

Non-Competitive Contracts with Intergraph Canada Ltd. and Quatro Group Software Systems Inc. for the provision of Proprietary Fire Services Information and Technology Systems for Toronto Fire Services

Date: October 1, 2024

To: General Government Committee

From: Fire Chief and General Manager, Toronto Fire Services and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request authority to enter into a non-competitive contract due to exclusive rights with Intergraph Canada Ltd. to provide Computer Aided Dispatch which represents the core of Toronto Fire Services emergency response, in the amount of \$508,800 net of all taxes and charges (\$517,755 net of HST Recoveries) for a period of five (5) years from the effective date of the agreements.

In addition, Toronto Fire Services is also requesting authority to enter into a non-competitive contract due to exclusive rights with Quatro Group Software Systems Inc. to provide the payroll/ time entry system used by Toronto Fire Services in the amount of \$381,600 net of all taxes and charges (\$388,316 net of HST Recoveries), for a period of five (5) years from the effective date of the agreements.

Both vendors have been utilized by Toronto Fire Services for a number of years to provide vital technology services for the division.

RECOMMENDATIONS

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

1. City Council, in accordance with Municipal Code Chapter 195-Purchasing, where the current request exceeds the Chief Procurement Officer's authority of the cumulative five-year (5) commitment, under Article 7, Section 195-7.3 (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, grant

authority to the Fire Chief and General Manager to negotiate and enter into a contract with Intergraph Canada Ltd. for the amount of \$508,800 net of all taxes and charges (\$517,755 net of Harmonized Sales Tax recoveries), to provide professional services and additional licenses for existing Computer Aided Dispatch and Business Intelligence systems for a period of five (5) years from the effective date of the agreement, on terms and conditions satisfactory to the Fire Chief and General Manager, and in a form satisfactory to the City Solicitor.

2. City Council in accordance with Municipal Code Chapter 195-Purchasing, where the current request exceeds the Chief Procurement Officer's authority of the cumulative five-year (5) commitment, under Article 7, Section 195-7.3 (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, grant authority to the Fire Chief and General Manager, to negotiate and enter into a contract with Quatro Group Software Systems Inc. for the amount of \$381,600 net of all taxes and charges (\$388,316 net of Harmonized Sales Tax recoveries), to provide professional services and additional licenses for the existing Payroll/Time Entry system for a period of five (5) years from the effective date of the agreement, on terms and conditions satisfactory to the Fire Chief and General Manager, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total potential contract award to Intergraph Canada Ltd. is \$508,800 net of all taxes and charges and \$574,944 including all applicable taxes and charges. The total potential cost to the City for the Intergraph Canada Ltd. contract is \$517,755 net of HST Recoveries. The total potential contract award to Quatro Group Software Systems Inc. is \$381,600 net of all taxes and charges and \$431,208 including all applicable taxes and charges. The total potential cost to the City for the Quatro Group Software Systems Inc. contract is \$388,316 net of HST Recoveries.

Funding of \$181,214 net of HST recoveries will be included in the 2025 Operating Budget Submission for Toronto Fire Services, with an additional \$724,857 net of HST recoveries available in future-year Operating Budget Submissions for Toronto Fire Services as noted below in Table 1 and Table 2.

Funding is available in Cost Centre FR0014 and Cost Element 4474.

Table 1: Funding Summary for contract with Intergraph Canada Ltd.

January 1, 2025 - December 31, 2025	January 1, 2026 - December 31, 2026	January 1, 2027 - December 31, 2027	January 1, 2028 - December 31, 2028	January 1, 2029 - December 31, 2029	Total (net of HST recoveries)
\$103,551	\$103,551	\$103,551	\$103,551	\$103,551	\$517,755

Table 2: Funding Summary for contract with Quatro Group Software Systems Inc

January 1, 2025 - December 31, 2025	January 1, 2026 - December 31, 2026	January 1, 2027 - December 31, 2027	January 1, 2028 - December 31, 2028	January 1, 2029 - December 31, 2029	Total (net of HST recoveries)
\$77,663	\$77,663	\$77,663	\$77,663	\$77,663	\$388,316

The Chief Financial Officer and Treasurer has been advised of the financial impacts associated with this program to be considered along with other priorities in future budget processes.

DECISION HISTORY

At its meeting on January 30, 2020, City Council adopted item EC11.2, authorizing the Fire Chief and General Manager to enter into contracts with Intergraph Canada Ltd. and Quatro Group Software Systems Inc. for the provision of Proprietary technology for a term of five (5) years.

<https://secure.toronto.ca/council/agenda-item.do?item=2020.EC11.2>

At its meeting on February 3, 2016, City Council adopted item CD9.2, increasing the value of the blanket contract with Intergraph Canada Ltd. entered into in 2014 to accommodate a system upgrade to the Toronto Fire Services Computer Aided Dispatch System.

<https://secure.toronto.ca/council/agenda-item.do?item=2016.CD9.2>

At its meeting on May 6, 2014, City Council adopted item CD28.4 providing authority for the Fire Chief and General Manager to enter contracts with Intergraph Canada Ltd. and Quatro Group Software Systems Inc. for the provision of proprietary technology for a term of five (5) years.

<https://secure.toronto.ca/council/agenda-item.do?item=2014.CD28.4>

COMMENTS

Intergraph Canada Ltd.

