

Supplementary Report - Automated Speed Enforcement Update and Results of the Request for Proposal 9148-19-0048 for the Provision of Automated Speed Enforcement Services

Date: July 12, 2019

To: City Council

From: General Manager, Transportation Services, and Chief Purchasing Officer

Wards: All

SUMMARY

At its meeting on June 27, 2019, the Infrastructure and Environment Committee (IEC) forwarded to City Council without recommendation, Report No. IE6.10 Automated Speed Enforcement Update and Results of the Request for Proposal 9148-19-0048 for the Provision of Automated Speed Enforcement Services. The procurement process was still ongoing therefore the results of the RFP were not yet known.

The purpose of this report is to advise City Council on the results of the Request for Proposal (RFP) No. 9148-19-0048 and request authority to award the contract to Redflex Traffic Systems (Canada) Limited in the amount of \$12,300,323 net of all applicable taxes and charges (\$12,516,809 net of HST recoveries) for a five (5) year fixed term with the option to renew for an additional five (5) year fixed term in the amount of \$12,338,303 net of all taxes and charges (\$12,555,457 net of HST recoveries) as well as a maintenance term for Automated Speed Enforcement (ASE) image processing services for a period of twenty-five (25) months following the main contract term or the option term in the amount of \$319,125 net of applicable taxes and charges (\$324,742 net of HST recoverables) for a total potential contract award in the amount of \$24,957,751 (\$25,397,007 net of HST recoveries).

RECOMMENDATIONS

The General Manager, Transportation Services and the Chief Purchasing Officer recommend that:

1. City Council authorize the General Manager, Transportation Services to negotiate, enter into and execute an agreement with Redflex Traffic Systems (Canada) Limited,

being the highest overall scoring proponent meeting the requirements of RFP No. 9148-19-0048, for

- a. the provision of Automated Speed Enforcement (ASE) services for five (5) years from date of award to July 15, 2024 in the amount of \$12,300,323 net of all taxes and charges (\$12,516,809 net of HST recoveries) with an option to renew on the sole discretion of the General Manager, Transportation Services, and subject to budget approval, for one additional term of five (5) years in the amount of \$12,338,303 (\$12,555,457 net of all HST recoveries); and
- b. the provision of the maintenance of Automated Speed Enforcement (ASE) image processing services for twenty-five (25) months following the end of the five-year term or, if renewed, the end of the option period, in the amount of \$319,125 net of all taxes and charges (\$324,742 net of HST recoveries)

for a total cost of up to \$24,957,751 (\$25,397,008 net of HST recoveries) in accordance with terms and conditions as set out in the RFP and any other terms and conditions satisfactory to the General Manager, Transportation Services, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total contract award resulting from RFP No. 9148-19-0048 identified in this report for the period of twelve (12) years and one (1) month from the date of award to August 15, 2031 is \$24,957,751 net of all taxes and charges. The total potential cost to the City is \$25,397,007 net of HST recoveries.

Funding of \$133,405 required in 2019 for the contract from date of award to December 31, 2019 is available on a one-time basis within existing resources in the 2019 Operating Budget for Transportation Services. Full funding required for the contract will be included in the Operating Budget submission for consideration during the 2020 and respective future budget process.

Table 1. Operating Budget Funding Details - Contract Term (2019-2024)

Jul 16 - Dec 31, 2019	Jan 1- Dec 31, 2020	Jan. 1- Dec 31, 2021	Jan 1- Dec 31, 2022	Jan 1- Dec 31, 2023	Jan 1- Jul 15, 2024	Total
133,405	2,594,325	2,554,227	2,701,135	2,982,054	1,551,663	12,516,809

* All dollar values in Table 1 are net of HST recoveries and will be charged to Operating Account TP0393

Exercising the Option Term for the period beginning July 16, 2024 to July 15, 2029 is at the sole discretion of the General Manager, Transportation Services. If exercised, funding requirements for the Option Term will be included as part of the Operating Budget submissions for Transportation Services for consideration during the respective future budget process.

Table 2. Estimated Contractual Costs – Entire Contract Term

Period	Estimated Costs
July 16, 2019 – July 15, 2024 (main contract term)	12,516,809
July 16, 2024 – July 15, 2029 (option term)	12,555,457
July 16, 2029 – August 15, 2031 (option term: maintenance of ASE image processing services)	324,742
Total contract term (July 16 2019 - August 15, 2031)	25,397,007

* All dollar values in Table 2 are net of HST recoveries

Once the related legislation has been proclaimed in force and enforcement is in effect following the end of the proposed educational campaign in March 2020, the total estimated costs to operate the ASE program including the contract award, additional staffing, court related costs, and the Joint Processing Centre (JPC) are expected to be fully offset by fine revenue from tickets issued during the operation of the program and JPC fees collected through cost sharing agreements with the other partnering municipalities. It is anticipated that the projected revenue that will be collected through the program is \$18,740,000 in 2020. The net revenue for the City is estimated to be approximately \$4,520,000 in 2020.

