in an interpretable format to the Signatories. This requires up to an additional 30 days.
- Each quarterly report is processed approximately one month after receiving a correct QSR by the Telecommunication Office. The report will contractually have information that is approximately 3-4 months past the quarter end. The report is then sent out to the Deputy Minister of Citizens' Services for final approval.
- The treasury board report is approved and distributed via email through the following process:

FROM/APPROVAL:	TO:
Executive Director of Contract Management and Negotiations, Office of the Chief Information Officer, Information Communication Technologies, Telecommunications Office	Sr. Executive Director, Office of the Chief Information Officer, Information Communication Technologies
Sr. Executive Director, Office of the Chief Information Officer, Information Communication Technologies	Associate Deputy Minister and Government Chief Information Officer
Associate Deputy Minister and Government Chief Information Officer	Deputy Minister of Citizens' Services
Deputy Minister of Citizens' Services	Deputy Minister of Finance
Executive Director of Contract Management and Negotiations, Office of the Chief Information	Signatory Chief Information Officers

Officer, Information Communication Technologies, Telecommunications Office	
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Telecom Office Deal Reporting:

Report	Final Audience
<u>Treasury Board Report</u> Quarterly (3-4-month processing time)	Deputy Minister of Finance; Council of Chief Information Officers Signatory Members
<u>Strategic Investment Fund Report</u> Quarterly (3-4-month processing time)	Executive Governance Committee Members; Council of Chief Information Officers Signatory Members
<u>Entity Profiles Report</u> Quarterly (3-4-month processing time)	Council of Chief Information Officers Signatory Members; Deal Entity Leads

RECOMMENDATION:

Approve the FY202122 Q4 Treasury Board Report (ending March 31)

Attachment(s): DM LTR - FY202122 Q4 Strategic Telecommunications Services Deal Performance Report Letter
 Contact: Michael Rolston, 250-812-6041 | michael.rolston@gov.bc.ca



October 12, 2022

Ref: 118340

Heather Wood
Deputy Minister, Ministry of Finance
Secretary to Treasury Board
Room 109 - 617 Government Street
Victoria BC V8W 9V1

Dear Heather Wood:

Re: Strategic Telecommunications Services Deal Performance Report for the Quarter Ending March 31, 2022.

Please find attached the quarterly performance report regarding the Strategic Telecommunications Services Agreements signed with TELUS on July 29, 2011. The attached report covers Quarter 4 of FY 2021/22 ending March 31, 2022.

Performance is reported against strategic objectives identified in the deal, including:

1. Provide demonstrable value for money to Greater Public Sector Entities;
2. Achieve a highly connected British Columbia; and
3. Meet or exceed the obligations set out in the deal.

Highlights for the quarter include:

- Total savings achieved since the signing of the Deal is estimated to be \$471.11M.
- Current value of SIF to end of the term is estimated to be \$119.82M and \$116.19M is allocated to 24 projects.
- The Deal Office developed a 2-year plan outlining key milestones for SIF leading to the end of term. The milestone for this quarter involves obtaining final funding approvals for the cellular in-building and quick start projects from decision-making Deal governance bodies.
- The Executive Governance Committee (EGC) approved the strategic option for allocating any additional SIF funding. This option, a combination of quick-start, cellular in-building and future SIF projects, was recommended by the Council of the Chief Information Officers – Telecom Sub-Committee (CCIO-TSC).

- The Executive Governance Committee (EGC) approved the requested funding for the 3 quick-start innovation and 1 First Nations Health Authority (FNHA) 5G Cellular In-building projects:
 - 3 Quick-start Innovation projects
 - Digital Trust BC Energy & Mines (Expansion)
 - 5G Enabling BC Wildfire Centres (Expansion)
 - Growing BC Food Security (New)
 - 1 5G Cellular In-building project
 - First Nations Health Authority (FNHA) headquarters
- Deal value continued to increase including the following:
 - Lowered stepped pricing from the Enhanced Price Review
 - Negotiated cellular savings
 - End of Term Wide Area Network (WAN) savings
 - The elimination of Quality of Services fees on data
- The Deal Office is working closely with the Council of Chief Information Officers planning for next generation telecom services procurement project.

I trust you will find this report complete.

Sincerely,



Shauna Brouwer
Deputy Minister

Attachment: FY2021/22 Q4 Treasury Board Report

pc: Rebecca John, Director, Treasury Board Staff
Ministry of Finance

CJ Ritchie, Associate Deputy Minister and Government Chief Information Officer,
Ministry of Citizens' Services

James Shypitka, Senior Executive Director, Office of the Chief Information Officer,
Information Communication Technologies Division, Ministry of Citizens' Services

Michael Rolston, CPA, CMA, Executive Director, Contract Management and
Negotiations, Office of the Chief Information Officer, Information Communication
Technologies Division, Ministry of Citizens' Services

Strategic Telecommunications Services Deal

Performance Report

For the Quarter ending March 31, 2022

OCIO - Information Communication Technologies (ICT)
Telecommunications Service Master Agreement - TSMA
Confidential



1. Deal Summary as of March 31, 2022

<i>Vendor</i>	TELUS
<i>Deal Signatories</i>	12 Entities: Government of BC (CITZ), BC Hydro, ICBC, WorkSafeBC, BCLC, and 7 Health Authorities
<i>Term</i>	<ul style="list-style-type: none"> Original term of 10 years: July 29, 2011 to July 28, 2021 Deal renewed for an additional 2-year from July 29, 2021 to July 29, 2023
<i>Contracts</i>	<ul style="list-style-type: none"> Telecommunications Service Master Agreement (TSMA) Strategic Relationship Agreement (SRA) Connecting British Columbia Agreement (CBCA)
<i>Deal Value</i>	<ul style="list-style-type: none"> \$922M at Deal signing \$1.64B estimate to the end of the extended term, as of March 31, 2022
<i>Deal Description</i>	TSMA includes long distance, conferencing, cellular, voice and data network services. TSMA spend is used to leverage additional benefits such as increased internet access and cellular coverage (CBCA) and a fund for new, innovative services (SRA).
<i>Deal Audits</i>	<ul style="list-style-type: none"> Audit 1: Financial Audit – Completed 2014 Audit 2: Privacy and Security – Completed 2018 Audit 3a: Cellular Price Review – Completed 2018 Audit 3b: Strategic Investment Fund (SIF) Review – Completed 2019 Audit 4: Strategic Investment Fund (SIF) Audit #2 scheduled for 2022/23
<i>Savings Achieved since Deal Signing</i>	<ul style="list-style-type: none"> \$471.11M cumulative savings since Deal signing including: <ul style="list-style-type: none"> \$283.04M Deal-signing Benefit \$151.36M Enhanced Price Review \$1.20M One-time EPR signing credit \$0.40M Cellular Price In-building Enhancement \$9.73M Progressive Data Discount benefits received \$1.01M Conferencing \$18.73M Cellular Re-Rate \$5.64M End of Term Extension
<i>Estimated Extension Benefits from 2021-2023</i>	<ul style="list-style-type: none"> \$14.11M savings from extension negotiations Additional \$17.85M in funding for the Strategic Investment Fund
<i>On-boarding</i>	<ul style="list-style-type: none"> \$67.61M estimated value of TSMA-Lite to end of the extended term \$8.55M estimated spend to end of the extended term for First Nations Health Authority \$211.60M estimated value of 18 new services to end of term
<i>Strategic Investment Fund</i>	<ul style="list-style-type: none"> \$119.82M estimated value of the fund to end of the extended term \$116.19M forecasted allocation to 24 SIF projects.
<i>Connectivity</i>	<ul style="list-style-type: none"> 1,721 km of highway received cellular coverage – <i>complete</i> 98 communities received high-speed internet – <i>complete</i> 73 communities received bandwidth upgrades – <i>complete</i> 378 schools received fibre upgrades – <i>complete</i>

