



**STAFF REPORT
ACTION REQUIRED**

**Provision of Proprietary Toronto Fire Services
Information and Technology Systems**

Date:	April 2, 2014
To:	Community Development and Recreation Committee
From:	Fire Chief/General Manager and Acting Director, Purchasing and Materials Management
Wards:	All
Reference Number:	p:\2014\ClusterB\FIR\cd140006

SUMMARY

The purpose of this report is to request authority to enter into single source contracts with Intergraph Canada Limited, who is the current vendor providing Toronto Fire Services (TFS) with the Computer Aided Dispatch System, and with Quatro Group Software Systems Inc., who is the current vendor providing the Payroll/Time Entry System, in the total amount of \$890,400.00 net of HST, \$906,071.04 net of HST recoveries, for a period of 5 years from the effective date of the agreements.

City Council approval is required in accordance with Municipal Code By-law Chapter 195- Purchasing, where the current request has exceeded the Chief Purchasing Official's authority of the cumulative five year commitment limit under Section 1 of the Purchasing By-Law and also exceeds the threshold of \$500,000, net of HST, allowed under staff authority as per the Toronto Municipal Code By-law, Chapter 71 – Financial Control.

RECOMMENDATIONS

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

- 1) City Council authorize the Fire Chief, to negotiate and enter into a contract with Intergraph Canada Limited for the amount of \$508,800.00 net of HST, \$517,754.88, net of HST recoveries, to provide for professional services and

additional licences for existing Computer Aided Dispatch (CAD) and Business Intelligence (BI) systems for a period of 5 years from the effective date of the agreement, on terms and conditions satisfactory to the Fire Chief, and in a form satisfactory to the City Solicitor.

- 2) City Council authorize the Fire Chief, to negotiate and enter into a contract with Quatro Group Software Systems Inc. for the amount of \$381,600.00 net of HST, \$388,316.16, net of HST recoveries, to provide for professional services and additional licences for the existing Payroll/Time Entry system for a period of 5 years from the effective date of the agreement, on terms and conditions satisfactory to the Fire Chief, and in a form satisfactory to the City Solicitor.

Financial Impact

Funding in the amount of \$178,080.00 net of HST, \$181,214.21 net of HST recoveries, is available in the 2014 Approved Operating Budget for Toronto Fire Services, and funding for the years 2015-2018 will be included in future years' Operating Budget Submissions for Toronto Fire Services. Funding details are as follows:

Cost Centres	Account	Jan 1, 2014 to Dec. 31, 2014 (net of HST recoveries)	Jan. 1, 2015 to Dec 31, 2015 (net of HST recoveries)	Jan. 1, 2016 to Dec 31, 2016 (net of HST recoveries)	Jan. 1, 2017 to Dec 31, 2017 (net of HST recoveries)	Jan. 1, 2018 to Dec 31, 2018 (net of HST recoveries)	Grand Total (net of HST recoveries)
FR0014	4474	\$129,438.72	\$129,438.72	\$129,438.72	\$129,438.72	\$129,438.72	\$647,193.60
FR0027	4474	\$51,775.49	\$51,775.49	\$51,775.49	\$51,775.49	\$51,775.49	\$258,877.44
		\$181,214.21	\$181,214.21	\$181,214.21	\$181,214.21	\$181,214.21	\$906,071.04

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

ISSUE BACKGROUND

Intergraph Canada Limited

TFS have utilized Intergraph CAD (Computer Aided Dispatch) systems since 2000 and recently deployed an Intergraph Business Intelligence (BI) System. In February of 2000, as a result of an RFP, the City executed a \$10.2M contract with Intergraph Public Safety Inc. for implementation of a turn-key CAD system. TFS has continued to leverage this investment through upgrades and enhancements over the past thirteen years. Most recently, in 2010, the implementation of a Business Intelligence component was approved by Council to support quality assurance initiatives focused on emergency call processing.

The existing CAD system performs well and there are currently no plans to seek alternatives.

Legal agreements in the form of a Maintenance Service Agreement and a Master Service Agreement are in place with this vendor to facilitate the business needs of the TFS. Annual maintenance costs are currently \$326,750.00 net of HST, \$332,500.80 net of HST recoveries.

Quatro Group Software Systems Inc.

TFS have utilized a Quatro Payroll and Time entry system since 2010. At that time, the decision to single source the Payroll/Time Entry System was reached after review of available alternatives and through consultation and support of the City's Chief Information Officer (CIO).

