

## **Non-Competitive Contract for a New Weigh Scale Solution with Paradigm Software, LLC**

**Date:** September 8, 2020

**To:** Infrastructure & Environment Committee

**From:** General Manager, Solid Waste Management Services and Chief Procurement Officer, Purchasing and Materials Management Division

**Wards:** All

### **SUMMARY**

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The purpose of this report is to seek authority from City Council for the General Manager, Solid Waste Management Services to negotiate and enter into a non-competitive contract with Paradigm Software, LLC to implement and support a modernized Weigh Scale Solution for the City of Toronto.

This contract has total potential value of \$3,523,040 net of Harmonized Sales Tax (HST) (\$3,585,046 net of HST recoveries) which includes an initial capital cost in the amount of \$2,281,699 net of HST (\$2,321,857 net of HST recoveries), and eight (8) year operating cost in the amount of \$1,241,341 net of HST (\$1,263,189 net of HST recoveries).

This new, modernized Weigh Scale Solution is required to address increasing sustainability risks related to the current Weigh Scale Solution's compatibility with the City's current version of Windows Operating system.

In addition to mitigating the system stability and sustainment risks, Paradigm Software, LLC's modernized Weigh Scale Solution acts as a platform from which the City can greatly expand its automation capabilities, service availability, public and employee safety and greater compliance with regulatory requirements, such as the Accessibility for Ontarians with Disabilities Act (AODA). The enhanced capabilities provided by the modernized Weigh Scale Solution will enable 24-hour operation at all seven (7) City transfer stations, automated weigh scale ticket processing, automated radiation detection and will reduce the need for person-to-person interaction through new self-service capabilities.

The Transfer Station Efficiencies Project Steering Committee, including stakeholders from Technology Services Division, expressed support for Paradigm Software, LLC's proposed Weigh Scale Solution as the best option for Solid Waste Management Services from a City of Toronto technology compatibility perspective, as well as a business operations compatibility perspective.

## RECOMMENDATIONS

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The General Manager, Solid Waste Management Services and Chief Procurement Officer recommend that:

1. City Council authorize the General Manager, Solid Waste Management Services to negotiate and enter into a non-competitive agreement with Paradigm Software, LLC for the implementation and ongoing support of a modernized Weigh Scale Solution in the amount of \$3,523,040 net of HST (\$3,585,046 net of HST recoveries), on terms and conditions satisfactory to the General Manager, Solid Waste Management Services and in a form satisfactory to the City Solicitor.

## FINANCIAL IMPACT

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The total estimated cost to the City identified in this report including eight (8) years of support and maintenance is \$3,523,040 net of HST (\$3,585,046 net of HST recoveries), which includes an initial capital cost in the amount of \$2,281,699 net of HST (\$2,321,857 net of HST recoveries), and eight (8) year operating cost in the amount of \$1,241,341 net of HST (\$1,263,189 net of HST recoveries). The estimated costs include discounted pricing from Paradigm Software, LLC.

Capital funding is included in the Solid Waste Management Services 2020 Approved Capital Budget and 2020-2029 Approved Capital Plan. Funding for future year operating costs will be included in Solid Waste Management Services' 2022 to 2029 Operating Budget Submissions.

Funding details are provided in the following tables:

Table 1 - Capital Cost (\$2,321,857 net of HST recoveries)

WBS Element	Year	Amount
CSW018-04-01	2021	\$2,321,857

Table 2 - Operating Cost (\$1,263,189 net of HST recoveries)

Cost Centre	Year	Amount
SW0701	2022	\$142,054
SW0701	2023	\$146,315
SW0701	2024	\$150,705
SW0701	2025	\$155,226
SW0701	2026	\$159,883

Cost Centre	Year	Amount
SW0701	2027	\$164,679
SW0701	2028	\$169,619
SW0701	2029	\$174,708

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

**DECISION HISTORY**

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On April 29, 2009, Bid Committee adopted item BD117.1, Composite Report, Motion 15, Motion to Adopt Request for Proposal 3405-08-3278, granting authority to award Request for Proposal 3405-08-3278 for the supply and delivery of a Weigh Scale Software Solution and related professional services for the City of Toronto’s Solid Waste Management Services Division from the date of award to May 31, 2011 with the option to renew for two (2) additional one (1) year periods at the sole discretion of the City and subject to budget approval.