2. Introduction

On July 29, 2011, the Province entered into a strategic relationship with TELUS, which is described in a series of agreements collectively referred to as “the Deal”. A Deal Office within the Ministry of Citizens’ Services manages the Deal on behalf of 12 Greater Public-Sector organizations (GPS Entities). Over a 12-year period, the Deal Office works to achieve value and benefits beyond the capabilities of a traditional shorter-term, commodity-based contract.

Given the complexity of the Deal and the intent of the strategic relationship, a deal management framework is in place to guide administration. The framework ensures time is invested achieving the strategic objectives for the Deal and delivering on the contractual terms of the underlying agreements. The appendix provides a summary table of the framework as established at Deal signing.

The strategic objectives of the Deal, as summarized from various underlying agreements, are to:

1. Provide demonstrable value for money to GPS Entities;
2. Achieve a highly connected British Columbia; and
3. Meet the obligations set out in the Deal

3. End of Term Plan

The Deal Office is developing an end of term plan to ensure the successful completion of the Deal and has commenced a new procurement for Telecom Services with the Buyers’ Group. The plan will provide guidance understanding terms, processes and contractual requirements for the conclusion and transition of TSMA services into future contracts.

4. TSMA Value for Money

4.1 Revenue Commitment

Revenue commitment is based on the annual aggregate spend of the GPS Entities. As defined in the Participation Agreement, each signatory to the Deal committed to a proportion of the target spend, or Revenue Commitment, over the life of the Deal. The Revenue Commitment is measured annually and cumulatively for the term of the deal, the latter defined as the Aggregate Revenue Commitment. The Aggregate Revenue Commitment was reached in the Summer of 2020. By achieving the Aggregate Revenue Commitment, penalties and obligations with respect to the Revenue Commitment no longer apply. GPS Entities have the ability to cancel a service (including any circuit provided as part of a service) for any reason (including to go to a TELUS competitor) and no cancellation fees will be incurred. Fees that still apply, include:

- Amortization fees
- Disconnect fees
- Equipment removal/movement costs.

Table 1: Revenue Commitment and Eligible Spend by Entity (\$'000s)

	2011/12 – 2019/20	2020/21	2021/22	Total ES (2)	Total Spend (3)
BC Hydro	\$77,329	\$8,234	\$7,585	\$93,148	289,028
BCLC	21,181	1,614	1,520	24,315	24,315
FHA	28,211	4,869	5,253	38,333	38,429
FNHA	4,535	1,033	1,001	6,569	6,841
Govt. BC (incl. Educ.)	508,788	56,879	54,223	619,890	784,385
ICBC	39,456	2,934	2,716	45,106	45,577
IHA	37,739	5,251	6,430	49,420	49,429
NHA	16,640	2,191	2,387	21,218	21,223
PHSA ⁽¹⁾	38,657	5,806	5,939	50,402	50,930
VCHA	56,402	9,737	11,148	77,287	77,379
VIHA	36,828	4,373	5,251	46,452	46,458
WorkSafeBC	20,576	1,958	2,154	24,688	25,019
Total	\$886,342	\$104,879	\$105,607	\$1,096,828	\$1,459,013

Notes:

- (1) Fraser and Vancouver Coastal Health Authorities had an offsetting transfer to the Provincial Health Services Authority in 2015/16.
 (2) Eligible Spend was adjusted to include the retroactive spend for Elements (\$1.58M) and MMS (\$0.47M) services. This represented an error in previous TELUS reports.
 (3) Total spend includes Eligible Spend plus services that are not included for the purposes of the Revenue Commitment.

The Revenue Commitment for the Deal of \$921.87 million was achieved in Summer 2020.

4.2 Cumulative Deal Savings

The Deal provides mechanisms to accumulate benefits in the form of savings due to price reductions and through credits when thresholds are achieved.

Progressive Data Discount (PDD)

PDD credit is available to the GPS Entities when their combined spend on Data-WAN exceeds \$60M in a calendar year. The Eligible Spend for PDD benefits is calculated twice; once at the end of June against a midterm \$30M threshold and again at the end of the calendar year against the \$60M annual threshold. Due to the cumulative impact of the negotiated savings (listed below), which lowered the GPS Entities spend, the threshold is not expected to be crossed during the remaining years of the Deal.

Enhanced Price Review (EPR)

In December 2016, the Deal Office negotiated incremental data and voice service price reductions, effective August 1, 2016, and reviewed each year to the end of term. The estimated total value of the price reductions is estimated to exceed \$207.66M¹ to the end of term.

Additional Price Reviews

Cellular price reviews have provided additional benefits and discounts to the GPS Entities including one in 2015 and another in 2017. In 2016, the GPS Entities received an additional \$0.40M in-building cellular credit that was distributed on an as needed basis. The 2017 review resulted in two new cellular plan options for the GPS Entities. Existing subsidized cellular plan offerings were updated, and new unsubsidized plan offerings were introduced. The updated subsidized cellular plans resulted in a \$6.0M retroactive credit for the GPS Entities for the transition period starting from November 2017 to March 2019. Under the new cellular plans, the annual savings are

¹ This does not include the \$1.20M one-time EPR payout in 2016

estimated at \$4.24M. In addition, the Deal Office is working with each of the GPS Entities and TELUS to ensure that cellular plans are optimized and are providing the highest value.

Extension Benefits

On July 30, 2020, the Signatories finalized the negotiation with TELUS to renew the term of the Telecommunications Master Service Agreement (TSMA) and Strategic Relationship Agreement (SRA) for an additional 2-year period from July 29, 2021 to July 29, 2023. Through extension negotiations, the additional value achieved for the 2-year period is estimated as:

- Cellular Savings: \$2.29M
- Business Internet Savings: \$0.84M
- Data WAN Savings: \$10.91M
- Conferencing Savings: \$0.07M
- Strategic Investment Fund Funding increase: \$17.85M

Table 2: Cost Reductions and Credits Applied by Fiscal Year (\$'000s)

	2011/12 - 2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Cost Reductions:							
Deal Savings	\$83,289	\$29,672	\$32,980	\$36,894	\$48,425	\$51,775	\$283,035
EPR	6,636	13,951	23,291	29,476	35,541	42,468	151,363
Cellular		1,767	4,241	4,241	4,241	4,240	18,730
Conferencing		-	69	249	567	129	1,014
End of Term		-	-	-	1,800	3,836	5,636
Sub Total	89,925	45,390	60,581	70,860	90,574	102,448	459,778
Credits:							
PDD	4,999	4,728	-	-	-	-	9,727
Other ¹	1,200	400	-	-	-	-	1,600
Total	\$96,124	50,518	60,581	70,860	90,574	102,448	\$471,105
Cumulative Total	\$96,124	\$146,642	\$207,223	\$278,083	\$368,657	\$471,105	

Notes:

- (1) Other includes a one-time EPR signing credit of \$1.20M and Cellular Price In-building Enhancement Credits of \$0.40M resulting from the Cellular Price Review.

