

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

Date: June 27, 2025

To: General Government Committee

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

Wards: All

SUMMARY

The purpose of this report is to request City Council authority to enter into a non-competitive contract with Fortran Traffic Systems Ltd. for the supply and delivery of Flashing Beacons on behalf of Transportation Services (City Stores). The term of the contract will be for a period from date of award and end on December 31, 2025, in the total amount of \$2,008,750 net of all applicable taxes and charges (\$2,044,104 net of Harmonized Sales Tax (HST) recoveries).

Non-competitive procurements may be undertaken where both the proposed procurement and supplier can be justified in good faith based on an exception set out in Toronto Municipal Code Chapter 195, Procurement. These procurements will be proceeding under the exception related to Exclusive Rights, where Fortran Traffic Systems and the City has determined in good faith that both the proposed procurement and the selected supplier, along with the terms and conditions of the contract are beneficial to the City (Toronto Municipal Code, Chapter 195, Procurement, Section 7.1K.).

A contract was awarded to Fortran Traffic Systems Ltd. in 2018 resulting from competitive call RFQ # 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 contract covered the immediate purchases necessary for the 2021 installation, as well as on-going maintenance throughout the City of Toronto as part of the Vision Zero. School Safety Zone project. A non-competitive Contract 47024374 was awarded to Fortran Traffic Systems Ltd. on January 1, 2022, which expired on December 31, 2024.

This new contract is needed to support the continued supply of equipment, as directed by City Council, for designated school safety zones. These purchases will ensure

adequate inventory in City Stores to meet installation and implementation milestones, with completion targeted for the end of 2027 across 111 school safety zones. Moreover, the Flashing Beacons supplied by Fortran Traffic System Ltd. and installed across the City operate on a JSF System that enables wireless communication with the devices in the field. Fortran holds exclusive rights to this system, and no other companies in Canada that run on this system. This system has been tailored and customized to meet all City requirements; therefore, it is necessary to proceed with the Non-competitive exception code number 2; Exclusive Rights.

City Council approval is required in accordance with Municipal Code Chapter 195-Purchasing, where the current request exceeds the Chief Procurement Officer's authority of the cumulative five year commitment for each supplier, 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.

RECOMMENDATIONS

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 with Fortran Traffic Systems Ltd. for a period from date of award and end on December 31, 2025 in the amount of \$2,008,750 net of all applicable taxes (\$2,044,104 net of Harmonized Sales Tax recoveries), on terms and conditions satisfactory to the General Manager, Transportation Services and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total amount of the proposed contract includes the total period identified in this report is \$2,008,750, net of Harmonized Sales Tax. The total estimated cost to the City is \$2,044,104 net of Harmonized Sales Tax Recoveries.

Funding in the amount of \$2,044,104 net of HST Recoveries is included in the 2025 Capital Budget for Transportation Services. Additional funding details follow in Table 1.

Table 1 – Financial Impact Summary of Recommended Contract

Year	WBS Element	Total net of Harmonized Sales Tax Recoveries
2025	Transportation Services / VZP Capital Accounts CTP717-58-255 under RSP8 - School Safety Zones	\$2,044,104

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

DECISION HISTORY

On October 31, 2018, the Bid Committee awarded Request for Quotation No. 1202-18-0299 to Fortran Traffic Systems Ltd. for the supply and Flashing Beacons.

<https://www.toronto.ca/legdocs/mmis/2018/ba/bgrd/backgroundfile-121167.pdf>

On April 26, 2022, the Infrastructure and Environment Committee adopted the recommendation to award Blanket Contract 47018623 with Fortran Traffic Systems Ltd.

<https://www.toronto.ca/legdocs/mmis/2022/ie/bgrd/backgroundfile-224351.pdf>

COMMENTS

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. and installed throughout the City of Toronto operate on a JSF System which Fortran has exclusive rights. There are no other companies in Canada which function 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 does not store on internal servers and runs on an online cloud solution. The software and hardware solution are required in order to conform with compatibility and interchangeability with the current system. The City has invested in thousands of beacons and will remain on this system to avoid lengthier implementation of new systems resulting in higher lifecycle costs for the City.

This contract will support purchases and services to accommodate the contract commencement period. At the end of this term, an RFQ will be issued for the ongoing maintenance and installation of the existing devices, to ensure consistency in equipment and compatibility with our existing infrastructure. This approach ensures continuity while allowing the City to assess market offerings and secure the best value for future needs.

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SIGNATURE

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