<https://www.toronto.ca/legdocs/mmis/2009/bd/bqrd/backgroundfile-20609.pdf>

On December 16, 17, 18, 2013, City Council adopted item GM26.12, to authorize City Divisions and Information and Technology to renew or extend the contracts for a period of up to three (3) years from January 1, 2013 to December 31, 2015, all in accordance with the report (October 30, 2013) from the Chief Information Officer and the Director, Purchasing and Materials Management, City Policies and Procedures and in a form satisfactory to the City Solicitor.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.GM26.12>

On December 9, 2015, City Council adopted item GM8.8, Proprietary Information Technology Maintenance & Support Contracts 2016-2020, granting authority for the Information & Technology Division and respective City Divisions to negotiate amendments or extensions with proprietary vendors, for Information Technology software and hardware maintenance services for a period of five (5) years from January 1, 2016 to December 31, 2020.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM8.8>

On December 13, 14 and 15, 2016, City Council adopted item GM16.7, Proprietary Information Technology Maintenance and Support Contract Renewals and Amendments, granting authority for the Information & Technology Division and respective City Divisions to negotiate amendments or extensions with proprietary vendors, for Information Technology software and hardware maintenance services for a period from January 1, 2017 to December 31, 2020.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.GM16.7>

On July 23, 2018, City Council adopted GM29.18 for Contract Award for Request for Proposal No. 9144-18-0058 for the supply and delivery of Weigh Scale Solution for Transfer Station Efficiencies Project authorizing the General Manager, Solid Waste Management Services, the Chief Information Officer, and the Chief Purchasing Officer, to negotiate and enter into an agreement with GEOWARE Inc., being the highest scoring proponent meeting the requirements of Request For Proposal 9144-18-0058 to implement and support the new Weigh Scale Solution from November 21, 2018 to November 20, 2023 for a fixed period of five (5) years in the estimated amount of \$1,579,585. net of HST (\$1,607,385 net of HST recoveries) with the option to renew the contract for five (5) additional one (1) year periods at the sole discretion of the General Manager, Solid Waste Management Services, from November 21, 2023 to November 20, 2028, in the aggregate estimated amount of \$669,668 net of HST (\$681,455 net of HST recoveries), for a total estimated contract award of \$2,249,253 net of all taxes and charges (\$2,288,840 net of HST recoveries), under terms and conditions satisfactory to the General Manager, Solid Waste Management Services, the Chief Information Officer, and the Chief Purchasing Officer, and in a form satisfactory to the City Solicitor. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.GM29.18>

## COMMENTS

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The Weigh Scale Solution currently being used at the City's Green Lane Landfill and seven (7) transfer stations has been in place since December 2009 and development for it has ceased. The current Weigh Scale Solution is not fully compatible with the City's current version of Windows Operating System, is not AODA compliant, and no longer meets the City's Access Control Policy requirements. The current Weigh Scale Solution presents significant risk of becoming completely incompatible (and inoperable) the next time an enterprise upgrade of the City's Windows version occurs and, as such, it is necessary to move from the current Weigh Scale Solution to a sustainable, modern, and vendor-supported Weigh Scale Solution as quickly as possible. During routine Windows updates, the compatibility issues related to the current Weigh Scale Solution often result in application errors that require vendor involvement and 3-4 person-days of City staff time to resolve. Currently, it's only possible to run the current Weigh Scale Solution by using Windows Compatibility Mode, which is not guaranteed to continue working as successive versions of Windows are adopted by the City.

In 2019, over \$7 million worth of debit/credit card payment transactions went over the scales at City transfer stations, and if the Weigh Scale Solution is inoperable, then that revenue stream is placed at risk. In 2018, Solid Waste Management Services attempted to competitively procure the modernized and sustainable Weigh Scale Solution that it requires through the issuance of a Request for Proposal (RFP). Only two (2) vendors submitted proposals, and only one (1) was accepted by Purchasing & Materials Management Division as compliant. Following Council approval of the successful proposal, the vendor was engaged to negotiate a Statement of Work. After five months of negotiations with the proponent, a Statement of Work which met the City's requirements was unable to be successfully negotiated, and the RFP was cancelled by the Chief Purchasing Officer in 2019.

Following the cancellation of the RFP in 2019, a North American market scan was conducted, and seven (7) viable Weigh Scale Solution providers were identified, highlighting the specialized, niche nature of the of the very small North American market for Weigh Scale Solution providers. The seven (7) Weigh Scale Solution providers were invited to participate in a Vendor Day in July 2019. Only two (2) vendors chose to respond, one (1) of which was Paradigm Software, LLC.