As of March 31, 2022, total savings due to credits and reduced prices since Deal signing are \$471.11M.

4.3 Deal Office Projects and Initiatives

To ensure the management of the Deal is optimized, the Deal Office is engaged in the following initiatives:

- Developing an End of Term and Deal transition plan;
- Improving Deal reporting and transparency;
- Completing billing and service order improvement projects;
- Enhancing performance management reporting;
- Maximizing stakeholder engagement;
- Onboarding new services and identifying replacement for services that are sunsetting;
- Completing project and offboarding plan leading to end of term for SIF;
- Allocating any additional SIF funding while identifying opportunities for cellular in-building and quick-start projects; and

- Implementing a 2-year plan that will yield maximized value of the Deal and SIF during the extension period.

5. TSMA On-boarding and Service Quality

The value of the Deal is demonstrated in part by demand for new services to support GPS Entity service delivery transformation and emerging government priorities.

For the fourth quarter ending March 31, 2022, no new service was added to the catalogue of services available to the GPS Entities.

Table 3: Comparison of On-boarded Services Projected and Actual Spend by Fiscal Year (\$'000's)

			Deal signing			
			Actual Spend			Total
	Date of OB (mmm-yy)	Est. Service Value – EOT ¹	2011/12 – 2019/20	2020/21	2021/22	
1) Client Com. Service	Jul-12	n/a	\$368	\$72	\$ 71	\$511
2) Managed Security ³	Feb-14	n/a	920	388	1,130	2,439
3) Security Consulting	Feb-14	n/a	1,620	462	334	2,417
4) Managed Mobility	Dec-15	\$300	2,339	2,006	2,390	6,735
5) Managed Router	Feb-16	6,600	1,927	380	375	2,681
6) Managed WLAN	Feb-16	16,500	5,382	3,999	4,205	13,585
7) IP Trunking ²	Mar-17	240	1,073	1,063	1,125	3,261
8) DDoS Protection Plus	Mar-17	3,000	341	736	605	1,683
9) Telepresence	Oct-17	4,500	1,179	596	549	2,324
10) Elements ³	Jan-18	3,000	5,518	7,226	11,252	23,997
11) HRMS	April-18	54,000	45,491	21,973	23,583	91,047
12) Cloud Collaboration	May-18	500	269	237	313	820
13) WAN L2 VPN 1.5MB	Sept-18	n/a	25	17	17	59
14) Secure Cloud Connect	Dec-18	n/a	284	216	362	861
15) IVR Service	Jan-20	n/a	-	-	-	-
16) icePAY	Jun-20	134	-	-	-	-
17) HHM	Apr-19	n/a	2,138	2,211	2,635	6,984
18) Safe Worker	Sept-21	n/a	-	-	-	-
Total		\$88,774	\$68,874	\$41,582	\$48,946	\$159,404

Notes:

- Values for eight of the new services were not defined at the time of on-boarding.
- In 2017/18 product description changed and expenditure was not included.
- 2021/22 includes eligible TSMA COVID Vaccine Call centre spend for Q2 2021. Long distance and Voice spend are added to Elements.

New services spend continues to exceed projected values.

Service quality is evaluated based on regular and periodic vendor and Deal related surveys and reports. Service quality, issues management, and Entity satisfaction is monitored through multiple levels of governance. Actions are taken to manage emerging issues.

At the end of the fourth quarter, no service quality issues were open for resolution.

Table 4: Summary of Escalated and Open Service Quality Issues

Issue	Status	Issue date	Target Resolution date
None	-	-	-

6. Deal Management

6.1 Deal Audits

Under the Deal Audit Plan, one audit remains to be completed before the end of term in 2023. The final audit, 4, was defined and approved by deal governance in 2020 and will focus on the Strategic Investment Fund. This second audit of the fund will allow a broader view of the fund through multiple projects that are in flight and nearing completion. It is scheduled for 2022/23.

Table 5: Deal Audits – March 31, 2022

Deal Audit	Status	Issue date	Completion date
1. Financial Audit	Closed	2014	2014
2. Privacy and Security Audit	Closed	2015	2018
3. Price Review and SIF Project			
A. Cellular Price Review	Closed	2017	2017
B. SIF Project	Closed	2017	2019
4. SIF Audit #2 has been defined and approved by Deal governance	Open	2022/23	TBD

6.2 Service Level Agreements / Service Level Objectives:

The Deal Office completed the Gartner review of the 130 Service Level Agreements (SLAs) and Service Level Objectives (SLOs) included in the TSMA contract. The 41 SLAs and 89 SLOs was compared to industry standard equivalents and Gartner best practices.

The review concluded that the SLAs and SLOs was consistent with industry standards. In the report, Gartner provided guidance on modernizing the SLA and SLO section of each service tower. Recommendation was to reduce the overall number of SLAs to simplify the measurement and management, focus on the business requirements that the service must support, and ensure alignment of service level with the vendor capabilities and solution architecture.

The Deal Office organized Service Level workshops with the GPS Entities to capture the Service Level Requirements for each of the service towers and used those findings to drive the evolution of the SLAs and SLOs. This review was completed in 2020 and no further review is required.

6.3 Deal Obligations

Each year, the Deal Office manages approximately 1,000 contractual obligations to ensure that the contractual terms and the strategic objectives of the TSMA are being met and any risks are being mitigated. To this end, the Deal Office, along with TELUS, monitors these contractual obligations during weekly meetings.

The Deal Office identified eight contractual obligations that required tracking in the period. Out of the eight contractual obligations, three are accepted. The remaining five contractual obligations are in progress and none have been escalated. The Deal Office does not believe that any of the five contractual obligations pose a threat to the delivery of TSMA services. Should this opinion change, the TSMA allows for any contractual obligation to be escalated to the relevant governance body.

Overall, the status of the contractual obligations completed at the end of this quarter is acceptable and no contractual obligations have been escalated during this period.

