



STAFF REPORT ACTION REQUIRED

Sole Source - For the Supply and Delivery of Motorola Public Safety Tier Equipment, Parts and Repairs

Date:	April 24, 2009
To:	Community Development and Recreation Committee
From:	Chief, Toronto Fire Services Chief/General Manager, Toronto Emergency Medical Services Acting Director, Purchasing and Materials Management
Wards:	All
Reference Number:	

SUMMARY

This report requests authority to negotiate and enter into a Sole Source Agreement with Motorola Canada Ltd. for the supply and delivery of Public Safety tier two-way radio equipment, accessories, parts, and services to be used by Toronto Fire Services and Toronto Emergency Medical Services Divisions to maintain their current critical communications capabilities.

RECOMMENDATIONS

The Chief, Toronto Fire Services, the Chief/General Manager, Toronto Emergency Medical Services and the Acting Director, Purchasing and Materials Management recommend that:

1. Council authorize staff in Toronto Fire Services and Toronto Emergency Medical Service and the City Solicitor's Office to negotiate and enter into a Sole Source agreement with Motorola Canada Ltd. for the supply of Public Safety tier two-way radio equipment, accessories, parts and services from the date of award to August 31, 2012 in the estimated amount of \$4,478,524.91 net of GST.

Financial Impact

The total potential sole source award identified combined total value of these two contracts is \$4,702,451.16 including all applicable taxes and charges. The total potential contract award is \$4,478,524.91 net of GST.

The estimated cash flows (net of GST) for each contract by division is as follows:

Division	Mar. 1, 2009- Dec. 31, 2009	2010	2011	2012	Total
Fire	\$1,242,689.00	\$246,733.82	\$259,070.54	\$178,376.40	\$1,926,869.75
EMS	\$682,762.77	\$761,280.48	\$655,964.33	\$451,647.57	\$2,551,655.15
Total	\$1,925,451.77	\$1,008,014.30	\$915,034.87	\$630,023.97	\$4,478,524.91

The contract costs shown above represent the yearly estimated expenditures from the start of the contract in 2009 to August 31, 2012 based on contract periods running from September to August of the following year. Each period includes a maximum 5% increase as committed to in the initial vendor's response.

As detailed in the following table for Toronto Fire Services, funding is available in the approved 2009 Fire Services Capital Budget and recommended 2009 Fire Services Operating Budget with appropriate funding to be included in the 2010-2012 Operating Budget submissions. The 2009 Capital amount includes \$0.625 million in carry forward funding from 2008. The operating funding under cost centre FR0011 (Radio) is included in cost elements 2130 - Mobile Parts & Equipment, 4472 - Cont. Services Computer Hardware) and 4568 - R & Maint-Elec Equip .

Fire Services - Funding Sources	2009	2010	2011	2012	Total
CFR068 - Replacement of Portable Radios (Capital)	1,000,000				1,000,000
FR0011- Radio (Operating)	248,558	248,558	248,558	248,558	994,232
Total Available Funding	1,248,558	248,558	248,558	248,558	1,994,232

For EMS, funding is available in the approved 2009 EMS Capital Budget and recommended 2009 EMS Operating Budget with appropriate funding to be included in the 2010-2012 Operating Budget submissions. Operating funding is under cost centre B31100 and included in under Cost Elements 2199 - Miscellaneous Parts and 3020 Machinery & Equipment - Communications.

EMS - Funding Sources	2009	2010	2011	2012	Total
CAM039-01 – Radio Infrastructure for Portable Radios II (Capital)	250,000				250,000
CAM015-03 – Mobile Data Communications	605,500	422,000	322,000	350,000	1,699,500
B31100 – Dispatch Computer System Support (Operating)	281,893	281,893	281,893	281,893	1,127,571
Total Available Funding	1,137,393	703,893	603,893	631,893	3,077,071

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

ISSUE BACKGROUND

The Toronto Fire Services and Toronto Emergency Medical Services use a common radio communications infrastructure (also shared with Toronto Police Services), but each service has their own feature sets, all supplied by Motorola Canada Ltd.

The acquisition and maintenance of the user equipment such as portable, vehicle radios, mobile terminals, parts and repairs is the responsibility of each individual division as the requirements differ. Toronto Fire Services and Toronto Emergency Medical Services Divisions have each used open sole source contracts with Motorola Canada Ltd. in the past in order to purchase user equipment, parts and repairs as required. The products are critical for the delivery of Public Safety Communications for Toronto Fire Services and Toronto Emergency Medical Services respectively.

Motorola parts, equipment and repairs from Motorola Canada Ltd. have been previously sole sourced under City’s purchasing procedures and received approval as recorded in Report 5 of the Community Services Committee dated July 25, 26, 27, 2006.

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060725/cms5rpt/cl001.pdf>

In order to determine the availability of additional suppliers for the Motorola parts, equipment and repairs, Purchasing and Materials Management Division issued a Request for Quotation (RFQ) No. 2105-08-3142 on July 31, 2008 that represented the requirements of all City of Toronto Divisions that had existing contracts for similar radio related products and services. Toronto Fire Services and Toronto Emergency Medical Services requirements were identified in the RFQ.

The RFQ resulted in a single bidder, Motorola Canada Ltd., for the Public Safety Tier products as required by Toronto Fire Services and Toronto Emergency Medical Services. However, the bid was disqualified because Motorola Canada Ltd. qualified their bid by adding additional contract terms and conditions.

The Purchasing and Materials Management Division in consultation with the City Legal Services Division indicated that the appropriate course of action was to request Council authority to negotiate a sole source agreement with Motorola Canada Ltd. as no other supplier can provide this equipment.

COMMENTS

Toronto Fire Services and Toronto Emergency Medical Services have a critical requirement for the parts, equipment and services provided by Motorola Canada Ltd.

The RFQ issued by Purchasing and Materials Management, confirmed that there are no other available suppliers and a sole source procurement is necessary.

Motorola Canada Ltd. has provided written commitment to maintain the unit prices, and discounts as quoted in the RFQ No. 2105-08-3142 for the duration of the contract term. These prices are very advantageous to the City of Toronto as they were quoted in August 2008 and do not include any adjustment for the devalued Canadian Dollar. In addition, Motorola Canada Ltd. has advised that the City receives the highest possible discount on parts and accessories.

Toronto Fire Services and Toronto Emergency Services verified that the quoted prices for radio products, parts and repairs are consistent with the other larger Public Safety organizations such as Toronto Police Services.

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