



## REPORT FOR ACTION

### **Non-Competitive Contracts with Intergraph Canada Limited and Quatro Group Software Systems Inc. for the Continued Provision of Proprietary Toronto Fire Services Information and Technology Systems**

**Date:** December 16, 2019

**To:** Economic and Community Development Committee

**From:** Fire Chief and General Manager, Toronto Fire Services and Chief Purchasing Officer, Purchasing and Materials Management

**Wards:** All

#### **SUMMARY**

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The purpose of this report is to request authority to renew non-competitive contracts with Intergraph Canada Ltd. and Quatro Group Software Systems Inc. in the total amount of \$890,400.00 net of all taxes and charges (\$906,071.04 net of Harmonized Sales Tax recoveries), for a period of five (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 Harmonized Sales Tax recoveries, allowed under staff authority as per the Toronto Municipal Code By-law, Chapter 71 – Financial Control

## RECOMMENDATIONS

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

1. City Council authorize the Fire Chief and General Manager, to negotiate and enter into a contract with Intergraph Canada Ltd. for the amount of \$508,800.00 net of all taxes and charges (\$517,754.88, net of Harmonized Sales Tax recoveries), to provide for professional services and additional licenses 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 General Manager, and in a form satisfactory to the City Solicitor.
2. City Council authorize the Fire Chief and General Manager, to negotiate and enter into a contract with Quatro Group Software Systems Inc. for the amount of \$381,600.00 net of all taxes and charges (\$388,316.16, net of Harmonized Sales Tax recoveries), to provide for professional services and additional licenses for the existing Payroll/Time Entry system for a period of five (5) years from the effective date of the agreement, on terms and conditions satisfactory to the Fire Chief and General Manager, and in a form satisfactory to the City Solicitor.

## FINANCIAL IMPACT

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Funding of \$181,214 net of HST recoveries is included in the 2020 Operating Budget Submission for Toronto Fire Services (TFS), with an additional \$724,857 net of HST recoveries available in future-year Operating Budget Submissions for TFS as noted below in Table 1:

Table 1: Funding Summary

Cost Centres	Cost Element	Jan 1, 2020 to Dec 31, 2020	Jan 1, 2021 to Dec 31, 2021	Jan 1, 2022 to Dec 31, 2022	Jan 1, 2023 to Dec 31, 2023	Jan 1, 2024 to Dec 31, 2024	Grand Total
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 Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

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City Council provided the previous authority by adopting CD28.4 on May 6, 7 and 8 2014. (Agenda Item History - 2014.CD28.4) and further amended the resulting contract in 2016 (Agenda Item History - 2016.CD9.2).

Adoption of 2014.CD28.4 provided authority for the Fire Chief and General Manager to enter into contracts with the same two vendors for the dollar amounts specified for a term of five years. The term on both contracts expire at the end of 2019. This current staff report is essentially reiteration of CD28.4 to extend contracts an additional five years.

Adoption of 2016.CD9.2 provided authority to increase the value of the existing contract with our vendor Intergraph Canada Limited by an amount of \$800,000. The increased in contract value was required to support a CAD upgrade and was funded through the 2016 capital budget.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.CD28.4>  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.CD9.2>

## **COMMENTS**

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### **Intergraph Canada Ltd.**

TFS has utilized Intergraph Computer Aided Dispatch (CAD) systems since 2000 and also have implemented 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 nineteen years, through agreements with Intergraph Canada Ltd. ("Intergraph"). Most recently, in 2016, when funding and a contract amendment was approved by Council to support a major release upgrade. ([Agenda Item History - 2016.CD9.2](#))

Since 2015, spending with Intergraph for professional services and additional licenses totals \$887,643.34. The majority of this amount was required to support a major release upgrade but also included licensing costs for additional capacity and functionality. Intergraph offers its CAD products to public bodies such as the City through its Hexagon Safety and Infrastructure division. Legal agreements in the form of a Maintenance Service Agreement and a Master Purchasing Agreement are in place with this vendor to facilitate the business needs of the TFS. Annual maintenance costs are currently \$420,092.48 (2019) net of Harmonized Sales Tax, \$427,486.11 net of Harmonized

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

### **Quatro Group Software Systems Inc.**

TFS has utilized a Quatro Payroll and Time Entry System since 2010. At that time, the decision to procure using the non-competitive process for 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) and Chief Purchasing Officer (CPO).

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 Harmonized Sales Tax, \$199,271.52 net of Harmonized Sales Tax 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. Commitments and expenditures since 2015 total \$378,230.57 for professional services and additional licenses. These expenditures supported additional functionality driven by collective agreement changes, requirements for advanced reporting as well as new functionality that leverages existing workflows and data elements contained in the application.

Annual maintenance costs are \$53,751.40 net of Harmonized Sales Tax, \$54,697.42 net of Harmonized Sales Tax recoveries. The Quatro application works well and has been continuously enhanced to support changes the organization as a result of collective bargaining, legislation or the need for additional functionality.

TFS remains committed to exploring the potential of enterprise level solutions with the I&T Division. However, due to the requirements of the 3888 collective agreement and the additional functionality supported by the Quatro application it is anticipated that the discovery process will take considerable time to determine the viability of the enterprise platform to support TFS operational requirements. Adoption of the recommendations contained in this report will allow for the thorough review of enterprise initiatives without impacting TFS operations.

### **Operational Requirements**

There is an ongoing 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 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
- 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.

The CAD system used by TFS 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 elements of the Toronto Fire Transformation Plan as well as initiatives undertaken in support of CFAI Accreditation requiring review of existing deployment models.

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.

## **CONTACT**

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## **SIGNATURE**

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Matthew Pegg  
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Michael Pacholok  
Chief Purchasing Officer