Toronto Fire Services has utilized Intergraph Computer Aided Dispatch systems since 2000 and also have implemented an Intergraph Business Intelligence System. In February of 2000, as a result of a Request for Proposal, the City executed a \$10.2 million contract with Intergraph Public Safety Inc. for implementation of a turn-key Computer Aided Dispatch system for Toronto Fire Services.

The Computer Aided Dispatch system used by Toronto Fire Services represents the core of Toronto Fire Services emergency response. System adjustments and upgrades are an essential part of operating a mission critical system and ultimately impact service delivery. The Toronto Fire Services Computer Aided Dispatch system supplied and supported by Intergraph Canada Ltd. is utilized to recommend the appropriate response to an emergency based on various criteria. Computer Aided Dispatch functionality can, and will, evolve but always with a focus on performance and workflow to a much greater degree than typical business applications. Incremental increases in performance and workflow have a direct impact on call processing times which yield improvements in overall response times. Communications staff have been trained extensively to maximize existing features and functionality while technical support staff leverage available configuration changes to optimize features, functionality, workflow and performance. However, there will always be improvements to the system that can only be implemented by the vendor.

Toronto Fire Services has continued to leverage this investment through upgrades and enhancements over the past 24 years, through new contracts with Intergraph Canada Ltd. Most recently in 2021, when funding was made available through the 2021 budget process to support a major release upgrade as well as functional enhancements.

Since 2020, spending with Intergraph for professional services and additional licenses totals \$845,743 net of HST recoveries. The majority of this amount was required to support a major release upgrade but also included services and licensing costs for additional capacity and functionality. Intergraph offers its Computer Aided Dispatch products to public bodies such as the City through its Hexagon Safety and Infrastructure division. Legal agreements in the form of a Maintenance Service Agreement and a Master Purchasing Agreement are in place with this vendor to facilitate the business needs of the Toronto Fire Services. Annual maintenance costs, which are a separate contract, funded through the Toronto Fire Services operating budget, are currently \$493,814 net of Harmonized Sales Tax, \$502,505 net of Harmonized Sales Tax recoveries. The existing Computer Aided Dispatch system performs well and there are currently no plans to seek alternatives.

Quatro Group Software Systems Inc.

Toronto Fire Services has utilized the Quatro Payroll and Time Entry System since 2010 following the City's execution of a Master Service Agreement with Quatro Group Software Systems Inc. for city-wide purposes.

Toronto Fire Services Payroll/Time Entry system reflects the Toronto Professional Firefighters Association, IAFF Local 3888 collective agreement business rules and provides for audit compliance in a number of areas. The application has become tightly integrated into Toronto Fire Services internal processes and continues to enhance administrative functions. The application is heavily customized to reflect Toronto Fire Services requirements to track attendance, time banks, overtime and crew assignment. Attendance management, multiple shift schedules, multiple work locations and daily staff relocations are effectively supported through this system. A key component of the Quatro application includes an automated SAP payroll interface. The payroll interface has recently been updated to harmonize pay schedules for unionized staff. The application functionality is also role based and as such its use is incorporated into promotional training modules. The vendor has worked closely with technical and operations staff to enhance existing functionality through upgrades or patches. However, some new functional requirements represent sufficient change to the application or database structure to go beyond the scope of support and maintenance obligations. In these cases, the capability to utilize Quatro, when required, is essential in maintaining and enhancing functionality as business requirements evolve.

The Quatro application works well and has been continuously enhanced to support changes to the organization as a result of collective bargaining, legislation or the need for additional functionality. Annual maintenance costs, procured under a separate contract are \$78,624 net of Harmonized Sales Tax, (\$80,008 net of Harmonized Sales Tax recoveries) and contained within the Toronto Fire Services operating budget.

Operational Requirements

There is an ongoing operational requirement to draw on additional technical services or augment licenses from both vendors to support a variety of purposes. As is the case with most software, development and customization require manipulation of code that is proprietary in nature. As a result, the services required can only be performed by the respective vendors. Consideration of a third party to perform modifications to licensed software would introduce substantial risk in terms of performance, reliability, and sustainability of the software. Furthermore, to do so would likely constitute a breach of contract as this type of activity would require adjusting the intellectual property of the vendors.

Professional services required from these vendors exceed any general maintenance agreement obligations from the initial installation and are needed to facilitate:

- Additional support during major release upgrades
- Regulatory changes
- Product specific training
- Customized functional requirements
- Application enhancements to improve work flow
- Configuration changes or modifications to user interfaces
- Development or modifications of external system interfaces
- Creation of specialized reports

It is anticipated that services and additional licensing will be required from these vendors to facilitate continuous improvement initiatives undertaken in support of Toronto Fire Services' Commission on Fire Accreditation International Accreditation.

Adopting the recommendations contained in this report will continue to leverage existing technology investments while positioning the Toronto Fire Services to respond to upcoming challenges in a cost-effective manner. Negotiating five (5) year agreements with the vendors is expected to yield more favourable hourly rates as well as reduce administrative overhead thereby providing a greater value to the City.

The Fair Wage Office has reported that Quatro Group Software Systems Inc. and Intergraph Canada Ltd. have reviewed and understood the Fair Wage Policy and Labour Trades requirements and have agreed to comply fully.

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SIGNATURE

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