REPORTS

3. From the Chief Financial Officer
Report 2002/05/16

Award of Contract for the Supply, Installation and Operation of Photo Enforcement Program, RFP No. 160-2002
File GF-2 (Vol. 54)

Recommending 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: **Award of Contract for the Supply, Installation and Operation of Photo Enforcement Program, RFP No. 160-2002**

For submission to: **EXECUTIVE POLICY COMMITTEE**

Submitted by: **Robert P. Gannon,**
Chief Financial Officer

Report date: **MAY 16, 2002**

In Camera: **No**

Recommendation(s):

1) 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. GST extra, PST not applicable.

Report Summary

Key Issues:

That the recommendation be implemented.

Implications of the Recommendation(s):

General Implications

ð None

ð For the organization overall and/or for other departments

ð For the community and/or organizations external to the City of Winnipeg

V Involves a multi-year contract

Comment:

Policy implications

√ No

ð Yes

Comment:

Financial Implications

	Within approved current and/or capital budget
X	Current and/or capital budget adjustment required

Comment: This program will incur an expense and realize revenue, neither of which is reflected in the 2002 Adopted Budget. The net impact will be revenue positive

Report: Award of Contract for the Supply, Installation and Operation of Photo Enforcement Program, RFP No. 160-2002

Recommendation(s):

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. GST extra, PST not applicable.

Reason for the report:

Pursuant to Section 8 (e) of the Policy on Purchasing Procedures and The Disposal of Surplus Supplies, Council has the authority to approve an award of contract, to be made by the Chief Financial Officer, when the contract requires funding from future budgets.

History:

A Request for Proposals was issued on March 25, 2002 for Supply, Installation and Operation of Photo Enforcement Program. The increasing incidences of motorists, who disobey red traffic control lights and speed, resulting in human tragedy and increased costs, have been identified as a major community concern. Conventional enforcement of red light and speeding offences has limited results, is labour intensive and can pose a danger to the public and the police. Bill 3, The Highway Traffic Amendment and Summary Convictions Amendment Act were introduced to the Manitoba Legislature in November 2001, and proposes authority for the use of Photo Enforcement Program in the Province of Manitoba. That Bill received second reading May 2, 2002. We anticipate that this Act will be proclaimed in the near future.

The primary objectives of the Photo Enforcement Program is to:

- Reduce the incidences of motorists who disobey red traffic control lights;
- Reduce incidences of motorists who travel at excessive speed in violation of current law;
- Reduce right angle collisions at intersections;
- Reduce the human tragedy and the cost to society resulting from these collisions;
- Increase public awareness of safety concerning red traffic lights; and
- Improve safety for the public and police officers;

The Contract duration shall be for a period of sixty (60) months from date of award. Global history indicates that revenues from offences surpass operating costs of outsourced contracts.

Final receipt of bids took place on April 18, 2002, 4:00 P.M. Winnipeg Time with bids being received from two (2) bidders.

There was no requirement for a Bid Bond and Agreement to Bond

Discussion:

All offers were evaluated on a pass/fail basis for conformance of the Bid Submission with the mandatory requirements of the RFP Package. In addition, Bidders were evaluated and scored out of a possible 100% for the following weighted average criteria:

- Qualification of the Offerer	50%
- Features and functionality of the proposed system and work schedule	30%
- Total evaluated cost	20%

ACS Public Sector Solutions Inc. (ACS)

- Qualifications of Offerer:

  ACS provided extensive positive references, exceeding the requirements of the specifications. The majority of references were in similar climatic conditions of Winnipeg. ACS noted a total of 55 current contracts within North America.

- Features and functionality:

  The features and functionality provided by ACS are well above our minimum requirements with respect to notice issuance, public education initiatives, their proposed work schedules, and providing 3 additional spare Photo Radar vehicles to ensure no interruption of enforcement.

- Total evaluated Cost:

  ACS's bid price was found to be well within the industry's standard.

Electronic Data Services (EDS), in partnership with Traffipax

- Qualifications of Offerer:

  The references provided by EDS were not satisfactory and no relevant references were provided for the Photo Radar component.

- Features and Functionality:

  The features and functionality provided by EDS significantly failed to meet the technical requirements, some examples are:

- That their looping detection system is not recommended for use in concrete. (Intersections in Winnipeg are mostly concrete);
- The Intersection Safety Camera cabinet housing is not certified to function in outside temperatures as low as –30 C. (As required);
- And EDS did not submit the required proposed training methods.

- Total Evaluated Cost:

  EDS's bid price structure could not be reasonably or fairly evaluated because it is based on a series of assumptions the City is required to validate for the cost to be endorsed. The City is unable to validate these assumptions and therefore is unable to calculate a cost to evaluate.

The Winnipeg Police Service is of the opinion that ACS Public Sector Solutions Inc. has the necessary experience and resources to perform all of the work in accordance with the requirements of RFP No. 160-2002.

For these reasons it is recommended that a Contract for the Supply, Installation and Operation of Photo Enforcement Program be awarded to ACS Public Sector Solutions Inc. as recommended.

Bids are valid for acceptance until July 17, 2002

There is a provision within the Request for Proposal, which states as follows:

> Award of this Contract will be conditional on the pending Legislature reading and approval of Bill 3, The Highway Traffic Amendment and Summary Conviction Amendment Act.

Accordingly, the Letter of Intent to advise the Contractor of award of this Contract will not be issued until Bill 3 has received Royal Assent, which Winnipeg Police Service expects to occur before the end of May. The Letter of Intent will also refer to full enforcement capabilities being conditional on Proclamation of Bill 3 and the related Regulations being adopted.

Financial Impact:

> This program will incur an expense and realize revenue, neither of which is reflected in the 2002 Adopted Budget. The net impact will be revenue positive

Financial Impact Statement:

Project Name: Photo Enforcement Program

Date: May 16, 2002 First Year of Program **2002**

	2002	2003	2004	2005	2006
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	$ 3,568,950	$ 6,189,579	$ 6,502,772	$ 6,831,812	$ 7,177,502
Less: Incremental Revenue/Recovery	6,021,407	16,139,929	20,501,796	22,107,174	22,107,174
Net Cost/(Benefit)	$ (2,452,457)	$ (9,950,350)	$ (13,999,024)	$ (15,275,362)	$ (14,929,672)
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ (2,452,457)	$ (9,950,350)	$ (13,999,024)	$ (15,275,362)	$ (14,929,672)

Additional Comments: Expenses & revenues assume contract start date of June 3/02. Expenses include GST and assume CPI increase of 2% per year. Revenues are recognized on an accrual basis and assume fines on 85% of violations will be collected.

G. Hammond
Manager of Finance/Controller

In preparing this report there was consultation with, and concurrence by:

This report was prepared in consultation with the Materials Management Division and Legal Servic Division.

This Report Submitted By:

Department:	Police Service
Division	Traffic Division
Prepared by:	Patrol Sergeant Jon Butcher
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Processed by	Derrick Williams, Quartermaster Stores
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