

## **Non-Competitive Contract with Fortran Traffic Systems Ltd. for the City's Transportation Services Vision Zero Project**

**Date:** April 8, 2022

**To:** Infrastructure and Environment Committee

**From:** General Manager, Transportation Services and Chief Procurement Officer,  
Purchasing & Materials Management

**Wards:** All

### **SUMMARY**

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The purpose of this report is to request authority to enter into a non-competitive contract with Fortran Traffic Systems Ltd. for the supply and delivery of Primary Solar-powered, Wireless School Zone Flashing Beacons on behalf of Transportation Services (City Stores). The contract will be for an initial period from January 1, 2022 to December 31, 2022, with the option to renew for two (2) additional option year periods, in the total amount of \$4,300,926 net of Harmonized Sales Tax (\$4,376,622 net of Harmonized Sales Tax recoveries).

A contract was awarded to Fortran Traffic Systems Ltd. in 2018 resulting from competitive call Request for Quotation # 1202-18-0299. The contract expired on November 5, 2020. In June 2021, a lower value and short term contract was awarded to Fortran Traffic Systems Ltd. resulting from a Non-Competitive Procurement Request. This was for the immediate purchases necessary for the installation of flashing beacons for the 2021 Vision Zero safety school zone rollout which also included repairs and ongoing maintenance throughout the City of Toronto as part of the Vision Zero project. The new contract is requested to extend the purchases in order to comply with City Council directive to better equip designated school safety zones. These purchases will allow the installation and execution of Flashing Beacons to complete the remaining Vision Zero identified school safety zones. Moreover, the Flashing Beacons supplied by Fortran Traffic System Ltd. installed throughout the City of Toronto run on a JSF System which Fortran has exclusive rights. There are no other companies in Canada which run on this system. The Flashing Beacons and reporting system have been tailored and customized to meet all City requirements.

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 for each supplier, under Article 7, Section 195-Non-Competitive Contract with Fortran Traffic Systems Ltd.

7.3 (D) of the Purchasing By-Law or exceeds the threshold of \$500,000 net of HST allowed under staff authority as per the Toronto Municipal Code, Chapter 71- Financial Control, Section 71-11A.

## RECOMMENDATIONS

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The General Manager, Transportation Services and the Chief Procurement Officer, Purchasing & Materials Management recommend that:

1. City Council authorize the General Manager, Transportation Services to negotiate and execute a non-competitive agreement from the date of award to December 31, 2022, with two (2) additional option year renewals with Fortran in the amount of \$4,300,926 net of Harmonized Sales Tax (\$4,376,622 net of Harmonized Sales Tax recoveries), on terms and conditions satisfactory the General Manager, Transportation Services, in a form satisfactory to the City Solicitor.

## FINANCIAL IMPACT

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The total potential contract value including the optional period identified in this report is \$4,300,926, net of Harmonized Sales Tax. The total potential cost to the City including the optional period is \$4,376,622, net of Harmonized Sales Tax Recoveries.

Funding is available in the 2022-2031 Approved Capital Budget and Plan for Transportation Services. Should the City choose to exercise its option to renew for an additional two (2) one (1) year periods, then appropriate additional funding will be included in the 2023 – 2024 Capital Budget Submissions for Transportation Services. Additional funding details are provided in Table 1 to follow.

Table1: Financial Impact Summary of Recommended Contract (Net of HST Recoveries)

WBS Element	First Term	Option Year 1	Option Year 2	Totals
	January 1, 2022 to December 31, 2022	January 1, 2023 to December 31, 2023	January 1, 2024 to December 31, 2024	
CTP717-58-51	\$1,672,019	\$1,173,649	\$1,168,256	\$4,013,924
CTP315-09-514		\$117,365	\$245,333	\$362,698
	\$1,672,019	\$1,291,014	\$1,413,589	\$4,376,622

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

## DECISION HISTORY

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Bid Award Panel adopted item BA104.2 on October 31, 2018 and awarded Request for Quotation Number 1202-18-0299 for the supply and delivery of Wireless School Zone Flashing Beacons:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.BA104.2>

## COMMENTS

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Flashing Beacons are one of the essential safety measures used in the design of the Vision Zero School Safety Zone program. These devices are used to alert motorists when entering into a school area and to proceed with caution. Flashing Beacons are required for the continued delivery and success of the aforementioned program as it is a critical feature of the design.

The Flashing Beacons supplied by Fortran Traffic System Ltd. installed throughout the City of Toronto run on a JSF System which Fortran has exclusive rights. There are no other companies in Canada which run on this system. The Flashing Beacons and reporting system have been tailored and customized to meet all City requirements. The Beacons have been designed to run on a unique 14 hour flashing schedule and the current system is a City approved software which provides lifetime access at no additional cost and does not store on internal servers and runs on an online cloud solution. This software and hardware solution is required in order to conform to compatibility and interchangeability with the current system. The City has invested in 923 beacons and will remain on this system to avoid lengthier implementation of new systems resulting in higher lifecycle costs for the City.

Fortran offered discounted pricing as they maintained the same pricing as quoted in the original 2018 (Request for Quotation). The Flashing Beacons are all locally Canadian made and manufactured, therefore this allows Fortran to have the most competitive pricing. Fortran has since reduced their per unit prices further in its latest quotation compared to its 2018 bid.

This contract will accommodate purchases and services to accommodate a 3 year requirement period commencing in 2022. This will complete the installation of flashing beacons forecasted for the Vision Zero Safety School Zone project. At that latter time, the project will be reviewed with any proposed changes presented to City Council. At the end of this 3 year period, if future installation of flashing beacons are required, a competitive call will be issued to re-visit the Flashing Beacon technology and test the market place for other beacons and services available that are best suited for the City's requirements at that time.

## **CONTACT**

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Craig Mavin, Manager, Purchasing (Stores)  
Purchasing Materials Management Division  
Tel: 416-392-6764  
Email: [Craig.Mavin@toronto.ca](mailto:Craig.Mavin@toronto.ca)

Gopa Pal, Project Manager  
Transportation Services Division  
Tel: 416-338-4804  
Email: [Gopa.Pal@toronto.ca](mailto:Gopa.Pal@toronto.ca)

Sabrina Dipietro, Manager, Infrastructure & Development Services  
Purchasing and Materials Management Division  
Tel: 416 (397)-4809  
Email: [Sabrina.Dipietro@toronto.ca](mailto:Sabrina.Dipietro@toronto.ca)

## **SIGNATURE**

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Michael Pacholok  
Chief Procurement Officer  
Purchasing and Materials Management Division

Barbara Gray  
General Manager  
Transportation Services