

Non-Competitive Bridge Contract with Arcadis Professional Services (Canada) Inc. for the Provision of the City’s Congestion Management Centre Operations Services

Date: May 19, 2026

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 Arcadis Professional Services (Canada) Inc. (“Arcadis”) for the provision of the City of Toronto’s (the “City”) Congestion Management Centre (“CMC”), formerly the RESCU Traffic Operations Centre, regarding operations services from October 1, 2026 to September 30, 2027, under the same rates, terms, and conditions set out in the current service contract (Request for Proposal “RFP” Doc2801359082) awarded in 2021, in the amount of \$4,512,329 net of all taxes and charges (\$4,591,746 net of HST recoveries). The contract was originally awarded to IBI Group Professional Services (Canada) Inc. in 2021; however, in 2023, IBI Group filed articles of amendment with the Ministry of Public and Business Service Delivery and changed their name to Arcadis Professional Services (Canada) Inc. A Purchase Order Amendment was subsequently issued on August 11, 2023 to reflect the name change.

The CMC serves as the central hub for all traffic management activities in the City, providing essential operations 24/7 that includes: triaging and dispatching emergency transportation maintenance calls (for the City’s 2,500 traffic signals, 385 traffic monitoring cameras, and other electronic traffic control devices, traffic signs, and road right-of-way issues such as potholes and winter maintenance); providing traffic incident management and traveler information to the public; ensuring CMC and field transportation equipment, systems, and software are in good working condition; and supporting services for the City’s Road Disruption Activity Reporting System (“RoDARS”), Traffic Agent, and School Crossing Guard programs.

The current service contract under RFP Doc2801359082 will be ending on September 30, 2026. A new, competitive RFP is in the process of being developed, which better reflects the emerging traffic management needs and the future vision of congestion management operations in the City. This RFP features a significant expansion of services, including:

- Traffic signal operations services (e.g. providing active traffic management coverage and implementing signal timing changes in response to traffic incidents during weekday peak traffic periods, major special events, and planned construction, providing support for transit signal priority, and addressing traffic signal timing service requests);
- Additional supporting services for the RoDARS program (e.g. application review and site inspections for compliance);
- Real-time key performance indicator analysis of the City's road network;
- Piloting new intelligent transportation system technologies; and
- Establishment of a new construction coordination centre facility to provide centralized coordination of construction-related traffic impacts and support integrated congestion management across City operations

Drafting a new request for proposals began in September 2025 with the intent of awarding a new contract in time for it to commence immediately upon the expiry of the existing agreement on September 30, 2026, to ensure continuity of services beginning October 1, 2026. At that time, it was estimated that the procurement process and transition activities could be completed within the existing timeline. However, as early planning and scoping work progressed through 2025 and early 2026, it became evident that the level of service expansion being contemplated would materially increase both procurement complexity and transition requirements. In addition, the timing of the required transition activities would overlap with FIFA World Cup 2026 operational period and associated post-event "tear down" activities, when City resources would be significantly engaged in supporting heightened traffic management and operational demands.

To ensure that the essential traffic management services and continuation of important strategic initiatives delivered through the CMC operations contract are not disrupted, the General Manager, Transportation Services and the Chief Procurement Officer recommend entering into a non-competitive bridging contract with the incumbent supplier, Arcadis, to enable the new contract to be tendered and awarded. The non-competitive procurement will be proceeding under the exception code related to Bridging Contracts where there is a requirement to fulfill the short term need(s) of the required goods and/or services and the City has determined 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 7.1.E.).

City Council approval is required in accordance with Municipal Code Chapter 195, Procurement, where the current request exceeds the Chief Procurement Officer's

authority of the cumulative five-year commitment limit under Article 7, Section 195-7.3(D) of the Procurement By-law or exceeds the threshold of \$500,000 net of Harmonized Sales Tax allowed under staff authority as per the Toronto Municipal Code, Chapter 71, Financial Control, Section 71-11(A).

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 enter into a non-competitive agreement with Arcadis for the provision of Congestion Management Centre operations services in the amount of \$4,512,329 net of all taxes and charges (\$4,591,746 net of HST recoveries), for the period of October 1, 2026 to September 30, 2027, subject to terms and conditions satisfactory to the General Manager, Transportation Services and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total potential contract amount identified in this report is \$4,512,329 net of all taxes and charges (\$4,591,746 net of HST recoveries). This funding has been included in the 2026 Operating Budget Submission for Transportation Services under the Cost Center TS7010. This value reflects the total anticipated service provider fees charged and retained by Arcadis over the full one-year bridging term. Funding details are summarized in Table 1.

Table 1 - Financial Impact Summary (net of HST Recoveries)

Term	Cost Centre	Cost Element (G/L)	Net of HST	Net of HST Recoveries
October 1, 2026 to September 30, 2027	TS7010	5020020	\$4,512,329	\$4,591,746

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

DECISION HISTORY

At its meeting on July 21, 2021, the Bid Award Panel adopted Item BA145.1, authorizing the Award of Negotiated Request for Proposal Doc2801359082 to IBI Group Professional Services (Canada) Inc., for the Provision of Toronto Road Emergency Services Communications Unit Traffic Operations Centre Operation Services for Non-Competitive Contract for CMC Services

Transportation Services Division, for a three-year period from October 1, 2021 to September 30, 2024, with the option for the City to renew for two additional one-year periods at the sole discretion of the City and subject to budget approvals. The Bid Award Panel decision can be found at:

<https://secure.toronto.ca/council/agenda-item.do?item=2021.BA145.1>

COMMENTS

The City's CMC serves as the central hub for all traffic management activities in Toronto. Since its inception in the mid-1990's as the Road Emergency Services Communications Unit ("RESCU") Traffic Operations Centre, the CMC houses traffic engineering and technologist staff that monitor the City's road network 24/7, with the ability to remotely intervene on the operation of the City's 2,500 traffic signals and 18 variable message signs on the City's expressways while monitoring 385 traffic monitoring cameras and other intelligent transportation systems devices at critical locations across the City. The CMC has also traditionally provided support, monitoring and assignment of public concerns raised through 311 regarding traffic signal maintenance, road right-of-way, road signs and pavement marking issues.

