



## REPORT FOR ACTION

### **Provision of Red Light Camera Services – Award for Proposal 2184528757 and Amendment to the Processing Centre Agreement**

**Date:** March 6, 2020

**To:** Infrastructure and Environment Committee

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

**Wards:** All

#### **SUMMARY**

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The purpose of this report is to advise on the results of the Request for Proposal Doc2184528757 for the provision of Red Light Camera Services for the City of Toronto, and request authority to award and negotiate an agreement with Traffipax LLC being the highest scoring proponent with the lowest cost for a fixed period of five years in the amount of \$12,441,318.27 net of all taxes and charges (\$12,660,285.47 net of HST recoveries) with the option to renew the contract for one additional term of two (2) years in the amount of \$3,583,410.51 net of all taxes and charges (\$3,646,478.53 net of HST recoveries). In addition, provision for the maintenance of Red Light Camera image processing services for twenty-five (25) months following the end of the contract term in the amount of \$215,963.25 net of all taxes and charges (\$219,764.20 net of HST recoveries).

This report also seeks authority to negotiate and execute an amending agreement with existing Partnering Municipalities listed in Attachment 1, and authority to further amend such agreement each time a new Municipality is added to the agreement for the duration of the contract for the provision of Red Light Camera services between the City of Toronto and Traffipax LLC.

## RECOMMENDATIONS

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

1. City Council authorize the General Manager, Transportation Services to negotiate and enter into an agreement with Traffipax LLC being the highest overall scoring proponent meeting the requirements of Request for Proposal Doc2184528757, for:
  - a. the provision of Red Light Camera services for five (5) years in the amount of \$12,441,318.27 net of all taxes and charges (\$12,660,285.47 net of HST recoveries) with an option to renew and subject to budget approval, for one additional term of two (2) years in the amount of \$3,583,410.51 net of all taxes and charges (\$3,646,478.53 net of HST recoveries) at the sole discretion of the General Manager, Transportation Services; and
  - b. the provision of the maintenance of Red Light Camera image processing services for twenty-five (25) months following the end of the initial five-year term or, if renewed, following the end of the option period, in the amount of \$215,963.25 net of all taxes and charges (\$219,764.20 net of HST recoveries)

for a total potential cost of \$16,240,692.03 net of all taxes and charges (\$16,526,528.21 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.

2. : City Council authorize the General Manager, Transportation Services to be able to negotiate and execute any amending agreement with the existing Partnering Municipalities agreement listed in Attachment 1, and authority to further amend such agreement each time a new Municipality is added to such agreement for the duration of the contract for the provision of Red Light Camera services between the City of Toronto and Traffipax LLC, all on terms and conditions satisfactory to the General Manager, Transportation Services and in a form satisfactory to the City Solicitor.

## FINANCIAL IMPACT

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### Award of RFP Doc2184528757

The total contract award resulting from RFP Doc2184528757 identified in this report for the period of nine (9) years and one (1) month is \$16,240,692.03 net of all taxes and charges. The total potential cost to the City is \$16,526,528.21 net of HST recoveries.

Funding of \$1,400,000 required in 2020 for the contract is available in the approved 2020 Operating Budget for Transportation Services. Full annual funding required for the contract will be included as part of the 2021 Operating Budget submission for Transportation Services for consideration during the budget process.

Exercising the Option Term 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 1. Estimated Contractual Costs – Entire Contract Term

| Period                           | Estimated Costs |
|----------------------------------|-----------------|
| Initial contract term of 5 years | \$12,660,285.47 |
| Option term of two years         | \$ 3,646,478.53 |
| Maintenance term of 25 months    | \$ 219,764.20   |
| Total contract term              | \$16,526,528.21 |

\* All dollar values in Table 1 are net of HST recoveries

Consistent with the existing agreement for Red Light Camera record processing between the City of Toronto and municipalities listed in Attachment 1, all costs of the Joint Processing Centre to support other municipalities are fully cost recovered including the new municipalities. Once the agreement with the new municipalities have been finalized, all funding and resources required to support Red Light Camera record processing from these municipalities joining in 2020 will be managed within existing 2020 budgets. Funding and resources required, along with revenues, during the contract term will be included as part of future budget submissions for consideration during the annual budget process.