Table 5a: Contractual Obligations

Obligations (approx.)	Total	Accepted	In Progress	Deferred	Escalated
Contract Obligations					
Circumstantial	419	264	28	127	0
Mandatory	551	465	82	4	0
TOTAL	970				

Table 5b: Contractual Obligations Quarterly

Contract Obligations falling due this Quarter (approx.)	
Accepted (or Pending Acceptance)	3
In Progress	5
Escalated	0
TOTAL	8

7. Strategic Investment Fund

The Deal Office manages the Strategic Investment Fund (SIF) as defined in the Strategic Relationship Agreement (SRA). The SRA allows for approved Entity-directed projects, implemented exclusively through TELUS, to access SIF funds, as long as funds exist and the project or its components are eligible for SIF funding. The SIF account is held at TELUS. No monies are transferred to the Deal signatories.

As defined by the SRA, a percentage of Eligible Spend is captured in a fund to invest in new service development between any of the Deal signatories and TELUS. The estimated value of the fund can fluctuate with pricing and entity consumption of services.

The Telecom Services Deal and the Strategic Relationship Agreement, including SIF, were extended by two years (extension period: July 29, 2021 to July 29, 2023). As of March 31, 2022, the extension to July 29, 2023, increased the estimated value of SIF by \$17.85M from \$101.97M to \$119.82M. Currently, \$116.19M is allocated to 24 SIF projects.

In December 2020, the Executive Governance Committee approved a process to invite project applications, evaluate and determine future allocations and ensure SIF will be fully utilized within the terms of the SRA. The intake process was launched in January 2021 and concluded in July 2021. An additional intake process occurred in January 2022 and in March 2022, three quick-start innovation projects (two expansions, two new projects) was selected. Expansion projects included pilots for 5G Wildfire Centres and Mines Digital Trust to include a natural gas component. Two new projects were approved including Ministry of Agriculture Food and Fisheries (AFF), Growing BC Food Security, and cellular in-building for new First Nations Health Authority (FNHA) headquarters. The Deal Office established 2-year plan outlining key milestones for SIF leading to the end of term. The milestone for this quarter involves obtaining final funding approvals for the cellular in-building and quick start projects from decision-making Deal governance bodies.

As of March 31, 2022:

Estimated value of SIF to end of the extended term ⁽¹⁾	\$119.82M
Number of projects approved for SIF funding ⁽²⁾	24
Total SIF allocated to projects ⁽³⁾	\$116.19M
Total estimated SIF spend (to end of quarter)	\$83.52M

The Deal Office is reviewing the financial forecast for each project and creating options for utilizing the remaining funds.

Note:

- (1) SIF estimates will continue to be adjusted based on eligible spend and negotiated agreements on newly on-boarded services.
- (2) ICBC Hazard Perception Awareness Training Phase 1 & 2 combined as one project. Two new projects (AFF Food Security and First Nations Health Authority for cellular in-building) brings total number of projects to 24.
- (3) The total SIF committed amount is based on projects approved by the Executive Governance Committee. The forecasted amount reflects project proposals approval by EGC in July 2021. Allocation to projects downgraded due to the completion of Integrated Analytics Centre, and three projects reducing their budgets (BC Hydro, Home Health Monitoring and Health Innovation Hub).

7.1 Approved SIF Projects

Strategic Investment Fund Project Descriptions	As at March 31, 2022	
	Approved	Amount
	Allocation*	Consumed
BC Hydro Dam Safety & IoT Lead: BC Hydro Approved Oct 2017 for \$5.2M, budget increased to \$20.35M in Nov 2019. [Type: Product Development] The BCH Dam Safety project develops and deploys cellular technology at remote dam facilities to improve safety monitoring and communication capabilities. The technology supports spillway monitoring and the ability to locate workers, emergency responders and recreational users in emergency situations. In addition to safety benefits, the monitoring and control capabilities also improve asset management through visibility into operations under normal conditions.	\$17.79M	\$7.37M
Communication as a Service Lead: Provincial Health Services Authority, Providence Health Care, Vancouver Coastal HA, Fraser HA Phase 1 approved June 2018. [Note: Phase 2 conditionally approved for \$6.0M in June 2020.] [Type: Proof of Concept] Phase 1 develops a 'discovery project' for a subscription-model approach to digital IM/IT solutions within hospital settings. It will provide an inventory of the current state of communications within a hospital setting (technology, architecture, support	\$12.80M	\$7.59M

Strategic Investment Fund Project Descriptions	As at March 31, 2022	
	Approved Allocation*	Amount Consumed
teams, current spending, requirements, and security vulnerabilities). It also develops a solution and proof of concept supporting improved communications. Phase 2 deploys the solution at a pilot hospital.		
ICBC Hazard Perception Awareness Training Lead: Insurance Corporation of BC Phase 1 Approved Nov 2019 for \$1.00M. Phase 2 Approved Jul 2021 for \$0.60M [Type: Proof of Concept] Develops video and virtual reality content into an interactive application for training new drivers on hazardous road conditions. A library of 15-20 scenarios will be created and tested, followed by a business case for a future sustainment model. Content will be tailored to the terrain, environment, and road design conditions in British Columbia and will be playable on a Mac- or Windows personal computer, mobile, or VR device.	\$1.60M	\$1.01M
Health Innovation Hub Lead: Ministry of Health Approved June 2018. The \$4.9M allocation includes a \$1.0M contingency. [Type: Product Development] Develops and implements efficient digital transmission of patient information across networked health care providers, for making e-referrals and sharing patient records, admission/ discharge notices, and other pertinent patient information. It also enables analytics and data warehousing. Project is being implemented within the South Okanagan Similkameen area, and it contributes to the advancement of a broader province-wide digital health initiative.	\$4.83M	\$3.88M
Home Health Monitoring Lead: Ministry of Health, Vancouver Island Health Authority, Interior Health Authority, Vancouver Coastal Health Authority, Fraser Health Authority, and Provincial Health Services Authority Approved 2012 for \$51.7M, reduced to \$40.0M in Jan 2019. [Type: Product Development] Development of a platform that uses remote patient monitoring technology to monitor a patient's health and shares the information electronically with health care teams. Includes monitoring and tracking patients' vital signs or symptoms on a regular basis, remotely.	\$39.81M	\$39.22M
Red Fish Healing Centre Lead: Provincial Health Services Authority Approved July 2021 [Type: Proof of Concept] Testing pioneering innovations in patient care at a landmark new facility in B.C. – the Red Fish Healing Centre for Mental Health and Addiction.	\$2.00M	\$0.23M
Modern Engagement Tools Lead: (Environmental Assessment Office) Ministry of Energy Mines and Low Carbon Innovation Approved July 2021 [Type: Product Development] Design and implement a public engagement platform that strengthens the relationship between government and the public, and that contributes to enhanced data-driven decision making. Builds on findings of a completed SIF project, "Connected Consultation."	\$3.00M	\$0.00M
Digital Trust BC Energy & Mines Lead: Ministry of Energy Mines and Low Carbon Innovation Approved July 2021, March 2022 (expanded budget)	\$3.33M	\$0.47M

