



STAFF REPORT ACTION REQUIRED

Contract with AVTEC Inc. for the provision of Proprietary Equipment, Parts, Support and Upgrades for DSPatchNET radio/telephone system

Date:	June 10, 2015
To:	Community Development and Recreation Committee
From:	Chief and General Manager, Toronto Paramedic Services Director, Purchasing and Materials Management Services
Wards:	All
Reference Number:	P:\2015\Internal Services\pmmd\CD15006pmmd (AFS 21487)

SUMMARY

The report requests City Council authorize the Chief and General Manager, Toronto Paramedic Services to negotiate and enter into a contract with AVTEC Inc. (AVTEC) for the continued supply of proprietary equipment, parts, support and upgrades for DSPatchNET radio /telephone dispatch system (the DSPatchNET) for a five year period from effective August 1, 2015 to July 31, 2020 in the amount of \$500,000.00 USD net of HST (\$508,800.00 USD net of HST Recoveries) or \$613,350.00 CAD net of HST (\$624,144.96 CAD net of HST Recoveries).

The DSPatchNET is an essential component of the Toronto Paramedic Services (TPS) communication system that is proprietary to AVTEC. A new contract for these products and services is vitally important for the continued support and maintenance. All expenditures relating to this contract is 100% funded by the Ministry of Health and Long Term Care (MOHLTC) and will be fully recovered by Toronto Paramedic Services.

RECOMMENDATIONS

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

1. City Council authorize the Chief and General Manager, Toronto Paramedic Services to negotiate and enter into a contract with AVTEC Inc. for the provision of proprietary equipment, parts, repairs, support and upgrades for the DSPatchNET, in the total amount of \$500,000.00 USD net of HST (\$508,800.00 USD net of HST Recoveries) or \$613,350.00 CAD net of HST (\$624,144.96 CAD net of HST Recoveries). for a five year period effective August 1, 2015 to July 31, 2020, on terms and conditions satisfactory to the Chief and General Manager, Toronto Paramedic Services and in a form satisfactory to the City Solicitor.

Financial Impact

The total value of the non-competitive contract identified in this report is estimated not to exceed \$500,000.00 USD net of HST (\$508,800.00 USD net of HST Recoveries) or \$613,350.00 CAD net of HST (\$624,144.96 CAD net of HST Recoveries).

The funding of the repairs, parts, equipment, support and upgrades for the DSPatchNET is included in the 2015 Approved Operating Budget for Toronto Paramedic Services under Cost Centre B31100. The funding for 2016, 2017, 2018, 2019 and 2020 will be included in Toronto Paramedic Services operating budget submission.

All expenditures relating to this contract is 100% funded by the Ministry of Health and Long Term Care (MOHLTC) and will be fully recovered by Toronto Paramedic Services.

Table 1 - Annual Estimated Funding Details (net of HST):

Year	Estimated Amount (USD)
August 1 to December 31, 2015	\$50,000.00
2016	\$100,000.00
2017	\$100,000.00
2018	\$100,000.00
2019	\$100,000.00
January 1 to July 31, 2020	\$50,000.00

1\$US = 1.2267 \$CAD – Bank of Canada Noon Rate as of June 10, 2015

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

DECISION HISTORY

On December 4th, 2001, Council adopted the recommendations in Report #13 of the Community Services Committee to award AVTEC. 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 Proposal No. 2104-01-3201.

The following is the link to City Council Decision Document:

<http://www.toronto.ca/legdocs/2001/agendas/council/cc011204/cms13rpt/cl003.pdf>

On March 31, 2010 and April 1, 2010 City Council adopted and recommended to award a non-competitive contract to AVTEC for the provision of equipment, parts, repairs, support and upgrades for the DSPatchNET radio/telephone dispatch system, in the total amount of \$650,000.00 (USD) for a five year period effective January 1, 2010 to December 31, 2014.

The following is the link to City Council Decision Document:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.CD31.1>

ISSUE BACKGROUND

The DSPatchNET is the radio and telephone voice communications console system that routes and distributes audio from various sources (Bell 911 telephone trunks, hospitals and Toronto Paramedics stations telephone links, as well and radio systems for ambulance crews on mobile radios) to the Toronto Paramedics dispatchers. The system is installed in the Toronto Paramedics 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 MOHLTC in 2001. The DSPatchNET system is a highly sophisticated system and all the switching and console equipment is being manufactured by AVTEC using proprietary technology.

Recently, AVTEC Inc. has made changes to their business model and started to make available some of their proprietary products lines through resellers. Toronto Paramedic Services felt that it needed to verify if any resellers would offer products and services for the DSPatchNET. As a result, on January 14, 2015, the City issued a Request for Quotations No.2104-15-3015 for the supply and delivery of parts, equipment and support for the DSPatchNET.

The City only received one bid submission from AVTEC, however it was disqualified because additional terms and conditions were included with their bid submission.

AVTEC retains proprietary rights to the equipment used by TPS and, in the absence of available resellers, they are the sole supplier for the repairs, parts, service and upgrades of the equipment.

COMMENTS

The DSPatchNET is critical to the TPS Control Center radio and telephone communications capabilities for the dispatch of the ambulance paramedics. It is an extremely efficient and reliable system and it must be maintained in perfect operating conditions. TPS expects to replace the DSPatchNet by 2020.

AVTEC has provided written confirmation of being the manufacturer of DSPatchNET, including all hardware and proprietary software and also the sole integrator for third party accessories. 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
Commander
Communications System Engineering
Toronto Paramedics Services
Tel.:(416) 392-2191
Email: ipantof@toronto.ca

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

SIGNATURE

Paul Raftis
Chief and General Manager
Toronto Paramedics Services

Michael Pacholok
Director, Purchasing &
Materials Management Division