

Amendment to Contract No. 47012243 for the Supply, Installation, Operation, Maintenance, and Decommissioning of Red Light Camera Systems in the City of Toronto

Date:	May 2, 2011
To:	Public Works and Infrastructure Committee
From:	Acting General Manager, Transportation Services Division Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	PW2011002.tmc (AFS 13589)

SUMMARY

The purpose of this report is to request authority from City Council to exercise the five one-year extension clause in Contract No. 47012243 for the period from December 31, 2011 to December 31, 2016, with Traffipax Traffic Safety Systems for the operation, maintenance and decommissioning of red light camera systems in the City of Toronto. The total potential amount over the five one-year periods is \$11,472,537.40 net of HST, revising the current contract value from \$13,793,600.00 to \$25,266,137.40 net of HST.

RECOMMENDATIONS

The Acting General Manager of Transportation Services Division and the Director of Purchasing and Materials Management Division recommend that City Council grant authority to:

1. Exercise the option to extend Contract No. 47012243 for the supply, installation, operation, maintenance and decommissioning of red light camera systems in the City of Toronto, issued to Traffipax Traffic Safety Systems for five additional one-year periods on an annual basis up to December 31, 2016. The total potential amount over the five one-year periods is \$11,472,537.40 net of HST, revising the current contract value from \$13,793,600.00 to \$25,266,137.40 net of HST.

Financial Impact

Funds in the amount of \$2,334,890.82 net of HST Recoveries (\$2,294,507.48 net of HST) for the first of the five-year contract extension will be included in the Transportation Services Division's 2012 Operating Budget Submission, Red Light Camera Operations (Cost Centre TP0393), within the appropriate operating budget guidelines for the Transportation Services Division. There are no adjustments to unit prices, quantities or other terms of the contract that could result in additional costs to the City, compared to the 2011 Operating Budget. Funding approvals for the years 2013 to 2016 are subject to Operating Budget approval in each appropriate year.

The cost of red light camera operations in the City of Toronto are generally offset from revenue generated by tickets issued during the operation of red light cameras and processing centre fees collected from the partnering municipalities (cities of Hamilton and Ottawa and Regional Municipalities of Peel and Waterloo). Although fine revenue is currently being attributed directly to the Court Services Division's Operating Budget, for budget target purposes in the current and future years, the program costs included in the Transportation Services Division's Operating Budget must be considered with the revenue budgeted in Court Services' Operating Budget to assess the City's net impact.

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

DECISION HISTORY

On May 23, 24 and 25, 2006, City Council adopted the recommendations within Clause No. 18 of Policy and Finance Committee Report No. 4 "Red Light Camera Operations: Contract Extensions and Request for Proposal 9148-05-5048 for the Supply, Installation, Operation and Maintenance of Red Light Camera Systems Within the City of Toronto and Other Municipalities Within Ontario", and approved a contract to retain Traffipax Inc. for the supply, installation, operation and maintenance of additional red light cameras within the City of Toronto, over a five-year period, from 2007 to 2011 with the option to extend for up to five additional years on an annual basis.

The report can be found at:

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060523/pof4rpt/cl018.pdf>

ISSUE BACKGROUND

The City of Toronto is currently one of five municipalities designated by Regulation to operate red light cameras in the Province of Ontario. In addition to managing its own red light camera operation, the City of Toronto operates the joint municipal processing centre on behalf of all partnering municipalities.

The joint municipal processing centre reviews all photos, processes evidence, issues Offences Notices and prepares court documents for all partnering municipalities. The City of Toronto has existing agreements with the partnering municipalities for sharing the cost to operate the joint municipal processing centre. The City of Toronto is also a member of the Red Light Camera Steering Committee for municipalities operating red light cameras in Ontario.

In co-operation with the partnering municipalities, the City of Toronto issued a Request for Proposal for expanding the number of red light cameras and sites in all partner municipalities during 2005. The terms of the Request for Proposal required a vendor to enter into an agreement with each of the partnering municipalities for the rental, operation and maintenance of red light cameras, including the associated computer hardware and software. As indicated in the request for proposal, the length of the agreement was an initial five year period (2007 – 2011) with an option to extend for up to five additional years (2012 – 2016) on an annual basis, at the partnering municipalities' discretion.

COMMENTS

The first red light camera systems provided by Traffipax Traffic Safety Systems went into operation in November 2007 following both an extensive testing process and enactment of amendments to the Regulations of the Provincial Highway Traffic Act, which designates the red light camera systems that can be operated in the province of Ontario. The City of Toronto currently operates 77 red light camera systems provided by Traffipax Traffic Safety Systems.

Staff of the partnering municipalities are satisfied with the services provided by Traffipax Safety Systems and the performance of the red light camera systems and have confirmed that Traffipax Traffic Safety Systems is prepared to extend the current agreements for the supply, installation, operation, maintenance and decommissioning of red light camera systems at the existing unit prices until December 31, 2016. Staff of the other partnering municipalities is also recommending to their respective municipal councils that their contracts with Traffipax Traffic Safety Systems be extended for up to five additional one-year periods on an annual basis.

The contract extension is based upon the unit cost pricing included in the initial contract, which was awarded to the proponent with the highest overall score.

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