Strategic Investment Fund Project Descriptions	As at March 31, 2022	
	Approved	Amount
	Allocation*	Consumed
[Type: Proof of Concept] Proof-of-concept “Digital Wallet” that demos government-verified credentials about environmental, social and governance (ESG) attributes important to business supply chains and investment decisions. First application for Mining sector, and scalable to other sectors across BC’s digital ecosystem. Adding a responsible Natural Gas Use Case (in addition to the existing Mining Use Case).		
Evolving Smart Building Capabilities Lead: Ministry of Citizens’ Services Approved July 2021 [Type: Proof of Concept] Pilot project/”Living Lab” at one office building in Victoria, BC, to explore and demonstrate how smart building technologies can transform work in the public service, enhance building operations and reduce carbon emissions.	\$1.0M	\$0.00M
5G Enabling BC Wildfire Centres Lead: Ministry of Environment and Ministry of Forests, Lands, Natural Resource Operations and Rural Development Approved July 2021, March 2022 (expanded budget) [Type: Proof of Concept/Pilot] Testing enhancements i wildfire response and communications through 5G, land radio to mobile interconnection and push-to-talk technologies. Implements equipment and pilots at two of seven wildfire centres: Provincial Wildfire Coordination Centre (Kamloops) and Cariboo Fire Centre (Williams Lake). Sponsored by Emergency Management BC. Expanded scope includes portable 5G Cell Tower and Eyes on the Fire Video Streaming.	\$2.68M	\$0.01M
5G Cellular In-Building Lead: First Nations Health Authority Approved March 2022 [Type: Cellular Inbuilding Equipment] The cellular inbuilding equipment will support FNHA staff and the following services will be available at the new headquarters: Health Centre, Wellness Centre, Nursing Training/SIM labs, Cultural Library, Knowledge Keepers, Emergency Response Rooms, Host FN Community Events and Cultural Gather space (100,000+ square feet total space).	\$1.11M	\$0M
Growing BC Food Security Lead: Ministry of Agriculture, Food and Fisheries Approved March 2022 for \$2.50M [Type: Product Development] This project will provide BC farmers with access to interactive farm management resources to improve their resilience and sustainability. Discovery work will transition to development of an innovation new platform catered to BC farmers.	\$2.50M	\$0M
All Hazards Comms Investment Roadmap Lead: Emergency Management BC and Ministry of Citizens' Services Approved June 2018. Completed in January 2020 [Type: Report] A catalogue of current IM/IT systems for Emergency Management (EM) to inform development of a roadmap that can be used to guide systems development towards the goal of being able to easily share EM information between stakeholders.	\$0.52M	\$0.52M (COMPLETE)

Strategic Investment Fund Project Descriptions	As at March 31, 2022	
	Approved Allocation*	Amount Consumed
BCIB Authentication Lead: BC Public Service Agency Approved Jan 2019, the \$1.0M allocation includes a \$0.250M contingency. [Type: Product Development] This project implements an efficient authentication and validation method that grants BCIB employees access to HR and payroll systems using their BC Services Cards (BCSC). Access using the BCSC offers efficiencies, cost savings, and security improvements relative to the issuance of IDIR's for new employees. Once developed, this solution can be readily expanded to new use cases.	\$0.98M	\$0.98M (COMPLETE)
Connected Consultation Lead: Ministry of Energy, Mines and Petroleum Resources Approved Dec 2019. Completed in June 2020. [Type: Report] Develop a business case for a digital public consultation product that will improve the way the Province engages citizens on topics related to natural resource management, industrial development, environmental stewardship and economic sustainability.	\$0.48M	\$0.48M (COMPLETE)
COVID-19 Assistance to Vulnerable Populations Lead: Ministry of Citizens' Services Approved April 2020. Completed in September 2020 [Type: Equipment] Deployed 300 tablets and 150 cell phones available through the SIF to various programs impacted by COVID-19, as identified by the Vulnerable Populations Working Group. Based on an agreement with TELUS, the Signatories received the devices on a dollar-for-dollar basis providing excellent value.	\$0.19M	\$0.19M (COMPLETE)
ICBC Insights Data Lead: Insurance Corporation of British Columbia Approved Nov 2019. Completed in July 2020. [Type: Proof of Concept] TELUS cellular data leveraged and analyzed to help ICBC gain a better understanding of vehicle usage and distracted driving in the Greater Vancouver area.	\$0.18M	\$0.18M (COMPLETE)
Integrated Analytics Centre Lead: Ministry of Education Approved March 2018 for \$0.250M, budget increased to \$8.05M in June 2018. [Type: Product Development] A tool to assist in managing the Next Generation Network (NGN). Will assist with forecasting and optimizing bandwidth utilization across BC schools, data and security analytics.	\$3.95M	\$3.95M (COMPLETE)
Keeping Young Adults Connected Lead: Ministry of Children and Family Development Approved 2017 at \$2.0M, reduced to \$0.02M in Jan 2019. Completed in June 2018. [Type: Equipment] Provide young adults who were on a Continuing Custody Order (CCO) and those on Youth Agreements that have aged out of government care with mobile phones to increase access to employment resources, employment opportunities potential employers, and services and resources.	\$0.02M	\$0.02M (COMPLETE)

Strategic Investment Fund Project Descriptions	As at March 31, 2022	
	Approved Allocation*	Amount Consumed
MHSU Virtual Clinic Lead: Ministry of Health Approved Mar 2017 [Type: Product Development] Provides centralized intake and triage of individuals with mental health and substance use (MHSU) concerns through a self-managed patient portal. Solution is a service with centralized intake to gain immediate access to a range of MHSU tools, and to other targeted interventions throughout the province.	\$4.99M	\$4.99M (COMPLETE)
Mobility Solution for Social Sector Lead: Ministry of Children and Family Development (MCFD) Approved Nov 2019. Completed in March 2022 [Type: Proof of Concept] A mobility solution for MCFD's front-line Child Protection workers. Currently, front-line social workers do not have the ability to access child welfare records and tools contained within MCFD's 'Integrated Case Management' system when they are on site ('in the field'), working with families. Access to ICM from tablets and smartphones improves access to and delivery of child welfare services, especially for indigenous and rural children, youth and their families.	\$0.49M	\$0.49M (COMPLETE)
Open Innovation Collider Space Lead: Ministry of Citizens' Services Approved June 2018. Completed in January 2020 [Type: Report] Business case for a co-working space in a downtown Victoria location. Drop a team into the collider when there is a challenging opportunity or problem. Includes Gov/Private sector/Academia.	\$0.47M	\$0.47M (COMPLETE)
Provincial Security Operations Centre Lead: Ministry of Citizens' Services Approved June 2018 for \$5.25M, increased to \$9.2M in Jan 2019, final budget update of \$0.87M in Nov 2019. Completed in January 2020 [Type: Report] A business case for a physical operations security center that combines facilities, infrastructure, people, and education for the betterment of public sector organizations throughout the province.	\$0.83M	\$0.83M (COMPLETE)
ShareEdBC (WonderLab) Lead: Ministry of Education Approved Mar 2017 for \$0.7M, budget increased to \$10.7M in June 2018. [Type: Product Development] An online platform that provides Teachers and Educational Partners across the province with access to contribute and upload content aligned with BC's new curriculum, and in both official languages, French and English.	\$10.64M	\$10.64M (COMPLETE)
Total	\$116.19M	\$83.52M

* For completed projects, the approved allocation is matched to the amount consumption at project. Any under-spending is returned to the SIF as "unallocated" funding available for future SIF projects.

