

Non-Competitive Bridge Contract with Parsons Inc. for the provision of RESCU Transportation Operations Centre Operations Services

Date: December 18, 2020

To: Infrastructure and Environment Committee

From: General Manager, Transportation Services, and Chief Procurement Officer, Purchasing and Materials Management Division

Wards: All

SUMMARY

The purpose of this report is to request authority to award a non-competitive bridge contract to Parsons Inc. for the provision of RESCU Transportation Operations Centre (TOC) Operations services in the amount of \$834,430.48 net of HST (\$849,116.46 net of HST recoveries), for the period March 1, 2021 to September 30, 2021 under the same contract terms and conditions set out in RFP No. 9117-16-7060.

The current contract under RFP No. 9117-16-7060 will be ending on February 28, 2021. This contract provides 24/7 operations for dispatching emergency transportation maintenance calls (i.e. electronic traffic control devices, traffic signs, right-of-way issues), providing traffic incident management on the City's roadways and traveller information to the public.

This non-competitive bridge contract will provide the essential traffic management services until a new competitive contract can be tendered and awarded. Further, this extension will provide enough time for the new contractor to hire, train and transition themselves to take over the operation of the RESCU TOC on October 1, 2021.

City Council approval is required in accordance with Municipal Code Chapter 195, Purchasing, where the current request exceeds the Chief Purchasing Officer's authority of the cumulative five year commitment limit for each vendor under Article 7, Section 195-7.3(D) of the Purchasing By-law or exceeds the threshold of \$500,000 net of Harmonized Sales Tax allowed under staff authority as per the Toronto Municipal Code, Chapter 71, Financial Control, Section 71-11a.

RECOMMENDATIONS

The General Manager, Transportation Services and the Chief Procurement Officer, Purchasing and Materials Management Division recommend that:

1. City Council authorize the General Manager, Transportation Services to negotiate and execute a non-competitive bridge contract with Parsons Inc. for the provision of RESCU Transportation Operations Centre operations services in the amount of \$834,430.48 net of HST (\$849,116.46 net of HST recoveries), for the period March 1, 2021 to September 30, 2021, on terms and conditions satisfactory to the General Manager, Transportation Services, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total value of this procurement is \$834,430.48 net of HST, and the total cost to the City for this procurement is \$849,116.46 net of HST recoveries. This funding has been included in the 2021 Operating Budget Submission for Transportation Services under the Cost Center TS7010.

Term	Cost Centre	Cost Element (G/L)	Net of HST	Net of HST Recoveries
March 1 to September 30, 2021	TS7010	4432	\$834,430.48	\$849,116.46

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

DECISION HISTORY

On November 16, 2016, Bid Committee adopted the recommendations of Report No. BD110.6 "Award of Request for Proposal No. 9117-16-7060 to Parsons Inc. for RESCU Transportation Operations Centre (TOC) Operations". This report discussed the contract award to Parsons Inc. for a two (2) year period from March 1, 2017 to February 28, 2019, with the option for the City to renew for two (2) additional one-year periods at the sole discretion of the City and subject to budget approvals. The Bid Committee decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BD110.6>

The City exercised the renewal of the contract for the two additional one-year periods. The contract will be complete and ending on February 28, 2021.

COMMENTS

The services provided under the RESCU Transportation Operations Centre (TOC) Operations contract are essential traffic management services. The contract provides 24/7 operations for dispatching emergency transportation maintenance calls for all traffic signals, pedestrian cross-overs, traffic signs and right-of-way issues, for providing traffic incident management on the City's roadways and for providing traveller information to the media and public in general. The current contract with Parsons Inc. under RFP No. 9117-16-7060 will expire on February 28, 2021.

Given the need for a new contract to commence in 2021, Transportation Services commenced working with Purchasing and Materials Management Division to get a new contract in place to undertake RESCU Transportation Operations Centre Operations services in early 2020. However, the development of the new contract was delayed due to the COVID-19 pandemic.

Throughout the summer, staff managing the RESCU TOC were refocused on supporting construction traffic management issues as well as to provide active traffic management monitoring for initiatives such as CurbTO, ActiveTO and CafeTO. It was anticipated at this point, that there would be a need to potentially extend the existing RESCU TOC Operations contract in order to provide more time to develop the new tender. In addition, Transportation Services Division decided to go with a negotiated RFP process instead of a standard RFP as in previous contracts. Although this is a more lengthy process than a standard RFP, Transportation Services was looking for ways to improve on quality, expertise and a value-for-money contract with this new process.

Given the current state of contract development, Transportation Services is planning for the new contract to be tendered in late January, 2021. Considering the time it will take for the tender, evaluation and contract negotiations, Transportation Services is assuming an award date of May, 2021. From previous experience, the hiring, training and transition process on the part of the new contractor typically takes from 3-4 months. The lengthy transition period is due largely to the intensive training that is required by the Contractor on the RESCU work processes and for the various hardware and software systems used in the Transportation Operations Centre in order to carry out the contract functions.

To mitigate any gaps in services between the end of the current contract and the start of the new contract, staff are requesting that a non-competitive bridge contract is awarded to the incumbent contractor for five months from March 1 to September 30, 2021.

Transportation Services has done its due diligence to ensure the pricing is fair and reasonable within the market range. Parsons Inc. was the low bid meeting specifications when the current contract was issued. The proposed cost for this bridge contract represents a 2% increase compared to the previous year, which staff feel is a reasonable increase when accounting for inflation and cost escalations.

The Fair Wage Office has reported that Parsons Inc. has reviewed and understands the Fair Wage Policy and Labour Trades requirements. They have also agreed to fully comply.

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SIGNATURE

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