Table 3. Estimated Operating Budget Impact for future years (2020-2022) (updated with contract award).

Budget Impact	2020	2021	2022
Expenditures	14,220,000	14,580,000	14,720,000
Revenues	18,740,000	23,080,000	23,080,000
Total Net Revenue	(4,520,000)	(8,500,000)	(8,360,000)

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

DECISION HISTORY

At its meeting on June 27, 2019, the Infrastructure and Environment Committee forwarded to City Council without recommendation, IE6.10 Automated Speed Enforcement Update and Results of the Request for Proposal 9148-19-0048 for the Provision of Automated Speed Enforcement Services. The Council decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.IE6.10>

At its meeting on June 26, 2018, City Council approved amendments to necessary bylaws to designate the extended frontages of the 754 kindergarten to grade 8 (K-8) public elementary schools within the City as Community Safety Zones. Doing so made the Zones eligible for automated speed enforcement under the Province's Bill 65, Safer School Zones Act, 2017, once the applicable sections are proclaimed in force, while

providing the immediate benefit of speeding fines being doubled in these key walking and biking routes to schools. The Council decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.PW30.5>

At its meeting on May 22, 2018, City Council authorized the General Manager, Transportation Services, to negotiate, enter into and execute an agreement with Her Majesty the Queen in Right of Ontario, as represented by the Minister of Transportation, for the access and use of licence plate registration information on terms and conditions satisfactory to the General Manager, Transportation Services and in a form satisfactory to the City Solicitor, for the purposes of the automated speed enforcement pilot and subsequent speed enforcement program. The Council decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.PW29.6>

At its meeting on January 31, 2018, City Council directed the General Manager, Transportation Services to proceed with Automated Speed Enforcement in conjunction with the Province of Ontario and other partnering municipalities, including the issuance of a Request for Proposals investigating the feasibility for the City of Toronto to manage the Joint Processing Centre on behalf of the partnering municipalities for the future Automated Speed Enforcement program. The Council decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.PW25.10>

At its meeting on July 12, 2016, City Council authorized the General Manager, Transportation Services to request the Ontario Ministry of Transportation to allow the City of Toronto to implement a mobile automated speed enforcement pilot project in school zones and construction zones. The Council decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.PW14.1>

COMMENTS

Procurement Process: Request for Proposal (RFP) 9148-19-0048

A co-operative Request for Proposal was prepared by Transportation Services in conjunction with Purchasing and Materials Management, Legal Services, the Province of Ontario and other partnering municipalities for the supply, installation, operation, maintenance and decommissioning of Automated Speed Enforcement Systems for a fixed term of five (5) years with the option to renew for a five (5) year fixed term at the sole discretion of the General Manager, Transportation Services for the City of Toronto and participating Municipalities within Ontario. In the event that the General Manager, Transportation Services opts not to renew the option term of an additional five (5) years, Transportation Services will enter into a twenty-five (25) month term for the maintenance of ASE image processing services with the successful proponent as per the terms and conditions set out in the RFP.

During the development of the ASE program and the RFP, staff considered alternative methods for handling and managing the evidence collected by the ASE system (E.G. photo images of speeding vehicles and the correlating speed data) via the internet, cellular or cloud services to remotely retrieve and transfer the evidence from the field back to the Joint Processing Centre. The Province requires the City to ensure that the

evidence is not tampered with and public privacy is maintained. It was determined that as a starting point for this new ASE program, the best course of action would be to proceed with the manual evidence retrieval method currently used by the RLC program. The RLC method has been utilized for many years without incident in respect to privacy and security, and every precaution has been taken to ensure the proposed practices are implemented in a diligent manner adapting the RLC method to reflect any potential concerns unique to ASE. Notwithstanding, should the Province approve the use of alternate technologies, there was a provision included in the RFP which requires the vendor to have the capability for future remote connectivity to ASE sites.

The Request for Proposal was advertised on the City's internet website and four (4) proposals were received (Jenoptik-TraffiPax LLC, Redflex Traffic Systems (Canada) Limited, Black & McDonald Ltd, and Tristar Electric Inc.) on the closing date of June 13, 2019.

The Request for Proposal process was conducted as a two envelope system whereby the proponents were required to submit two (2) separate envelopes. Envelope one (1) was the technical proposal submission and envelope two (2) contained the cost of services. The cost of services envelope were only opened for those proponents who met the 75% percent threshold (52.5 out of 70 points).