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

## DECISION HISTORY

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At its meeting of June 26, 2018, City Council requested the General Manager, Transportation Services to double the number of red-light cameras and evaluate the feasibility of significantly expanding the Red Light Camera program as part of the Vision Zero Road Safety Program.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX35.26>

## COMMENTS

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### Background

The Red Light Camera Program collects data manually through secured physical storage devices. During the development of the Request for Proposal - Red Light Camera staff considered alternative methods for handling and managing the evidence collected by the Red Light Camera system (e.g., photo images of violations) via the internet, cellular or cloud services to remotely retrieve and transfer the evidence from the field back to the Joint Processing Centre (JPC). Provisions were included in this Request for Proposal to allow for the aforementioned remote retrieval of data if the proponent can prove that their proposed solution is compliant with all applicable standards and regulations as it pertains to security and privacy.

The Red Light Camera program is an important traffic safety measure in support of the Vision Zero Road Safety Plan. Based on a before and after study (2001 – 2007 compared to 2008 – 2014) intersections in Toronto equipped with a Red Light Camera have shown a reduction in collision related fatality rates by 40%, serious injuries by 23% and overall collisions by 60%.

In 2017, the City of Toronto doubled the number of Red Light Cameras from 77 to 149. In June 2018, City Council directed the General Manager Transportation Services to double the number of Red Light Cameras and more recently, in April 2019 when considering the Vision Zero 2.0 report, the Infrastructure and Environment Committee requested the General Manager, Transportation Services to report back with recommendations on significantly increasing the number of Red Light Cameras. The award in this report will again double the number of Red Light Cameras to a total of 298.

### Fairness Monitor

A Fairness Monitor (HKA) was retained as a result of a Request for Quotation, to oversee the development of the solicitation and address any concerns relating the openness, transparency and competitiveness of the various stages of the procurement process, provide an independent assurance of integrity of the procurement process, and prepare a final Attestation Report.

## **Procurement Process: Request for Proposal Doc2184528757**

A Request for Proposal was prepared by Transportation Services in conjunction with the Purchasing and Materials Management Division for the supply, installation, operation, maintenance and decommissioning of Red Light Camera Systems for an initial fixed term of five (5) years with an option to renew at the sole discretion of the General Manager of Transportation for an additional one additional term (2) year period. The Request for Proposal also provides for an additional twenty-five (25) month term for the maintenance of Red Light Camera Image processing services at the end the contract term.

The Request for Proposal process was conducted as a two envelope system within the SAP Ariba. Envelope one (1) was the technical proposal and Envelope two (2) contained the cost of services. The cost of services were only opened for those proponents who met the 75% percent threshold in their technical proposal (52.5 out of 70 points).

The RFP was posted and advertised on SAP Ariba on January 6, 2020 and three (3) proposals were received from Black & McDonald Limited, Conduent Business Services Canada, Inc., and Traffipax LLC on the closing date of February 7, 2020.

### *Request for Proposal Evaluation*

A formal Selection Committee consisted of three (3) members from the City of Toronto and a member from the Regional Municipality of Niagara with ongoing support from Purchasing and Materials Management Division.

All staff involved in the preparation and the evaluation process signed and submitted a Non-Disclosure and Declaration of Conflict of Interest Agreement, and under the supervision of Purchasing Materials Management Division and the Fairness Monitor, evaluated the technical proposals in compliance with the selection criteria set out in Part 1, Section 2 of the Proposal Evaluation Table contained in the RFP as follows:

Stage 1: Mandatory Submissions Requirements: In compliance with the Request for Proposal, a list of mandatory pass/fail requirements had to be met in order to advance to Stage 2A. As a result of this compliance review, all three proponents (*Conduent Business Services Canada, Traffipax LLC and Black & McDonald Limited*) advanced to Stage 2A of the evaluation process.

Stage 2A: Mandatory Technical Requirements: Proponents were evaluated against the mandatory technical requirements and as a result of this review all three proponents (*Conduent Business Services Canada, Traffipax LLC and Black & McDonald Limited*) passed and advanced to Stage 2B. Detailed Technical Evaluation

Stage 2 B: Detailed Technical Evaluation (proposal content) proponents were evaluated against their Technical requirements and proponents were required to meet a minimum threshold score of 75 percent (or 52.5 out of 70 points). As a result of the detailed technical evaluation, Black and McDonald Ltd did not meet the required threshold and did not proceed to Stage 3: Proof of Performance Stage.

Stage 3: Proof of Performance Stage: was structured as a pass/fail and proponents were required to demonstrate their Red Light Camera equipment, and as a result both remaining proponents (Conduent Business Services Canada, Traffipax LLC) passed and moved to the Stage 4: Cost of Services.

