Agenda - Executive Policy Committee - April 26, 2006

Report - Standing Policy Committee on Protection and Community Services - April 25, 2006

Item No. 1 Contract Negotiations with ACS Public Sector Solutions Inc. - Supply, Installation and Operation of the Photo Enforcement Program File GL-9

STANDING COMMITTEE RECOMMENDATION:

On April 25, 2006, the Standing Policy Committee on Protection and Community Services concurred in the administrative recommendation and submits the following to Council:

1. That the proposed amendments to the contract with ACS Public Sector Solutions Inc. ("ACS") as set out in Report of the Acting Chief Financial Officer dated April 18, 2006, be approved.

2. That the addition of consequential extra work to the contract with the Canadian Corps of Commissionaires (Manitoba and Northwestern Ontario Division) ("Commissionaires") (Tender 445-2002) be approved.

3. That the Chief Administrative Officer be delegated the authority to finalize the terms and conditions of amending agreements with ACS and the Commissionaires to implement the foregoing.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report - Standing Policy Committee on Protection and Community Services - April 25, 2006

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On April 25, 2006, the Standing Policy Committee on Protection and Community Services concurred in the administrative recommendations and submitted the matter to the Executive Policy Committee and Council.

COUNCIL DECISION:

On May 22, 2002, Council approved that a contract for the Supply, Installation and Operation of Photo Enforcement Program be awarded to ACS Public Sector Solutions Inc. (ACS), the Bidder who submitted the lowest evaluated responsive bid in the amount of $30,859,469.00, GST extra, PST not applicable.

RE: Contract Negotiations with ACS Public Sector Solutions Inc. regarding the Supply, Installation and Operation of the Photo Enforcement Program (RFP No. 160-2002)

FOR SUBMISSION TO: Standing Policy Committee on Protection and Community Services

ORIGINAL REPORT SIGNED BY: Acting Chief Financial Officer

REPORT DATE: April 18, 2006

RECOMMENDATIONS:

1. **That the City approve the proposed amendments to the contract with ACS Public Sector Solutions Inc. ("ACS") as set out in this report.**
2. **That the City approve the addition of consequential extra work to the contract with the Canadian Corps of Commissionaires (Manitoba and Northwestern Ontario Division) ("Commissionaires")(Tender 445-2002).**
3. **That the Chief Administrative Officer be delegated the authority to finalize the terms and conditions of amending agreements with ACS and the Commissionaires to implement the foregoing.**

Report Summary

Key Issues:

The City Auditor issued a report in February, 2006 regarding the photo enforcement program. The report recommended that the City enter into discussions with ACS Public Sector Solutions Inc. ("ACS") to negotiate more favourable contract terms.

Implications of the Recommendation(s):

General Implications

X None

( ) For the organization overall and/or for other departments

( ) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s):

Policy Implications

X No

( ) Yes

Comment(s):

Regulatory Implications

X None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):

Environmental Implications

X No

( ) Yes

Comment(s):

Human Resources Implications

X No

( ) Yes

Comment(s):

Financial Implications

X Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Comment(s):

Report

REASON FOR THE REPORT:

Council previously approved the Contract with ACS and can approve amendments to the contracts made between the City and ACS and also between the City and the Commissionaires.

HISTORY:

In 2002, the City signed a contract with ACS Public Sector Solutions Inc. to provide photo radar services (RFP 160-2002). Contemporaneously, the City issued a Purchase Order to the Canadian Corps of Commissionaires (Manitoba and Northwestern Ontario Division) ("Commissionaires") to provide contract assistance in terms of staffing mobile photo radar units (Tender No. 445-2002). Both contracts are scheduled to expire on May 31, 2007.

DISCUSSION:

Representatives of the City and ACS met on Monday, March 20, 2006 and Thursday, March 30, 2006.

The following revisions to the current contract were negotiated:

- A reduction of contract billings commencing April, 2006 to the end of the contract.
- A reduction of contract billings to the end of the contract in lieu of installation of the twelve remaining photo radar intersection cameras required in the current contract.
- Provision by ACS to the City of additional cameras and four additional mobile units at no additional cost.

The City has committed to rotate thirty cameras between forty-eight sites. Depending on their location and estimated date of installation, the next twelve sites would result in additional income that will not be available to the City as a consequence of this agreement. However, it should be noted that ACS had previously provided the City with an extra mobile unit and camera and has confirmed in these negotiations that the City will be permitted to continue using this equipment to the end of the Contract. The income from this equipment will offset the estimated loss in revenue from the additional twelve sites. In total, the City will be operating ten mobile units and cameras in the final year of its contract with ACS.

It is estimated that the proposed revisions to the contract will result in reduced costs and additional income to the City approximating $2 million in the final year of the ACS contract net of all costs to the City, particularly in reference to the Commissionaires.

Further, revisions will be required to the Commissionaires' contract to accommodate additional staffing required. Benefits may be reduced dependant on the Commissionaires' ability to recruit additional staff.

If these amendments are approved, amending agreements will be prepared by Legal Services to reflect the changes set out above.

In summary, ACS approached negotiations in good faith, mindful of the challenges facing the City. Administration is confident that the opportunities set out above preserve the safety emphasis of the current program and address concerns with respect to the financial considerations raised in the City Auditor's report.

Financial Impact Statement — April 18, 2006

Project Name: ACS Negotiations

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ (729,000)	$ (405,000)	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	525,000	375,000	-	-	-
Net Cost/(Benefit)	$ (1,254,000)	$ (780,000)	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (1,254,000)	$ (780,000)	$ -	$ -	$ -

Additional Comments: The City estimates that the proposed revisions to the contract will result in reduced costs and additional income approximating $2 million in the final year of the ACS contract net of costs. The approximate loss in revenue from the additional twelve sites will be offset by income earned from the mobile unit and camera previously provided to the City by ACS.

original signed by
Corporate Controller

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Winnipeg Police Services

THIS REPORT SUBMITTED BY:

Department	Corporate Finance
Division	Corporate Controllers Division
Prepared by:	Mike Ruta
File No.	