Fairness Monitor

In preparation of the RFP, a Fairness Monitor was retained through a separate competitive bidding process and this task was awarded to HKA. The Fairness Monitor's scope of work included the following:

- overseeing the RFP process for the purpose of ensuring adherence to a high standard of objectivity of evaluation, and transparency
- addressing any concerns relating to accountability/fairness (monitoring the level of openness, transparency and competitiveness of the procurement process);
- independent assurance of integrity of the procurement process with a signed attest statement for the RFP;
- preparing a Final Attestation Report for the City that may be provided to Council as part of any required staff report to Council on a particular procurement;
- presenting report findings to City Council members, if required; and
- providing evidence and testifying in relation to any legal claim that may arise from the procurement process, if required.

Request for Proposal Evaluation

Two independent and separate evaluation teams were developed for the purposes of evaluations in this RFP process. These teams consisted of the following:

- A Proof of Performance Evaluation Team consisting of five (5) members, one (1) Transportation Services staff, and one (1) prosecutor from each of the following municipalities: York Region, Brampton, Mississauga, and London, was tasked with evaluating proponent demonstrations and equipment in compliance with the criteria set out in Appendix K10 - Proof of Performance Evaluation.

- A formal Selection Committee consisting of five (5) members, one (1) one Transportation Services Staff, and one (1) staff from each of the following municipalities: Brampton, Ottawa, Peel Region, and London was tasked with evaluating technical proposals contained in Envelope one (1) in compliance with the criteria set out in Appendix E- Proposal Evaluation Table.

All individuals involved in the preparation and the evaluation process signed and submitted a Non-Disclosure and Declaration of Conflict of Interest Agreement, and the evaluation process was overseen by PMMD and the Fairness Monitor. This RFP process consisted of the following:

- Stage 1: Mandatory Submission Requirements: In compliance with the RFP, a list of mandatory requirements had to be met in order to advance to Stage 2-A. As a result of this compliance review, all four (4) proponents advanced to Stage 2-A of the evaluation process.
- Stage 2-A: Proof of Performance Evaluations: During this pass/fail stage, each proponent was requested to deploy their Mobile ASE Camera to a predetermined location within the City in order to capture and record speeding infractions in their image storage unit (ISU) for the purposes of confirming ASE System functionality and quality of camera housing. Proponents were then invited to provide a demonstration version of their ASE Image Processing System using the data collected in their ISU, as well as showcasing the quality of their camera housing. The proof of performance evaluation team, under the supervision of PMMD and the Fairness Monitor, evaluated proponents against the criteria listed in Appendix K10 - Proof of Performance Testing. Proponents were required to receive a score of "pass" on all criteria in order to advance to Stage 2-B of the evaluation process. As a result of this stage, two (2) of the four (4) proponents (Redflex Traffic Systems (Canada) Limited and Jenoptik, Traffipax LLC) advanced to stage 2-B of the evaluation process.
- Stage 2-B: Detailed Technical Proposal Evaluation: In Stage 2-B proponents were evaluated on their technical proposal submission and a minimum threshold score of 75% (52.5 out of 70 points) was to be met in order to advance to Stage 3 - Cost of Services. Both proponents (Redflex Traffic Systems (Canada) Limited and Jenoptik, Traffipax LLC) met the minimum threshold score of 75% (52.5 out of 75 points) and advanced to Stage 3 of the evaluation process.
- Stage 3: Cost of Services: In Stage 3, the cost of services envelope were opened for the two (2) proponents by PMMD. The costs of services submission and the calculations of the total annual costs and price scores were reviewed and validated by PMMD, Transportation Services, and Corporate Finance. The technical scores and the cost of service scores were then added together with the total representing the final score for each of the remaining two (2) proponents.

Recommended Vendor

Based on the RFP final technical proposal score and the cost of services score, the City is recommending to award a contract to the highest scoring proponent identified in the evaluation process of this RFP that has met the requirements as set out in the RFP and staff are seeking authority to award and enter into an agreement with Redflex Traffic Systems (Canada) Limited

The Fairness Monitor concluded that the RFP process satisfied the principles of openness, fairness, consistency and transparency. The Attestation Report from the Fairness Monitor on the RFP Evaluation Process is included as Attachment 1.

The Fair Wage Office has reported that the recommended firms have indicated that they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and have agreed to comply fully.

CONTACT

Mike Barnet
Manager, Automated Enforcement
Transportation Services Division
Telephone: 416-397-5623
Email: mike.barnet@toronto.ca

Dave Twaddle
Director, Permits and Enforcement
Transportation Services Division
Telephone: 416-392-7714
Email: dave.twaddle@toronto.ca

Elena Caruso,
Manager, Purchasing Goods & Services
Purchasing and Materials Management Goods & Services
Telephone: (416) 392-7316
Email: elena.caruso@toronto.ca

SIGNATURE

Barbara Gray
General Manager, Transportation Services

Mike Pacholok
Chief Purchasing Officer

ATTACHMENTS

Attachment 1: Fairness Attestation Report – Request for Proposal (RFP) No. 9148-19-0048 for the Supply, Installation, Operation, Maintenance and Decommissioning of Automated Speed Enforcement (ASE) Systems within the City of Toronto and Other Municipalities within Ontario