



NIAGARA REGIONAL POLICE SERVICE

Police Service Board Report

PUBLIC AGENDA

Subject: Broadcom Enterprise Licensing Agreement Renewal
Report To: Chair and Members, Niagara Police Service Board
Report Date: 2025-07-02

Recommendation(s)

1. That the Niagara Police Service Board (Board) approve the renewal of the VMware Enterprise Licensing Agreement (ELA) through OnX Enterprise Solutions Ltd. (OnX) for a total 3-year term, in the amount of \$1,016,428.05, in Canadian dollars (CAD) including HST (net of rebates) based on the attached quote #QTV 4.07.19.1.167922 (Appendix 1).
2. That the Board authorizes the Chief of Police or designate to execute the attached ELA on behalf of the Board.

Key Facts

- The current VMware ELA agreement expires on September 29, 2025.
- In January 2025, the Niagara Regional Police Service (Service) adopted a Master Services, Products, and License Agreement (MSPLA) with OnX as a qualified Value-Added Reseller and a certified VMware technologies partner.
- The Service has obtained two pricing quotes from Broadcom and OnX, allowing flexibility in procurement options for cost comparison.
- OnX has offered more cost-effective pricing than Broadcom directly.

Financial Considerations

As per Board By-Law 412-2024 – A By-Law to Regulate Financial Reporting, Control and Procurement of Goods and Services. In accordance with Schedule A of the By-Law, the Service may enter into arrangements with any government body, ministry, agency, board or municipality on a cooperative or joint basis for the acquisition of goods or services where there are economic advantages and the method of acquisition to be used is a public and competitive method. Contractual agreements awarded via a sole-source procurement process require Board approval.

The OnX quotation #QTV 4.07.19.1.167922. represents a 3-year ELA cost for the Broadcom – services support (VMware) products, including direct technical support, totalling CAD \$1,016,428.05, including HST (net of rebates). The ELA can be paid annually in the amount of \$338,809.35 including HST (net of rebates).

The renewal cost represents an 80% increase over the previous ELA term. The impact on the 2026 operating budget is approximately CAD \$137,949.44.

Budgetary provisions are being adjusted to accommodate this increase within the 2026 Technology Services operating budget.

Analysis

VMware is the virtualization technology platform responsible for the enterprise-class virtualization solution. VMware technologies have long served as a critical virtualization platform supporting the Service's core IT infrastructure, including server consolidation, disaster recovery, and private cloud operations. The technologies remain foundational to ensuring high availability, scalability, and efficiency within the Service's hybrid IT environment.

In 2023, Broadcom completed its acquisition of VMware, resulting in significant changes to VMware's product offerings, licensing structure, support model and revised cost structure. Under the new model, existing licenses and support agreements must be transitioned to Broadcom's subscription-based VMware Cloud Foundation, or equivalent bundles.

The proposed renewal represents a substantial increase in cost compared to previous agreements, primarily driven by Broadcom's revised pricing model and consolidation of license bundles. Despite pricing concerns, the VMware technology remains critical to the Services' operational continuity at this immediate time. A lapse in licensing would significantly impact business-critical systems and security posture.

The Service, in collaboration with OnX and the Service's strategic technology partners, will investigate the development and costing plan for an exit strategy to increase overall virtualization value to the Service through alternative technology solutions that can be achieved within three years or less.

The OnX MSPLA was awarded a Request for Proposal (RFP) #1527003-22 Technology Infrastructure, Software and Services Value-Added Reseller on, or about December 12, 2022 by the Toronto Police Service (TPS). The Service is taking advantage of the piggyback clause details outlined in TPS RFP #1527003-22. OnX will extend the pricing terms and conditions of the RFP to other government agencies, including the Ontario Association of Chiefs of Police Cooperative Purchasing Group.

In consultation with OnX, the following police agencies are currently using OnX as their VMware procurement partner:

- Toronto Police Service
- Edmonton Police Service

- Peel Police Regional Service (They will transition their future VMware ELA renewals and purchases through OnX, upon expiry of the current ELA.)