Table 6: SIF Contribution and Consumption Forecast (\$'000s)

(\$'000's)	Forecast →						Total
	2011/12 – 19/20	2020/21	2021/22	2022/23	2023/24	2024/25	
SIF Contribution (Contract Rates)	\$89,185	\$9,324	\$9,419	\$8,911	\$2,978	-	\$119,817
SIF Project Consumption							
1) Home Health Monitoring	39,122	37	58	473	118	-	39,808
2) Keeping Young Adults Connected	20	-	-	-	-	-	20
3) MHSU Virtual Clinic	4,405	583	-	-	-	-	4,988
4) ShareEdBC (WonderLab)	7,180	3,451	7	-	-	-	10,638
5) Hydro Dam Safety	3,623	1,040	2,703	537	5,602	4,282	17,787
6) Integrated Analytics Centre	1,320	1,400	1,232	-	-	-	3,952
7) Connected Consultation	188	297	-	-	-	-	485
8) Prov. Security Operations Centre	827	-	-	-	-	-	827
9) Communication as a Service	6,773	27	788	4,380	832	-	12,800
10) HLTH Innovation Hub	2,057	1,181	644	943	-	-	4,825
11) Open Innovation Collider Space	467	-	-	-	-	-	467
12) All Hazards Communications Investment Roadmap	525	-	-	-	-	-	525
13) BCIB Authentication Initiative	551	356	77	-	-	-	984
14) TELUS Insight Data Pilot	-	176	-	-	-	-	176
15) ICBC Hazard Perception Awareness Training	-	149	861	590	-	-	1,600
16) Mobility Solution for Social Sector	-	4	484	-	-	-	488
17) COVID-19 Assistance to Vulnerable Populations	-	191	-	-	-	-	191
18) PHSA Healing Centre	-	-	231	341	810	618	2,000
19) Modern Engagement Tools	-	-	-	2,205	795	-	3,000
20) Smart Building Capabilities	-	-	-	438	562	-	1,000
21) 5G Wildfire Centres	-	-	15	1,911	759	-	2,685
22) Digital Mines Trust	-	-	472	2,857	-	-	3,329
23) Food Security/AgriTech	-	-	-	1,591	909	-	2,500
24) First Nations Cellular In-Building	-	-	-	479	639	-	1,118
Total Consumption ¹	\$67,058	\$8,892	\$7,572	\$16,745	\$11,026	\$4,900	\$116,193

Note:

1. Addition errors are due to rounding

7.2 Allocation for Remaining SIF Fund

The Executive Governance Committee (EGC) approved the strategic option for allocating any additional SIF funding. This option involves a combination of quick-start, cellular in-building and future SIF projects. During this quarter, the Deal Office identified three quick-start projects: Mines Digital Trust, 5G BC Wildfire Centres, and Growing BC Food Security/Agritech, and one 5G Cellular In-building project as possible projects for SIF funding.

- Quick-start innovation projects
 - Ministry of Agriculture, Food and Fisheries: Growing BC Food Security (new project) – \$2.50M
 - Ministry of Energy, Mines and Low Carbon Innovation: Digital Trust – \$1.33M
 - (additional funding to support enhanced mining use cases and new use cases for the natural gas sector).
 - Ministry of Environment and Climate Change Strategy: 5G Wildfire – \$0.73M
 - (additional funding to support expanded pilots)
- 5G cellular in-building project
 - First Nations Health Authority (FNHA) Head Quarters – \$1.12M

These projects, a combined total requested funding of \$5.68M, was endorsed and approved for funding by the Council of the Chief Information Officers – Telecom Sub-Committee (CCIO-TSC) and Executive Governance Committee (EGC), respectively.

Under the strategy for allocating any remaining SIF funds for cellular in-building projects, 10 sites have been chosen (of the 92 submissions) based on:

- Urgency/priority advised by Entities (e.g. safety impacts; healthcare delivery impacts, scale such as number of people affected)
- SIF funding allocated versus. contributed by Entity
- Cost versus funding available from SIF and/or needed from Entity to support any required enablement (TELUS quotes required)

8. Connecting British Columbia Agreement

Most of the 106 connectivity commitments under the Connecting British Columbia Agreement (CBCA) were due for completion in year 6. Overall, achievement toward connectivity milestones remained on track given the overall timeframes for completion of each component. A review of the obligations in the CBCA during the end of term analysis determined that the agreement was complete and was therefore not extended past July 2021.

Table 7: Schools Upgraded

At contract signing 437 school sites were identified as being eligible for service upgrades where TELUS would waive the one-time installation charge as sites were converted to fibre-optic connections. Annual targets were not identified, as this program was demand driven. Upgrades were initiated by schools, which paid for the increased operational costs.

From the original Transition Project, the Ministry of Education confirmed 378 of the 437 school sites could benefit from the upgrades as 36 schools have either closed or moved, 16* sites are self-provisioned, 4 are with alternate providers, and 3 were upgraded post Transition Project and were not eligible to have the one-time installation charge waived.

The Ministry of Education identified that there are no remaining sites left to be upgraded. As of September 2020, the one-time charge savings, for schools upgraded, is valued at \$1,124,550 (i.e., calculated at 378 X \$2,975).

										Target
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Target
Schools Upgraded	69	119	71	5	93	19	2	0	0	
Cumulative	69	188	259	264	357	376	378	378	378	378

Table 8: New Communities Connected – Completed

						2015/16				Target
	2010/11	2011/12	2012/13	2013/14	2014/15	Q1	Q2	Q3	Q4	
New communities connected (#)	1	32	34	10	11	1	3	6	-	
Cumulative	1	33	67	77	88	89	92	98	-	98

This measure pertains to the provision of high-speed internet access in designated communities where it is limited or non-existent. This benefit is funded by TELUS. Annual targets were not identified due to complexities of building infrastructure in these areas. The program was completed in 2016.

Table 9: Services to Communities Improved - Completed

									2019/20	Target
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Q3	
Communities upgraded (#)	0	14	19	9	9	7	8	3	4	
Cumulative	0	14	33	42	51	58	66	69	73	70

This measure pertains to the provision of increased service capacity through bandwidth upgrades at 70 internet gateways installed by TELUS under a previous provincial agreement. As this program is demand driven, annual targets are not identified. Upgrades are initiated at the request of the internet service providers that receive services via the gateways. This obligation was met in Q3 of 2019 and exceeded the target of 70 internet gateways being upgraded.

Table 10: Cellular Service along Highway Segments – Completed

								2016				Target
	2009	2010	2011	2012	2013	2014	2015	Q1	Q2	Q3	Q4	
Highway connected (km)	132	102	107	274	276	323	305	100	142	36	-	1,716
Cumulative	132	234	340	614	890	1,213	1,518	1,643	1,685	1,721	1,721	

A milestone of 100 per cent completion was achieved against the commitment to increase cellular service along segments of provincial highways in 2016.

