

## **Amendment to Blanket Contract Number 47022854 with Geotab Inc. for the Provision of Telematics Solution**

**Date:** June 17, 2022

**To:** General Government and Licensing Committee

**From:** General Manager, Fleet Services and Acting Chief Procurement Officer

**Wards:** All

### **SUMMARY**

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The purpose of this report is to request authority to amend Blanket Contract Number 47022854 issued to Geotab Inc., for the provision of Telematics Solution. The total additional amount being requested is \$4,000,000 net of all taxes and charges (\$4,070,400 net of Harmonized Sales Tax recoveries) to August 31, 2027, increasing the contract value from \$8,783,950 net of all taxes and charges (\$8,938,548 net of Harmonized Sales Tax recoveries) to \$12,783,950 net of all taxes and charges (\$13,008,948 net of Harmonized Sales Tax recoveries), including all remaining optional renewal terms. The requested funds will allow Fleet Services to purchase additional hardware and services to improve Fleet Services' ability to manage the fleet assets including asset utilization, scheduled preventative maintenance, safe operation, and reduce unnecessary idling. This is also needed to enable the timely development of reporting capabilities needed for Transportation Services and Parks, Forestry and Recreation to manage their service delivery and contract service provider costs, as recommended through multiple Audit General recommendations.

General Government and Licensing Committee approval is required in accordance with Section 71-11.1C of the Toronto Municipal Code Chapter 71 (Financial Control By-law), where the current request exceeds the threshold of \$500,000 net of all taxes and charges.

### **RECOMMENDATIONS**

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The General Manager, Fleet Services and the Acting Chief Procurement Officer recommend that:

1. The General Government and Licensing Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law),

grants authority to amend Blanket Contract Number 47022854 issued to Geotab Inc., increasing the blanket contract value by \$4,000,000 net of all taxes and charges (\$4,070,400 net of Harmonized Sales Tax recoveries), revising the current blanket contract value from \$8,783,950 net of all taxes and charges (\$8,938,548 net of Harmonized Sales Tax recoveries) to \$12,783,950 net of all taxes and charges (\$13,008,948 net of Harmonized Sales Tax recoveries).

## FINANCIAL IMPACT

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The total value identified in this report is \$4,000,000 net of all taxes and charges. The cost to the City is \$4,070,400 net of Harmonized Sales Tax recoveries.

Funding in the amount of \$1,831,680 net of Harmonized Sales Tax recoveries is included in the 2022 Approved Capital Budget for Transportation Services. Funding in the amount of \$856,811 net of Harmonized Sales Tax recoveries is included in the 2022 Approved Operating Budget for Transportation Services. Funding in the amount of \$364,309 net of Harmonized Sales Tax recoveries will be included in the 2023 Operating Budget submission for Transportation Services.

Funding in the amount of \$242,328 net of Harmonized Sales Tax recoveries is included in the 2022 Approved Capital Budget for Fleet Services Division. Funding in the amount of \$130,369 net of Harmonized Sales Tax recoveries is included in the 2022 Approved Operating Budget for Fleet Services Division. Funding in the amount of \$644,903 net of Harmonized Sales Tax recoveries will be included in the 2023-2027 Operating Budget submission for Fleet Services Division.

Commitments against the blanket contract will be drawn on an as-needed basis by issuing Contract Release Orders (CROs) subject to validation of funding at the time of issuance. Individual WBS and cost centres will be identified on each CRO as it is issued against the blanket contract.

Table 1: Financial Impact Summary of Recommended Contract Amendment (Net of Harmonized Sales Tax Recoveries)

| Division                | Funding         | Option Year 1 from July 1, 2022 to December 31, 2022 | Option Year 1 from January 1, 2023 to August 31, 2023 | Option Year 2 from September 1, 2023 to August 31, 2025 | Option Year 3 from September 1, 2025 to August 31, 2027 | Total from July 1, 2022 to August 31, 2027 |
|-------------------------|-----------------|------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|--------------------------------------------|
| Transportation Services | CTP817-09-30    | \$1,831,680                                          |                                                       |                                                         |                                                         | \$1,831,680                                |
|                         | TS6000 - CE4038 | \$856,811                                            |                                                       |                                                         |                                                         | \$856,811                                  |

| Division       | Funding                         | Option Year 1 from July 1, 2022 to December 31, 2022 | Option Year 1 from January 1, 2023 to August 31, 2023 | Option Year 2 from September 1, 2023 to August 31, 2025 | Option Year 3 from September 1, 2025 to August 31, 2027 | Total from July 1, 2022 to August 31, 2027 |
|----------------|---------------------------------|------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|--------------------------------------------|
|                | TS6000 – CE4474                 |                                                      | \$242,873                                             | \$121,436                                               |                                                         | \$364,309                                  |
|                | Total                           | \$2,688,491                                          | \$242,873                                             | \$121,436                                               |                                                         | \$3,052,800                                |
| Fleet Services | Various WBS / CE3020 and CE4199 | \$242,328                                            |                                                       |                                                         |                                                         | \$242,328                                  |
|                | Various Client CC / CE4811      | \$130,369                                            | \$173,826                                             | \$261,533                                               | \$209,544                                               | \$775,272                                  |
|                | Total                           | \$372,697                                            | \$173,826                                             | \$261,533                                               | \$209,544                                               | \$1,017,600                                |
| GRAND TOTAL    |                                 | \$3,061,188                                          | \$416,698                                             | \$382,969                                               | \$209,544                                               | \$4,070,400                                |

\*Divisions are assigned equipment on an as-required basis. Numbers are estimates based on anticipated usage forecasts.