Of the two (2) Weigh Scale Solution providers to participate in the Vendor Days, only Paradigm Software, LLC demonstrated compatibility with the City's infrastructure, and an ability to meet the City's requirements for a modernized Weigh Scale Solution. Paradigm Software, LLC successfully presented all processing scenarios for the requirements provided by the City. Paradigm Software, LLC's presentation showed minimal changes to the current user interface utilized in weigh scale processing, which would result in minimal training requirements for the City's Weigh Scale Operators. Converting data from older versions of Paradigm Software, LLC's Weigh Scale Solution to their modernized Weigh Scale Solution has been successfully executed for many of their customers.

Paradigm Software, LLC's modernized Weigh Scale Solution is compatible with the City's infrastructure and offers reduced implementation risk as compared to a net-new Weigh Scale Solution. Paradigm Software, LLC's proposed Weigh Scale Solution also has the capability to address Solid Waste Management Services' requirements for new functionality, which are necessary to support evolving business processes at the Transfer Stations.

The new functionality required includes:

#### Unattended Scale Processing

Unattended Scale Processing will allow processing without scale operator attendance. During the day, when traffic at the sites is heavier, and varied transaction types are occurring (cash, charge account and internal City vehicles), Weigh Scale Operators are required. Overnight, however, Unattended Scale Processing would enable operations to continue on a 24-hour basis, as the internal City vehicles that move material at night could operate more efficiently and avoid the heavier daytime traffic. Implementing Unattended Scale Processing would enable existing Weigh Scale Operator resources to be re-allocated from current early morning shifts, reducing costs related to shift bonuses and overtime by more than \$20,000 per year. Unattended Scale Processing also enables the process of weighing loads in and out with no dependency on person-to-person contact.

#### Integrated Radiation Monitoring

Radiation monitoring occurs at all seven (7) City transfer stations, but the current radiation monitoring system is not integrated with the current Weigh Scale Solution. While possible to do, it would require significant changes to how the radiation monitoring system is currently installed at the seven (7) transfer stations. In the current un-integrated scenario, when radiation alarms occur, staff must manually connect the radiation alarm to the specific transaction record recorded in the Weigh Scale Solution.

Paradigm Software, LLC's modernized Weigh Scale Solution would enable real-time integration of radiation monitoring, so that when radiation is detected at the site, it can be automatically linked to the specific transaction record, greatly improving the City of Toronto's ability to track and report on any radiation alarms to Atomic Energy Canada.

#### Enhanced Fraud and Audit Controls

Paradigm Software, LLC's modernized Weigh Scale Solution will enable barcodes to be included on printed weigh scale tickets, which must then be scanned by a Transfer Station Operator before the load is allowed for tipping. This introduces enhanced fraud and audit controls by automating the weigh scale ticket validation process, mitigating the risks inherent to the current manual validation process.

#### Improved Regulatory Compliance

In addition to greater ability to accurately report to Atomic Energy Canada in the event of a radiation alarm at one (1) of the transfer stations, implementing Paradigm Software, LLC's modernized Weigh Scale Solution would enhance the City's compliance with regulatory requirements in other areas. For example, the current Weigh Scale Solution is not AODA compliant. Paradigm Software, LLC's modernized Weigh Scale Solution meets American accessibility requirements, and an analysis is underway to determine the gap (if any), so that AODA compliance can be assured for the new Weigh Scale Solution. Any gaps that may need to be addressed will be considered within the scope of any agreement with Paradigm Software, LLC, and will not represent risk of additional costs to the City in order to meet AODA compliance requirements.

In summary, Paradigm Software, LLC's modernized Weigh Scale Solution is recommended as the City's best option to address the immediate business risk related to the current Weigh Scale Solution's sustainability challenges, to ensure the City's ability to maintain regulatory compliance and to provide a platform for the enhanced capabilities required by Solid Waste Management Services. The City has exhausted open market procurement options over the past three (3) years, and further delays could severely impact the operations of Solid Waste Management Services.

The Fair Wage Office has reported that Paradigm Software, LLC has indicated that it has reviewed and understands the Fair Wage Policy and Labor Trade requirements and has agreed to comply fully.

## **CONTACT**

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## **SIGNATURE**

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