9. Budgetary Compliance

Table 11: Fiscal Year 2021/22

(\$000's)	2021/22 Budget	2021/22 Actuals	Total
Funding ⁽¹⁾	2,700	2,700	2,700
Expenditures ⁽¹⁾	<u>2,700</u>	<u>2,700</u>	<u>2,700</u>
Variance	<u>0</u>	<u>0</u>	<u>0</u>

Notes:

1. Funding was approved by the Council of CIOs and the Executive Governance Committee. The Deal Office fiscal spend was on target.

The industry standard cost for contract management offices is between 3-8% of spend with an average of 4.2%. The Deal Office continues to operate at less than 3% of spend.

9.1 Deal Office Funding

The contributions from the GPS Entities are based on the allocation principles provided for in Schedule C, Section 1, of the Participation Agreement. Allocations across the GPS Entities for 2021/22 are as follows:

Table 12: Budget Allocations

Entity	Allocation %	Annual Recovery from Entities
BC Hydro	11.66	\$ 314,820
BC Lottery Corporation	2.38	64,260
Fraser Health Authority	3.89	105,030
Insurance Corporation of British Columbia	5.72	154,440
Interior Health Authority	4.86	131,220
Northern Health Authority	2.10	56,700
Provincial Health Services Authority	2.55	68,850
Vancouver Coastal Health Authority	6.46	174,420
Vancouver Island Health Authority	4.76	128,520
WorkSafeBC	2.62	70,740
First Nations Health Authority	0.16	4,320
Government of BC (Province)	52.84	1,426,680
Total GPS Entities	100.00%	\$2,700,000

Cost recoveries are completed in semi-annual installments. The first installment is 50 per cent and is invoiced at the end of Q2. The second and final installment is invoiced in Q4.

The NextGen telecommunications procurement project received approval from Treasury Board for contingencies funding to ensure that the procurement is adequately resourced, the dedicated team is effectively equipped, and the procurement is expertly negotiated.

10. Appendix

Objective 1: Achieve and Sustain a Strategic Relationship				
Performance Indicator	Metric & Measure	Cumulative	Target	Target Met
New strategic business opportunities are identified and aligned, and governance is working as intended	Performance of measures for Objectives 2 and 3 are a proxy for Objective 1	See below	See below	On track
Objective 2: Achieve a Highly Connected British Columbia				
Performance Indicator	Metric & Measure	Cumulative	Target	Target Met
Access to telecommunications services increased for people living in rural and remote areas	Number of new communities receiving high-speed connectivity	98	98 by 2015	Complete
	Number of kilometers of highway receiving cellular service coverage	1,721	1,716 by 2016 year end	Complete
	Number of communities receiving bandwidth upgrades	73	70 by 2021	Complete
	Number of schools receiving fibre upgrades	378	437 by 2021	Complete
Objective 3: Provide Demonstrable Value for Money to the Greater Public Sector				
Performance Indicator	Metric & Measure	Cumulative	Target	Target Met
Service cancellation penalties are avoided through meeting the Revenue Commitment	Demonstrate that the Eligible Spend meets or exceeds the Revenue Commitment	\$938.5M (2020)	\$922M	Complete
Cumulative cost reductions are realized	Cost reductions continue to accumulate (exclusive of PDD and Cellular Price In-building Enhancement Credits).	\$459.78M	Continues to accumulate	On track
The Strategic Investment Fund (SIF) value is maximized through investment in SIF projects	Contribution dollar value continues to accumulate	\$107.93M	Continues to accumulate	On track
	Expenditure dollar value continues to increase	\$83.52M	Continues to accumulate	On track
Cellular Service pricing remains competitive with the market	Results of periodic pricing reviews in years 3, 5, 7 & 9 demonstrates competitiveness	Yr. 3 review	Yr. 3 review	Complete
		Yr. 5 review	Yr. 5 review	Complete
		Yr. 7 review	Waived as a result of price negotiations	Complete
		Yr. 9 Review	Waived as a result of price negotiations achieved through contract extension	Complete
	New services are under negotiation	0	Continues to accumulate	On track

Service flexibility is realized through new services becoming available	New services are available for purchase through the Deal	18	Continues to accumulate	On track
Objective 4: Meet the Obligations Set Out in the Deal				
Performance Indicator	Metric & Measure	Cumulative	Target	Target Met
Material obligations are met (fiscal year)	Material obligations met continues to increase	On track	100%	On track

MEETING NOTE

Advice to Minister Beare

MEETING DATE: October 24, 2022

CLIFF#: 118386

ATTENDEES: Minister Lisa Beare
Susan Stanford, ADM Connectivity
Rachel Greenspan, ED Network BC
Bob Allen, BC Broadband Association

ISSUE: Meeting with Bob Allen of BC Broadband Association

MEETING REQUESTED BY: Email from Bob Allen to office

MEETING CONTEXT/HISTORY:

- Network BC had a call with Bob Allen on July 11, 2022, after the request was made to meet with Minister Beare. Mr. Allen raised some concerns and questions on behalf of the BC Broadband Association (BCBA) members and they were discussed in detail.
- Bob Allen has requested this follow-on meeting to discuss the Connecting Communities BC (CCBC) program.

BACKGROUND:

- The BCBA represents a range of telecommunications service providers based in Western Canada.
- The nature of the concerns presented on July 11 are either being addressed (e.g., permitting supports) or not consistent with Universal Broadband Fund criteria (e.g., prioritize small internet service providers [ISP's]).
- Network BC also recently responded to an email from Bob Allen requesting answers to specific questions from BCBA members (ATT-1).

DISCUSSION:

- Some areas of concern raised by BCBA may not be consistent with Connecting Communities BC funding criteria or may be federally regulated such as wholesale rates regulated by Canadian Radio-Television and Telecommunications Commission.
- Eligibility criteria and application instructions for the CCBC program [can be found online](#) on the program website.
- The Province is committed to reviewing and assessing all applications to the CCBC program that maximizes Provincial and federal infrastructure investment and value delivered to British Columbians.

CONCLUSION and SUGGESTED RESPONSE / KEY MESSAGES:

- Thank Bob Allen for his engagement and his memberships' participation in the Request to Participate process this past spring.
- Reiterate that Connectivity program staff are happy to continue to answer any questions that BCBA or its members have regarding the Connecting Communities BC Program or application process.

- Recommend that they continue to monitor the CCBC program website for updates on the ISED Availability Map.
- Reaffirm that, per the Application Guide, the program will launch subsequent intakes until the program has achieved its connectivity goals.

Attachment: ATT-1 - Answers to BCBA Questions

Contact: Susan Stanford, 250 387-5693

1. Eligibility Map?

- a. Is there any updates on when the map will be available?**
- b. Will there be an extension to maintain the 90 days application period?**

- a. The Province will keep its website updated as new information on the release date is available.