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 July 4, 2017, City Council adopted item GM21.12 "Award of Request for Proposal No. 2110-16-3160 to BSM Technologies Ltd. for the Provision of Telematics Solution" to exclude the in-cab camera equipment in negotiating the Agreement with BSM Technologies for the provision of Telematics Solution, and to reduce the contract value accordingly, as a result of Request for Proposal Number 2110-16-3160 for a period of four (4) years with the option to renew and extend the term of the Agreement for three (3) additional separate two (2)-year periods  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.GM21.12>

At its meeting of October 27, 2020, in response to the Auditor General's findings in the report, City Council adopted item AU6.2 "Audit of Winter Road Maintenance Program - Phase One: Leveraging Technology and Improving Design and Management of Contracts to Achieve Service Level Outcomes", requesting the General Manager, Fleet Services, to report to the Audit Committee in the first quarter of 2021 on which City and

contracted vehicles are equipped with GPS devices and which others, if any, should have them (Recommendation Number 28)

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.AU6.2>

At its meeting of April 7, 2021, in consideration of the Audit Committee's recommendation on February 16, 2021, City Council adopted item AU8.6 "Getting to the Root of the Issues: A Follow-Up to the 2019 Tree Maintenance Services Audit", requesting the General Manager, Fleet Services, in consultation with the Chief Technology Officer and the General Manager, Parks, Forestry and Recreation and other client divisions, to: a) explore an enterprise-wide procurement of a telematics solution that can be leveraged into vehicles of outsourced service providers to support contract management and monitoring; and b) establish guidelines for how to leverage or integrate GPS data to support contract management and monitoring, including data analytics (Recommendation Number 34)

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.AU8.6>

At its meeting of April 7, 2021, in consideration of the Audit Committee's recommendation on February 16, 2021, City Council adopted item AU8.11 "Audit of Winter Road Maintenance Contracts - Fleet Services Division's Update", requesting the General Manager, Fleet Services to report to the Audit Committee in the fourth quarter of 2021 with recommendations on a fully integrated, enterprise-wide telematics solution and implementation plan for City of Toronto and contracted vehicles

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.AU8.11>

At its meeting of November 2, 2021, Audit Committee adopted item AU10.7 "Fleet Services Response to Audit Recommendations on a Fully Integrated, Enterprise-Wide Telematics Solution and Implementation Plan for City of Toronto and Contracted Vehicles", the report from the General Manager, Fleet Services

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.AU10.7>

## COMMENTS

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With the Auditor General (AG)'s recommendations in the following reports:

1) Audit of Winter Road Maintenance Program - Phase One: Leveraging Technology and Improving Design and Management of Contracts to Achieve Service Level Outcomes (Item 2020.AU6.2), and

2) Getting to the Root of the Issues: A Follow-Up to the 2019 Tree Maintenance Services Audit (Item 2021.AU8.6)

City Council directed the General Manager, Fleet Services in partnership with Transportation Services and Parks, Forestry and Recreation as well as other City divisions, agencies and corporations to implement the telematics solution to manage both City-owned and contracted assets more efficiently. Since September 2017, the City has utilized Geotab Inc. (formerly BSM Technologies Ltd.) to provide the full suite of telematics solutions and associated services including, but not limited to, configuration and installation of telematics hardware, polling and presentation of the data on a

website and the development of a package of custom reports and dashboards. This report requests City Council's approval to add additional funding to purchase telematics devices and professional services for contracted assets supporting service delivery in Transportation Services and Parks, Forestry and Recreation. These telematics solutions are required as a result of recommendations made by the Auditor General. In addition, Fleet Services continues to install telematics devices on a targeted basis including those assets that are identified as under-utilized and as critical assets.

Table 2: Summary of Estimated Additional City and Contractor Assets to Be Equipped with Telematics Devices and Solutions

| <b>Division</b>                | <b>Estimated Number of Vehicles Required</b> | <b>Asset Owner</b> | <b>Program</b>                                        | <b>Purpose</b>                                                                                                         |
|--------------------------------|----------------------------------------------|--------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Transportation Services        | 1,400                                        | Contractor         | Winter Road Maintenance                               | Purchase hardware and professional services                                                                            |
| Parks, Forestry and Recreation | 75                                           | Contractor         | Data Integration                                      | Research for centralizing data and reports                                                                             |
| Various                        | 330                                          | City               | Underutilized Assets                                  | Purchase additional hardware and data solutions to monitor underutilized assets in 2021 report until the Contract ends |
| Various                        | 275                                          | City               | Critical Assets (Safety and Operational Requirements) | Launch Phase One to equip one-third (1/3) of critical assets until the end of 2023                                     |

It is recognized that to implement a fully integrated, enterprise-wide telematics solution, Fleet Services will proceed in phases and apply a risk and value approach and depending on priorities from its partners, budget allowance, and resource availability. As Fleet Services continues to deploy telematics solutions on a broader basis, validating the benefits associated with the use of this technology, additional amendments may be required before the end of the contract term.

### **Blanket Contract Number Change**

As BSM Technologies Ltd. changed their name to Geotab Inc., Blanket Contract Number 47022854 issued to Geotab Inc. replaced Blanket Contract Number 47020973 issued to BSM Technologies Ltd. The value of Blanket Contract Number 47020973 is

\$2,466,035 net of all taxes and charges, and the current value of Blanket Contract Number 47022854 is \$6,317,915 net of all taxes and charges. Therefore, the current blanket contract value with Geotab Inc. (formerly BSM Technologies Ltd.) is \$8,783,950 net of all taxes and charges in total.

## **CONTACT**

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## **SIGNATURE**

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David Jollimore  
General Manager, Fleet Services

Sandra Lisi  
Acting Chief Procurement Officer