

Non-Competitive Contract with Imtech Corporation d/b/a Activu Corporation, for Maintenance and Support of the City's Traffic Operations Centre

Date: November 22, 2023

To: General Government Committee

From: General Manager, Transportation Services and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to seek City Council authority to enter into a new Non - Competitive contract with Imtech Corporation d/b/a Activu Corporation for the continuation of the maintenance and support of the City's Traffic Operations Centre Activu Video Wall Systems at 703 Don Mills Road. The term of the contract is expected to be for a period of three (3) years commencing April 1, 2024 to March 31, 2027, with two (2) additional separate one (1) year option terms for a total cumulative term of five (5) years that would end on March 31, 2029, with a value of \$362,273 United States Dollar (USD) net of all applicable taxes and charges (\$368,649 net of HST recoveries).

The Activu software that is installed and currently running at the City of Toronto's Traffic Operations Centre at 703 Don Mills Road is designed and developed by Imtech Corporation d/b/a Activu Corporation. Based on the exclusive rights letter provided by Activu, it states that Activu does not resell the software through any distribution channels, and there are no trained or licensed resellers or organizations that are capable of integrating, supporting, troubleshooting, and repairing the Activu software.

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 Imtech Corporation d/b/a Activu Corporation 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

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

1. City Council authorize the General Manager, Transportation Services to negotiate and execute a non-competitive agreement with Imtech Corporation d/b/a Activu Corporation from April 1, 2024 to March 31, 2029 with two (2) additional separate one (1) year option periods in the amount of \$362,273 USD net of all applicable taxes and charges (\$368,649 net of HST recoveries), on terms and conditions satisfactory to the General Manager, Transportation Services, in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total potential value identified in this report, including the option years is \$362,273 USD net of all applicable taxes and charges (\$485,445 Canadian Dollar (CAD)* net of all applicable taxes and charges). The total potential cost to the City including the option years is \$493,989 CAD net of HST recoveries.

Funding is available in the 2023 Approved Operating Budget for Transportation Services, and additional funding for the balance of the initial contract period will be included in their 2024-2027 Operating Budget Submissions. Should the City exercise the two (2) one-year optional periods, then additional funding will be included in Transportation Services' 2027-2029 Operating Budget Submissions. Additional funding details follow in Tables 1 and 2.

Table 1: Financial Impact

Cost Centre/ GL Code	Description	Initial Term April 1, 2024 to March 31, 2027	Option Year 1 April 1, 2027 to March 31, 2028	Option Year 2 April 1, 2028 to March 31, 2029	Total (Net of HST recoveries in CAD \$)
TS7010 GL 4424	New RESCU maintenance	\$265,866	\$93,992	\$96,811	\$456,669
TS7010 GL 4424	Spare Parts	\$22,392	\$7,464	\$7,464	\$37,320
Total (Net of HST recoveries in CAD \$)		\$288,258	\$101,456	\$104,275	\$493,989

* The monthly exchange rate used is October 2023 - 1 USD = 1.34 CAD

Table 2: Financial Impact - Initial Term

Cost Centre/ GL Code	Description	Initial Term April 1, 2024 to March 31, 2025	Initial Term April 1, 2025 to March 31, 2026	Initial Term April 1, 2026 to March 31, 2027	Total (Net of HST recoveries in CAD \$)
TS7010 GL 4424	New RESCU maintenance	\$86,016	\$88,596	\$91,254	\$265,866
TS7010 GL 4424	Spare Parts	\$7,464	\$7,464	\$7,464	\$22,392
Total (Net of HST recoveries in CAD \$)		\$93,480	\$96,060	\$98,718	\$288,258

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information included in the Financial Impact section.

DECISION HISTORY

On June 12, 2013, Bid Committee adopted item BD128.3 and awarded Request for Proposal No. 9118-13-7021 to Activu Corporation for City of Toronto Traffic Management Centre Video Display and Control Systems.

The following is the link to the City Council decision document:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.BD128.3>

In 2020, Purchase Order Number 6050707 was awarded to Imtech Corporation d/b/a Activu Corporation for a period of four (4) years until March 31, 2024 at a total value of \$235,368.80 USD under Non-Competitive Request Number: 9866 and Non-Competitive Exception Code: 02 (Exclusive Rights) for four (4) years maintenance and support for the RESCU Traffic Operations Centre Video Wall System.

In 2023, the existing Purchase Order value was increased by \$23,537 to cover the replacement of defective cubes which was not covered in the existing support and maintenance contract.

COMMENTS

Currently Purchase Order 6050707 provides maintenance and support and is valid until March 31, 2024. The Non-Competitive Contract is required for the continuation of the maintenance and support of the City's Traffic Operations Centre Activu Video Wall Systems at 703 Don Mills Road. The video wall is a key component of the Traffic Operations Centre. This system is supported and maintained by Transportation Services Division, independently of Technology Services Division.

The following services are included under the existing Purchase Order and will be continued for the new contract:

- Maintaining the Traffic Operation Centre systems in a state of good repair;
- Receive software upgrades for new versions and patch releases;
- Access to Activu Customer Support Web Portal for ticket logging and tracking of issues;
- Unlimited 24/7 phone support with Activu representatives;
- Obtain logistical support for hardware repairs/replacement;
- Two (2) Preventive Maintenance visits per annual period of performance and unscheduled on-site emergency visits;
- Support and preventive maintenance duties;
- FIFA World Cup coverage in 2026.

To enhance operational and performance capabilities Transportation Services are planning to update and replace the existing Traffic Operations Centre Video Wall Systems by the end of the new contract. Depending on market response, the division may not require any new Non-Competitive Procurement for this system in the future.

CONTACT

Roger Browne, Director, Traffic Management Section, Transportation Services, 416-392-5372, Roger.Browne@toronto.ca

Marie Reid, Manager, Purchasing Client Services, Infrastructure and Development Services, Purchasing and Materials Management, 416-397-5187, Marie.Reid@toronto.ca

SIGNATURE

Barbara Gray
General Manager, Transportation Services

Geneviève Sharkey
Chief Procurement Officer