The CMC has always been a hybrid operation managed by City staff with the support of consultant staffing in the facility. This model has been successful over the years as it has provided the City with the flexibility to expand or contract the level of resourcing to meet the special needs for traffic management, including times when there are multiple major events happening in the City, periods with higher than usual construction closures in effect, or even seasonal transitions whereby there may be more commuters on City streets (e.g. in September with students returning to school and much of the workforce returning from vacation).

Arcadis is the current supplier providing CMC operations services. Their contract was awarded in 2021 at a value of \$16.8 million for a three-year period starting on October 1, 2021, with two optional one-year periods. The City exercised the renewal of the contract for the two additional one-year periods. The contract is scheduled to expire September 30, 2026.

Expansion of CMC Services

In recent years, and in alignment with the City's Congestion Management Plan, the nature of CMC operations has expanded significantly with greater emphasis being placed on mitigating the impacts of congestion related to construction and special events, as well as improving surface transit operations. This includes:

- Monitoring and implementing signal timings;
- Providing strategic and dispatcher support to the City's Traffic Agent and School Crossing Guard programs; and

- Traffic engineering support to assist with the rapid deployment and rollout of enhanced transit signal priority measures along the City's new light rail transit corridors.

The new contract being developed represents a shift from a traditional position-based operations contract to a services-based contract focusing more on performance metrics and real-time data and analytics to support informed decision-making. As such, the new contract features a significant expansion of services, including:

- Traffic signal operations services (e.g. providing active traffic management coverage and implementing signal timing changes in response to traffic incidents during weekday peak traffic periods, major special events, and planned construction, providing support for transit signal priority, and addressing traffic signal timing service requests).
- Additional supporting services for the RoDARS program (e.g. application review and site inspections for compliance);
- Real-time key performance indicator analysis of the City's road network;
- Piloting new intelligent transportation system ("ITS") technologies; and
- Establishing a new construction coordination centre facility to centralize coordination of construction-related traffic impacts and support integrated congestion management across City operations.

Need for Bridging the Contract for CMC Services

The current contract with Arcadis under RFP Doc2801359082 for the provision of the City's CMC operations services will be ending on September 30, 2026. This contract provides essential operations including:

- Triaging and dispatching emergency transportation maintenance calls (including traffic signals and other electronic traffic control devices, traffic signs, and road right-of-way issues such as potholes);
- Providing traffic incident management and traveler information to the public;
- Ensuring CMC and field transportation equipment, systems and software are in good working condition; and
- Supporting services for the City's RoDARS, Traffic Agent, and School Crossing Guard programs.

Transportation Services initially began drafting a new request for proposals in September 2025 with the intent of awarding a new contract in time for it to commence immediately upon the expiry of the existing agreement on September 30, 2026, thereby ensuring continuity of services beginning October 1, 2026. At that time, it was estimated that the procurement process and transition activities could be completed within the existing timeline. However, as early planning and scoping work progressed through 2025 and early 2026, it became evident that the level of service expansion being contemplated would materially increase both procurement complexity and transition requirements.

As the scope of the new contract continued to evolve, it was determined that proceeding with an October 2026 start date would not allow sufficient time for a new supplier to properly onboard, hire, train staff, and integrate systems and processes. This would have required the majority of the transition activities to occur during the FIFA World Cup period in June and July 2026, a time when Transportation Services and City resources will be heavily focused on supporting enhanced operational and traffic management demands. Undertaking a major contractor transition during this period was assessed as posing unacceptable operational and service delivery risks.

Accordingly, Transportation Services determined that extending the existing contract beyond the FIFA period was the most prudent approach. The extension provides staff with adequate time throughout fall 2026 and winter 2027 to finalize a negotiated RFP, complete the tendering, evaluation, and award process in May 2027, and then allow the newly awarded contractor sufficient time to mobilize, onboard, and transition services to be active on October 1, 2027. This revised timeline supports service continuity during a critical operational period while ensuring the City achieves a well-defined, competitive procurement outcome and a well-managed transition to the new contract.

To ensure that the services delivered through the CMC operations contract are not disrupted between the end of the current contract and the start of the new contract, Transportation Services recommends a non-competitive bridging contract is awarded to the incumbent supplier, Arcadis, for one year, from October 1, 2026 to September 30, 2027. This timeline also ensures that the transition period between contracts does not take place immediately after the FIFA World Cup 2026. Following negotiations with Arcadis, they have agreed to maintain the same rates for the bridging contract, which represents substantial cost savings given it reflects the rates in 2021 when the current contract was awarded, without accounting for inflation and consumer price index increases for the past five years. The Fair Wage Office confirms the recommended Supplier understands the Fair Wage policy and labour trades requirements and have agreed to comply fully.

Ensuring there is no disruption to service provision is crucial, with major special events taking place such as the FIFA World Cup 2026 and the potential for more post-season sporting events. In addition, the CMC is focused on the continued delivery of high priority strategic initiatives including implementing transit signal priority for the City's light rail transit and high-ridership corridors, developing policies for road occupancy fees and construction site inspections, and piloting the traffic signal operations and RoDARS (expanded scope of services), as well as developing and implementing new systems, processes, and standard operating procedures.

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SIGNATURE

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