We anticipate the updated National Broadband Accessibility Map to be updated in the coming days.

OR if map is actually released: ISED released the new map update on October 20th.

- b. The first intake is currently anticipated to maintain its close date of December 15, 2022. A second intake will likely be announced to ensure eligible applicants are able to apply to the program.

2. Re: Overbuild of existing services, does this apply if they are less than 50/10? E.g., fixed wireless

- a. Will the program allow for upgrade of an existing system – expanding existing systems?**
- b. Will Upgrades of PTP Links for greater throughput to achieve 50/10 be allowable?**

Per the application guide, Eligible Areas are those identified by the province as having inconsistent 50/10 Mbps service, or those areas identified by ISED's Availability Map as having less than 50/10 Mbps Broadband Service.

- a. Overbuild of existing 50/10 Mbps or more broadband services is not eligible for program funding. Per the Application Guide, network upgrades and adaptations may be eligible program costs.
- b. Please refer to the Eligible Costs section of the Application Guide. Specifically, under Eligible Costs, reference to: *"Equipment and infrastructure including servers, switches, fibre optic cable, repeaters, radio equipment, towers, poles, back-up power supplies, shelters and Network broadband connectivity devices including upgrades and adaptations..."*

3. Project administration vs project management, what are eligible costs for these expenditures?

Please refer to the Application Guide for detailed information on the Eligible and Ineligible Costs under the program.

Specifically, the guide under the Ineligible Cost notes: *Project administration including maintenance, operational costs resulting from the Project such as customer service, progress reports, etc.;*

4. Project validation, what is required (attestation?) Is this going to be similar to projects funded under the economic recovery program.

Please refer to the Reporting Requirements section of the guide for detailed information on reporting requirements and achievement of performance indicators.

Attachment 1

5. Is the going to be a Standard Connection Fee from drop to home or is this set by the operator.

Standard Connection Fee has not been determined or set by the Program.

6. The program requires 3 years familiarity with the technology used in the applications. Will it be acceptable for an ISP to partner with a contractor with 3 year experience of deployment and maintenance as long as a service agreement has been negotiated between the two?

As per the application guide, an applicant without sufficient experience may partner with an established Service Provider to complete the project.

A Service Provider is defined in the program as an organization that offers Broadband Services to its customers.

7. How much financial detail is required in terms of make-ready costs and support structure NRC MRC charges? Generally firm pricing is not available within 90 days of requesting this information from the owners of the support structures

The applicant can provide estimates of costs where firm pricing is not available at the time of submitting the application. However, these estimated costs should be based on reasonable assumptions and applicants' past experience of accessing the support structures.

8. Will there be a process to reconsider the results of the coverage indicated by ISED mapping? In some cases the local ISP may have additional information regarding the local services.

Yes. Please see the Application Guide, Annex 4 for information on to review, challenge, or update information on broadband services displayed on the Availability Map.

9. How will projects in flight be combined with the ISED mapping data to avoid engineering resources being wasted in applications that will not succeed?

Project coverage submitted in applications will be assessed against public data on the ISED map as well as other project applications under consideration.

Per the Application Guide, *projects will be assessed over the months following the end of each application period, with selection decisions and the negotiation of Funding Agreements to follow.* Funding agreement negotiation will include finalizing the project coverage area and scope.

10. Does Network BC have contacts to assist applicants to reach the correct individuals at BC Hydro, TELUS and the Ministry of Highways?

The Connectivity Division has allocated resources to help facilitating permitting and authorizations for connectivity projects. Contact information and resources will be provided in the upcoming months.

MEETING NOTE

Advice to Minister Beare

MEETING DATE: November 1, 2022

CLIFF#: 118514

ATTENDEES: Minister Lisa Beare

Parliamentary Secretary Roly Russell

Kassandra Lawal, Senior Ministerial Advisor

Rob Gay, Chair, Southeastern BC Regional Connectivity Committee

Owen Torgerson, Mayor of the Village of Valemount

Shauna Brouwer, Deputy Minister Citizens' Services

Susan Stanford, ADM Connectivity

Howard Randell, Special Advisor, Connectivity

Jeanne Holliss, ED, Connected Communities

ISSUE: Taxation of Fibre

MEETING REQUESTED BY: Follow-up from UBCM Minister meeting

MEETING CONTEXT/HISTORY:

- At UBCM 2022, the Regional District of East Kootenay raised the issue of connectivity infrastructure taxation, specifically the concern that infrastructure funded with public money is subject to property taxes.
- Minister Beare suggested a follow-up meeting on this specific topic.

BACKGROUND:

- BC Assessment is responsible for the valuation of fibre for taxation purposes. BC Assessment relies on the Assessment Act and BC Reg 226/86 for direction on assessing telecommunications improvements.
- The Ministry of Finance (Tax and Assessment Policy) reviews BC Assessment costing models and develops options and regulations to implement taxes.
- The Community Charter is the primary legislation for municipalities (except Vancouver which has its own) that outlines broad powers, property taxation, and bylaw enforcement. Community Charter Part 7 deals with Municipal Revenue and includes section 224 'General authority for permissive exemptions.'

Telecommunication assets, valuation and taxation

- The *Assessment Act* (Act) generally requires land and improvements to be valued at market value. An exception is linear properties (e.g., railways, pipelines and fibre optics). These are captured under Class 2 - Utilities and Class 5 - Light Industry, which are valued through costing model reviews. The BC Assessment Board sets these values annually by regulation in the fall for the upcoming assessment year.

- Since 2014, when a fibre costing model was last undertaken, BC Assessment has only applied nominal annual assessment increases. BC Assessment initiated a costing model review in 2020 to update 'base costs' to reflect current market conditions.
- The fibre optic industry has expressed concerns to BC Assessment that the current costing model will provide assessed valuations that do not consider the potential customer base of the asset to support the tax. This could result in prohibitively high taxes on a rural asset that generates minimal revenue and therefore of less value than fibre in urban areas.
- The Ministry of Finance will not be implementing changes to the regulated rates for fibre optics in 2023 and it is unlikely there will be any increases in 2024.

Permissive exemptions

- Under section 224 of the Community Charter, a local government council may annually initiate a tax exemption for specific telecommunications assets, including fibre if the improvements are:
 - Owned or held by a charitable, philanthropic or other not-for-profit corporation, and
 - Are owned or held by a municipality, regional district or other local authority.
- Since exceptions are not applicable to for-profit organizations, most internet service providers who build, own and maintain fibre networks would not benefit from bylaws approved under section 224.

DISCUSSION:

- s.13
- Local government may work with BC Assessment to provide tax exemptions on an annual basis with restrictions.
 - Permissive exemptions are not applicable to for-profit internet service providers.
 - It is unknown if Columbia Basin Broadband Corporation would be eligible for a permissive exemption as a corporation owned by the Columbia Basin Trust, a government reporting entity. A legal opinion would be necessary to answer this question.

KEY MESSAGES:

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Attachment: N/A
Contact: Howard Randell, Special Advisor Connectivity, 250 4156867