The City executed a Master Service Agreement with Quatro in 2006 while TFS executed "Schedule H" to this Master Agreement in 2009 to facilitate implementation of the Payroll/Time Entry System. The deployed solution, Quatro Time, at a cost of \$195,825.00 net of HST, \$199,271.52 net of HST recoveries, maximized the City's existing investments as Quatro Time was an upgrade of the "TMS" application in use by Toronto Emergency Medical Services. TFS has continued to add functionality to improve business processes and currently has commitments and expenditures, including the original cost, totalling just under \$500,000.00.

The Quatro application works well and has recently been upgraded to support changes to the SAP interface for FPARS as well as the interface to the City's eLearning platform. Annual maintenance costs are \$49,407.32 net of HST, \$50,276.89 net of HST recoveries.

Operational Requirements

There is an on going operational requirement to draw on additional technical services or augment licenses from both vendors to support a variety of purposes. As is the case with most software, development and customization require manipulation of code that is proprietary in nature. As a result the respective services required can only be performed by the respective vendors. Consideration of a third party to perform modifications to licensed software would introduce substantial risk in terms of performance, reliability and sustainability of the software. Furthermore, to do so would likely constitute a breach of contract as this type of activity would require decompiling or reverse engineering of the intellectual property of the vendors.

Professional services required from these vendors exceed maintenance agreement obligations and are needed to facilitate:

- additional support during major release upgrades,
- regulatory changes (NextGen911)
- product specific training,

- customized functional requirements
- application enhancements to improve work flow,
- configuration changes or modifications to user interfaces,
- development or modifications of external system interfaces,
- Creation of specialized reports.

Additional licenses to support expansion and integration are also expected in the evolution and growth of these systems.

Prior to the expiration of the requested contract term (5 years) and in order to ensure alignment with any technological or market place evolution, TFS will issue a competitive call for the provisions described above.

COMMENTS

TFS CAD system represents the core of TFS emergency response. System adjustments and upgrades are an essential part of operating a mission critical system and ultimately impact service delivery. The TFS CAD system supplied and supported by Intergraph is utilized to recommend the appropriate response to an emergency based on various criteria. CAD functionality can, and will, evolve but always with a focus on performance and workflow to a much greater degree than typical business applications. Incremental increases in performance and workflow have a direct impact on call processing times which yield improvements in overall response times. Communications staff have been trained extensively to maximize existing features and functionality while technical support staff leverage available configuration changes to optimize features, functionality, workflow and performance. However, there will always be improvements which can only be implemented by the vendor. The ability to draw on Intergraph, from time to time, is vital to continuous improvement.

TFS Payroll/Time Entry system reflects the Toronto Professional Firefighters Association, IAFF Local 3888 (TPFFA) collective agreement business rules and provides for audit compliance in a number of areas. The application has become tightly integrated into TFS internal processes and continues to enhance administrative functions. The application is heavily customized to reflect TFS requirements to track attendance, time banks, overtime and crew assignment. Attendance management, multiple shift schedules, multiple work locations and daily staff relocations are effectively supported. A key component of the Quatro application includes an automated SAP payroll interface. The payroll interface has provisions for previous pay adjustments, a critical feature considering the TPFFA employees are unique in that they are paid to date with no hold back. The application functionality is also role based and as such its use is incorporated into promotional training modules. The vendor has worked closely with technical and operations staff to enhance existing functionality through upgrades or patches. However, some new functional requirements represent sufficient change to the application or database structure to go beyond the scope of support and maintenance obligations. In

these cases, the capability to utilize Quatro, when required, is essential in maintaining and enhancing functionality as business requirements evolve.

It is anticipated that services and additional licensing will be required from these vendors to facilitate Council mandates resultant from the City Manager's report "Service and Organizational Review of Toronto Emergency Medical Services and Toronto Fire Services", adopted by Council in July 2013. A number of the recommendations in the report will require an integration of existing technology to compliment the introduction of new technology. It is also anticipated that initiatives to improve the City's Public Fire Protection Classification (PFPC) as reported by the Fire Underwriters Survey and adopted by Council in December 2013, will require additional professional services and licensing from our software vendors.

Adopting the recommendations contained in this report will continue to leverage existing technology investments while positioning the TFS to respond to upcoming challenges in a cost effective manner. Negotiating five (5) year agreements with the vendors is expected to yield more favourable hourly rates as well as reduce administrative overhead thereby providing a greater value to the City.

The Fair Wage Office has reported that Quatro Group Software Systems Inc. and Intergraph Canada Limited have reviewed and understood the Fair Wage Policy and Labour Trades requirements and have agreed to comply fully.

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