



REPORT FOR ACTION

Non-competitive Contract with Moore Canada Corporation for the Provision of Renewal Forms and Parking Permits

Date: June 22, 2020

To: General Government and Licensing Committee

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

Wards: All

SUMMARY

The purpose of this report is to request authority to enter into a non-competitive contract with Moore Canada Corporation (Moore Canada) for the supply of the Speedimailer renewal forms and permits (Speedimailer), printing and sealing services for the On-Street Permit Parking Program in the amount of \$300,000.00 net of HST, for the period September 1, 2020 to December 31, 2022.

This Speedimailer product is proprietary to Moore Canada and requires printing and sealing on their specialized equipment. Approval of this non-competitive contract will allow Transportation Services to continue to provide permit parking services to the public until such time as the comprehensive parking strategy review is completed.

This report also includes as information, purchases not previously reported that occurred during the period October 2017 to March 2020 inclusive, at a total value of \$214,146.71 net of HST.

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 Division and the Chief Purchasing Officer, Purchasing and Management Division, recommend that:

1. City Council grant authority to the General Manager, Transportation Services, to negotiate and execute a non-competitive contract with Moore Canada for the supply of Speedimailer, printing and sealing services for the On-Street Permit Parking Program in the amount of \$300,000.00, net of HST (\$305,280.00, net of HST recoveries) for the contract period of September 1, 2020 to December 31, 2022, on terms and conditions satisfactory to the General Manager and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total value identified in this report, is \$514,146.71, net of all applicable taxes. The cost to the City is \$523,195.69, net of HST recoveries.

Funding for 2017 to 2019 was included in the respective Operating Budgets for Transportation Services. As well, the funding for 2020 has been included in the 2020 Approved Operating Budget for Transportation Services. The remaining funding, for the balance of the contract from 2021 to 2022, will be included for consideration as part of the 2021 and 2022 Operating Budget submissions for Transportation Services during future budget processes.

Funding details are provided below:

Year	Term	Cost Centre	Cost Element	Net of HST	Net of HST Recoveries
2017	Fall 2017	TP0147	4825	\$9,710.22 (paid)	\$9,881.12
2018	Spring/Fall 2018	TP0147	4825	\$95,245.64 (paid)	\$96,921.96
2019	Spring/Fall 2019	TP0147	4825	\$96,540.84 (paid)	\$98,239.96
2020	Spring 2020	TS8010	4825	\$12,650.01 (paid)	\$12,872.65
	Fall 2020	TS8010	4825	\$60,000	\$61,056
2021	Spring 2021	TS8010	4825	\$60,000	\$61,056
	Fall 2021	TS8010	4825	\$60,000	\$61,056

2022	Spring 2022	TS8010	4825	\$60,000	\$61,056
	Fall 2022	TS8010	4825	\$60,000	\$61,056
TOTAL				\$514,146.71	\$523,195.69

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

DECISION HISTORY

At its meeting of November 3, 2015, City Council authorize the General Manager, Transportation Services to negotiate and enter into a non-competitive contract with Moore Canada for the supply and delivery of the Speedimailer renewal forms and permits, printing and sealing services for the On-Street Permit Parking Program in the amount of \$240,000 net of HST (\$244,224 net of HST recoveries) for the period of November 3, 2015 to June 30, 2017

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM7.7>

COMMENTS

The Speedimailer is proprietary product of Moore Canada and is also used by the Ministry of Transportation to administer licence plate renewals. This product is proprietary to the City of Toronto. The patent is on the sealer which unlike competitors is based on pressure, and it was tailor-made to suit the City's program and software.

The size, scope and needs of the City of Toronto's permit parking program are unique within North America. Although permit parking programs do exist in various US cities, none match the scope and complexity of the City's own program. Staff conduct industry scans and network with other municipalities and are not aware of any similar type products or suppliers which are used to support these types of parking programs.

Parking permits are presently renewed on a semi-annual basis, in late May and late November each year. Each of these renewal periods requires a supply of renewal forms which are mailed out with permit renewal notices and new term permits for approximately 55,000 permit holders and the supply of 20,000 additional permits that must last until the next renewal cycle begins (six months). Each renewal cycle results in the expenditure of approximately \$60,000.00. The cost of permits is covered by the fees collected.

On-line permit parking renewals are now the single most popular method of permit renewal, with over 26,000 permit holders choosing this renewal option. This method is heavily dependent on the reliability of the Speedimailer.

Prior to the expiration of the last contract renewal in 2017, staff had planned to solicit the industry for a comparable product through an RFP. However, a critical component of the technical terms of the RFP were dependant on the computer application mainframe parameters, which, at the time, had yet to be determined.

Specifically, there were delays in the development and migration of data from the previous mainframe computer system (provided through EDS Canada) to the (at the time) new in-house computer application known as the On-Street Permit Parking Application (OSPPA). Limited staff resources and emergent complexities of the project continued to limit the full transition, which was expected to be completed on or before the expiration of the previous contract and authority.

To ensure uninterrupted services to the public, Transportation Services continued to engage the vendor for the Speedimailer printing and sealing services during the period of October 2017 to March 2020 in the total amount of \$214,146.71, net of HST.

- On February 1, 2019, Purchasing and Materials Management Division (PMMD) issued Purchase Order # 6048324 in the amount of \$56,424.54 (net of HST) in order to pay outstanding invoices for Moore Canada for the period October 31, 2017 to June 12, 2018.
- On August 6, 2019, PMMD issued Purchase Order # 6049278 in the amount of \$97,774.20 (net of HST) in order to pay outstanding invoices for the period March 29, 2018 to May 31, 2019.
- On May 29, 2020, PMMD issued an amendment to Purchase Order # 6049278 to increase the dollar value to \$59,947.97 (net of HST) in order to pay outstanding invoices for the period June 27, 2019 to March 3, 2020.

Transportation Services is in the process retaining a consultant to review parking in the city through a comprehensive parking strategy review. This review is expected to be completed in early 2021. The scope of this review will include, among other things, a review of current parking administration processes, which may bring forward recommendations to change or alter the way the residential on-street permit parking program is administered or operates.

Transportation Services is requesting a non-competitive contract with Moore Canada from September 1, 2020 to December 31, 2022 to allow staff sufficient time to complete the parking strategy review and to potentially implement any changes, which may or may not include the continued use or need for the Speedimailer product or equivalent.

There has been no price increases for this product and services for Moore Canada in the past seven years. Transportation Services staff have confidence that the pricing provided to the City for this procurement is reasonable, and is the best value for the City of Toronto to continue using this product until the new parking strategy is in place.

The Fair Wage Office has reported that Moore Canada 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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