The following agencies are in the process of transitioning to OnX:

- Hamilton Police Service
- Halton Regional Police Service
- Windsor Police Service
- London Police Service

To ensure operational continuity at a lower cost, it is recommended that the Board approve the renewal of the Broadcom ELA for a term of three years, to ensure continued access to critical infrastructure services which provides:

- Substantial cost savings over Broadcom direct
- Access to the same VMware subscription licenses
- Support model parity with previous direct agreements
- Familiarity with large policing environments across Canada

Alternatives Reviewed

An alternate option to purchase the ELA from a VMware-certified channel partner is available. The Service reviewed the Broadcom direct renewal option, but it came at a significantly higher cost and in United States dollars only. Given market volatility and cost constraints, this option is no longer considered financially viable.

OnX offers equivalent access to VMware licensing with better pricing, flexible billing options, and a proven track record of supporting other Canadian policing agencies.

Relationship to Police Service/Board Strategic Priorities

The Service is committed to delivering quality police service, improving the services it provides the citizens of the Niagara Region, enhancing business continuity, and improving the effectiveness and efficiency of its workforce.

This recommendation aligns with the Service's strategic priorities, focusing on digital modernization, business continuity, and cost-efficient service delivery. It ensures uninterrupted access to core IT infrastructure platforms while ensuring fiscal stewardship.

Relevant Policy Considerations

Board By-Law 412-2024 – A By-Law to Regulate Financial Reporting, Control and Procurement of Goods and Services

Other Pertinent Reports

8.1-2025.01.23 – OnX Enterprise Solutions Ltd. Master Services Products and License Agreement

This report was prepared by Akram Askoul, Director Technology Services in consultation with Laura Rullo, Finance Manager, and Stephen Harman, Materials Manager. Reviewed by Vita Gauley, General Counsel, Chief's Office. Recommended by Paul Koscinski, Acting Deputy Chief, Support Services.



Submitted by:

Bill Fordy, O.O.M. #9615
Chief of Police

Appendices

Appendix 1 – OnX Quote #QTV 4.07.19.1.167922



Appendix 1

Niagara Regional Police Services

Customer Contact

Name:	Akram Askoul
Email:	akram.askoul@niagarapolice.ca
Phone:	905-688-4111 x 1007710
Address:	5700 Valley Way Niagara Falls, ON L2E 1X8

Quote Fields

Quote Number:	QTV 4.07.19.1.167922
Quote Date:	20-Jun-2025
Quote Expiration:	26-Jun-2025
Billing Cycle:	Annual

Quote Summary

Contract ID	Renewal Price
ERP 7218188 Year 1 in CAD	\$332,949.44
ERP 7218188 Year 2 in CAD	\$332,949.44
ERP 7218188 Year 3 in CAD	\$332,949.44
Total in CAD	\$998,848.32

[Terms and Conditions](#)

See Tab 2 for details

OnX Enterprise Solutions Ltd.
20 Toronto St., Suite 800
Toronto, ON M5C 2B8

This quote constitutes an offer to sell products and services contained herein. Freight and taxes are not included in the quote total unless otherwise indicated and are subject to change upon final invoice. OnX reserves the right to amend the pricing provided in this quote prior to receiving the Client's purchase order for any reason, including but not limited to an increase in tariffs or other market conditions impacting OnX's costs. Absent any negotiated agreement between the parties, this quote shall be governed by the Master Services, Products, and License Agreement available at <https://www.onx.com/master-services-products-and-license-agreement>. CLIENT'S ACCEPTANCE OF THE QUOTE IS EXCLUSIVELY LIMITED TO ACCEPTANCE OF ONX'S TERMS. ONX HEREBY OBJECTS TO AND REJECTS ANY PROPOSAL BY CLIENT FOR ADDITIONAL OR DIFFERENT TERMS.

Name: _____
Title: _____

Authorized Signature _____ Date: _____

Broadcom - Services Support Quotation

Account Representative

Name:	Richard Rahil
Email:	Richard.rahil@onx.com

Service Representative

Name:	Patrizia Carbone
Email:	patrizia.carbone@onx.com
Phone:	(365)606-5041

Notes

3 year Annual Renewal Quote Pricing in CAD. Pricing subject to FX rate. Taxes excluded. Quote valid until 26 June 2025 3 year Annual Payment renewal, please provide an upfront PO covering all 3 years Year 1 to be invoiced at time of order Year 2 to be invoiced on anniversary date Year 3 to be invoiced on anniversary date