Stage 4: Cost of Services: Cost of services envelope were opened for the (2) remaining proponents by the Purchasing and Materials Management Division. The cost of services submission were reviewed and the calculations of the total annual costs and price scores were confirmed. The technical scores and the cost of services scores were then added together with the total representing the final score for each of the proponents.

### *Recommended Vendor*

Based on the final score and the cost of services, Transportation Services is recommending to award the contract to Traffipax LLC being the highest scoring proponent identified as a result of the evaluation process that have met the requirements set out in the Request for Proposal.

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 2.

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

### **Site Selection Process**

The selection of the specific sites will be determined using a data-driven approach which involves a thorough analysis of collision data. The Site Selection Process includes a weighted evaluation of signalized intersections that considers collisions, Killed or Serious Injury (KSI) collisions, Vulnerable Road User collisions, and requests from police, councillors and the public.

Historically, Red Light Camera technology included the use of induction loops that were constrained by metal objects in the public right-of-way such as streetcar tracks, manhole covers, transformer vault covers, etc. Recent advances in RLC technology now rely on non-intrusive vehicle detection methodologies. These advances will now allow intersections that were previously unsuitable for a Red Light Camera to be revisited for inclusion as part of the program's expansion.

### **Red Light Camera Processing Agreement(s) with the Partnering Municipalities**

The City will enter into Agreement(s) with Partnering Municipalities which details the services and functions undertaken by the JPC. The agreement will detail the responsibilities of the Partnering Municipalities and the City, including liability and indemnity provisions, and will include the formula used to determine the distribution of cost sharing.

The City's JPC will review all photos, process evidence, issue tickets and prepare evidence to be used in court proceedings for Red Light Camera matters by City staff and the staff of Partnering Municipalities.

Each new Partnering Municipality will be required to formally request that the City enter into a Red Light Camera Processing Services and Cost Sharing Agreement.

The services to be provided by the JPC will include:

- verification of Red Light Camera records;
- obtaining licence plate ownership information;
- preparation of charging documents and notices; and
- Preparation of evidence to be used in municipal prosecutions.

Other terms of the processing agreement include:

- The formal establishment and role of a Municipal Steering Committee for Red Light Camera in overseeing the JPC, including ensuring the consistent and cooperative operation of Red Light Cameras across Ontario, and that issues are addressed swiftly and completely;
- Indemnity provisions, including that the City may be responsible for its proportionate share of the cost for repairs incurred as a result of a breakdown of the JPC equipment;
- Requirements for fee payments in accordance with the cost-sharing arrangement described above; and
- Requirements that partnering municipalities comply with privacy and other provisions required by the MTO or connected to the City's obligations under the Operational Agreement with MTO.

## **Operating Cost Sharing Implications with other Municipalities**

The Red Light Camera Expansion will follow the same model as the current Red Light Camera Program and process Red Light Camera charges for all partnering municipalities as identified in Attachment 1. The JPC will be staffed by Provincial Offences Officers, who must first be designated by the Province, to issue charges captured by the cameras, as well as additional support staff for site selection, investigation, contract management, and record management.

The operating costs for the JPC will be shared by partnering municipalities based on the existing cost-sharing formula. The cost sharing and distribution model considers:

- Proportional cost sharing for certain items such as staffing and consumables based on charge volumes;
- Fixed cost sharing for items such as office space rental; and
- Each partnering municipality's share of the operating costs paid to the City of Toronto will be calculated based upon the number of charges actually issued.

Additional municipalities have the ability to join the Partnering Municipalities agreement anytime during the duration of the contract for the provision of Red Light Camera services between the City of Toronto and Traffipax LLC.

## **CONTACT**

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## **SIGNATURE**

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Barbara Gray  
General Manager, Transportation Services

Mike Pacholok  
Chief Purchasing Officer

## **ATTACHMENTS**

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Attachment 1: Red Light Camera Joint Processing Centre – Participating Municipalities  
Attachment 2: Fairness Monitor Attestation Report



## **Attachment 1: Red Light Camera Joint Processing Centre – Participating Municipalities**

Existing municipalities include:

- The Regional Municipality of Halton
- City of Hamilton
- The Regional Municipality of Waterloo
- City of Ottawa
- The Regional Municipality of York
- The Regional Municipality of Peel
- City of London

New municipalities include:

- The Regional Municipality of Niagara
- City of Greater Sudbury
- The Regional Municipality of Durham
- City of Burlington
- Town of Ajax
- City of Brampton