

Sole Source Purchase of Proprietary Equipment, Parts, Repairs, Support and Upgrades for DSPatchNET Radio/Telephone Dispatch System from AVTEC Inc.

Date:	January 20, 2010
To:	Community Development and Recreation Committee
From:	Chief and General Manager, Toronto EMS Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	

SUMMARY

This report is to request that City Council grant authority for the issuance of a Sole Source contract to AVTEC Inc. for the provision of proprietary equipment, parts, repairs, support and upgrades for DSPatchNET radio/telephone dispatch system from AVTEC Inc. for a five year period effective January 1, 2010.

The goods and services are only available from AVTEC Inc. due to proprietary rights and a competitive procurement process cannot be undertaken.. The DSPatchNET system is an essential component of the Toronto Emergency Medical Services (EMS) communications system. It is vitally important for the system to be fully supported and that necessary additional parts can be purchased from the manufacturer.

RECOMMENDATIONS

The Chief/General Manager, Toronto Emergency Medical Services and the Director, Purchasing and Materials Management recommend that City Council grant authority to:

1. Award a Sole Source Contract for the provision of equipment, parts, repairs, support and upgrades for the DSPatchNET radio/telephone dispatch system, in the total amount of \$689,272.55 (CAD) net of GST and HST Recoveries or approximately \$664,389.81 (USD) net of GST and HST Recoveries for a five year period effective January 1, 2010 to December 31, 2014.

Financial Impact

The total potential contract award identified in this report is \$650,000 USD exclusive of all taxes or approximately \$674,343.81 (CAD) exclusive of all taxes. The cost to the City net of GST and HST Recoveries is \$689,272.55(CAD) or approximately \$664,389.81 (USD) net of GST and HST Recoveries

The funding of the repairs, parts, equipment, support and upgrades for the “Dspatchnet” system has been included in the 2010 Operating Budget for Toronto Emergency Medical Services under Cost Centre B31100, cost elements 3020 and 4403.

The expenditures related to the repairs, parts, equipment, support and upgrades for the “Dspatchnet” system are 100% funded by the Ministry of Health and Long Term Care and will be recovered.

Year	Estimated Expenditures (\$CAD) – Net of GST and HST Recoveries
2010	\$140,302.75
2011	\$137,242.45
2012	\$137,242.45
2013	\$137,242.45
2014	\$137,242.45

The costs represent the estimated expenditures for each of the calendar years, 2010, 2011, 2012, 2013 and 2014 respectively.

1\$CAD = 0.9639\$US – Bank of Canada Noon Rate as of January 12, 2010

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

DECISION HISTORY

On Dec. 4th, 2001, Council adopted the recommendations in Report #13 of the Community Services Committee to award AVTEC Inc. the contract for the supply, delivery and installation of a Console Dispatch System and Audio Switch for Toronto Emergency Medical Services, for the cost of \$2,060,829.9 inclusive of all applicable duty and taxes. This award was based on the Request for Quotation No. 2104-01-3201.

ISSUE BACKGROUND

The AVTEC DSPatchNET system is the radio and telephone voice communications console system that routes and distributes audio from various sources (Bell 911 telephone trunks, hospitals and EMS stations telephone links, as well as radio systems for ambulance crews on mobile radios) to the EMS dispatchers. The system is installed in the EMS Central Ambulance Communications Center and at the back-up Communications Center location. The equipment was purchased through a competitive process and the cost of the system was 100% funded by Ministry of Health and Long-Term Care (MOHLTC). The DSPatchNET system is a highly sophisticated system and all the switching and console equipment is being manufactured by AVTEC Inc. using proprietary technology.

As a result, AVTEC Inc. retains proprietary knowledge of the equipment used by Toronto EMS and they are the sole supplier for the repairs, parts, service and upgrades of the equipment. The DSPatchNET system, provided by AVTEC Inc. was implemented in 2001 and subsequently through the years we issued contracts to AVTEC Inc. using the sole source process for equipment, parts, repairs, support and upgrades for the DSPatchNET radio/telephone dispatch system, where the cumulative spending has reached the \$500,000 threshold that Purchasing and Materials Management Division is authorized to award.

COMMENTS

The DSPatchNET system is critical to the EMS Control Center radio and telephone communications capabilities. It is an extremely efficient and reliable system and it must be maintained in perfect operating conditions.

AVTEC Inc. has provided written confirmation that they are the designer and manufacturer of DSPatch and DSPatchNET console systems, which include hardware and software proprietary products and does not recommend purchasing accessories from any other vendors because AVTEC Inc. will not be able to guarantee compatibility. They have also confirmed the prices being offered to the City of Toronto is comparable to customers buying over \$1M per year.

The Fair Wage Office has reported that the recommended firm has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

CONTACT

Irina Pantofaru
Manager,
Communications System Engineering
Toronto EMS
Tel.: (416) 392-2191
Fax: (416) 392-2164
Email: ipantof@toronto.ca

Jacquie Breen
Manager, Corporate Purchasing
Policy & Quality Assurance
Purchasing and Materials Management
Tel.: (416) 392-0387
Fax.: (416) 392-7470
Email : jbreen@toronto.ca

SIGNATURE

Bruce Farr,
Chief and General Manager,
Toronto EMS
Tel.: (416) 397-9240
Fax. : (416) 392-2115
Email: BFarr@toronto.ca

Lou Pagano
Director,
Purchasing and Materials Management
Tel.: (416) 392-7312
Fax.: (416) 392-1052
Email: lpagano@toronto.ca