

Radio Communications System Replacement Project
Steering Committee
c/o Division Chief Frank Pappone
4330 Dufferin St.
Toronto, ON M3H 5R9

January 29, 2010

Re: Fairness opinion regarding impact of G20 event on the procurement of the Radio Communications System Replacement

PPI has been engaged as the Fairness Commissioner for the Radio Communications System Replacement project since June 2009. We note that the City of Toronto (City) has taken steps to ensure the integrity of the fairness of this process is maintained. As the Fairness Commissioner, we have been informed that:

- The City of Toronto did not receive confirmation that they were to host the G20 event in the Summer of 2010 until shortly before the Christmas break;
- Hosting the G20 event requires an upgrade to existing infrastructure to support three additional (3) sites in a manner that interfaces with the existing 17 sites and provides dispatch console functionality across all sites; and
- This infrastructure must be operational, per City of Toronto Police Service requirements, by March 31st 2010.

This timeline and the requirement to integrate with existing infrastructure does not allow for a competitive RFP process. We have been informed that systems from different companies are not presently sufficiently interoperable. Thus, for the sites affected by the G20 event, the upgrade of the infrastructure can only be done via sole source under existing contractual arrangements with Motorola.

From a fairness perspective, PPI concurs that this is an appropriate application of the City's sole source provision within its Procurement Processes Policy (Policy). The Policy states that a non-competitive process shall be used under the condition of *"The goods and services are required as a result of an emergency, which would not reasonably permit the use of other methods permitted."*

Furthermore, PPI has also been informed that the Government of Canada may fund a proportion of the costs of hosting the G20 event. Material savings on the Radio Communications System Replacement Project may be possible if the Government of Canada funds, in whole or in part, the system infrastructure.

Therefore if the City is required to decommission and remove the Motorola system of the 3 sites and associated switching components used for the G20, as part of the Radio Communications System Replacement Project the City would incur significant additional expense.

So, as a result of hosting the G20 event, an advantage to Motorola may be created for the Radio Communications System Replacements Project and removing that advantage would be a material cost to the project. The extent and strategy to minimise this advantage cannot be evaluated at this time and will have to be addressed prior to release of the Radio Systems Replacement Project Request for Proposal

PPI is supportive of the City's decision to consider its spectrum of options, the cost of those options, their operational impacts, and the resulting fairness implications.



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APPENDIX A – PPI’s View of the Scope of Fairness

PPI believes that fairness on any procurement project must be demonstrated to the vendors, to the buyers and to outside stakeholders (e.g., the taxpayer), as shown below. Fairness on any procurement project is a careful balancing act of being fair to these three groups. Fairness to one group cannot come at undue expense of another.

