Minutes – Executive Policy Committee – January 21, 2025

REPORTS

Item No. 8 Single Source Negotiation and Award of Contract for the Procurement of Trial Functionality of Transit App Extended Features – Purchasing Reference No. 903-2024

EXECUTIVE POLICY COMMITTEE DECISION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and approved the following:

1. That a single source contract with 9280-0366 Québec Inc. be approved in the amount of $164,350.00 (plus applicable MRST and GST) for a period of 1 year pursuant to B4.1 (g) of the Purchasing Policy.

2. That, subject to approval of Recommendation 1, a single source contract for 9280-0366 Québec Inc. project be awarded to 9280-0366 Québec Inc. in the amount of $164,350.00, plus applicable MRST and GST, and that the City enter into, execute, and deliver a contract for same.

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

ADMINISTRATIVE REPORT

Title: Single Source Negotiation and Award of Contract for the Procurement of Trial Functionality of Transit App extended features for Winnipeg Transit Master Plan Implementation Communication Plan – Purchasing Reference No. 903-2024

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
K. Cumming	G. Ewankiw	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

Approval is required for a single source negotiation with 9280-0366 Québec Inc. for the use of its Transit app from April 1, 2025, to March 31, 2026, at a cost of $164,350 plus applicable MRST and GST.

The Transit app, with its enhanced features, is an important part of the communication plan for the implementation of the Primary Transit Network of the Winnipeg Transit Master Plan. If the recommendations of this report are approved, Transit app users in Winnipeg will have access to on-demand integrations, auto-detection and display of detours, and previews of all the changes to the fixed route network.

The Recommendations in this Report are compliant with the City's Purchasing Policy, but not with the applicable Trade Agreements. Further details are provided in the History/Discussion section.

RECOMMENDATIONS

1. That a single source contract with 9280-0366 Québec Inc. be approved in the amount of $164,350.00 (plus applicable MRST and GST) for a period of 1 year pursuant to B4.1 (g) of the Purchasing Policy.

2. That, subject to approval of Recommendation 1, a single source contract for 9280-0366 Québec Inc. project be awarded to 9280-0366 Québec Inc. in the amount of $164,350.00, plus applicable MRST and GST, and that the City enter into, execute, and deliver a contract for same.

REASON FOR THE REPORT

As the total value of the procurement exceeds the applicable thresholds of the Canadian Free Trade Agreement ("CFTA") and the New West Partnership Trade Agreement

("NWPTA"), (collectively the "Trade Agreements"), and the Trade Agreements do not permit the test and trial of a product that is not a prototype, for first good or service, approval by the Executive Policy Committee (EPC) is required pursuant to B8.1.1 of the Purchasing Policy, which section relates to similar instances of Trade Agreement non-compliance for which EPC approval is required.

IMPLICATIONS OF THE RECOMMENDATIONS

If this single source negotiation is not approved, an important part of the communication plan for the implementation of the Primary Transit Network of the Winnipeg Transit Master Plan will not be enabled. This will lead to potential confusion among customers upon the introduction of the Primary Transit Network, in turn leading to reputational damage, lowered customer satisfaction, and lowered ridership.

On March 20, 2024, Council authorized a first charge of up to $6.864 million in 2024 or prior to the adoption of the 2025 capital budget, for Primary Transit Network Infrastructure capital project. Funding for this contract is available within the first charge. GL account code: 442-181000-420755-4230020125-SOFTWARE.

HISTORY/DISCUSSION

Service information (bus schedules, trip planning, real-time information) is provided to Winnipeg Transit riders through several means. These include:

1) Winnipeg Transit's own app / website
2) Third-party apps / websites
3) Telebus
4) Printed information
5) 311

One of the most popular Third-party apps is the **Transit** app. This app, developed by a Canadian company, is used around the world by customers of various mass transit agencies. The app, like most third-party apps, functions off publicly available information provided by transit agencies. The Transit App is a popular choice of Winnipeg Transit riders, with approximately 9,800 riders making use of it daily.

The Transit App is freely available in its basic form, but it also provides premium features. Some of these features are available to users who pay fees to Transit App. Others are available to riders of a transit agency that pays a fee to Transit App to provide those features. Winnipeg Transit has identified several of these latter features as being important to the communication of the launch of the Primary Transit Network of the Winnipeg Transit Master Plan in 2025.

9280-0366 Québec Inc. has offered to provide the following features to users of the Transit App in Winnipeg for $164,350 for one year.

1) On-demand Integrations – On-demand services integrated into the Transit App to enable customers to see Winnipeg Transit's On Request service within the app

2) Auto-Detection and Display of Detours – Automatic detection and in-app display of detours
3) Network Preview - Complete preview of new fixed route service changes (reflected on Transit's map, in the trip planner, and in schedules) that riders can test prior to rollout.

The features in question are strategically important for the launch of the Primary Transit Network. There is no current plan to extend the provision of these features beyond the one-year trial period, and if such an extension was to be undertaken, it would be through a competitive bid process.

The cost / benefit of procuring this contract under a single source procurement outweighs the solicitation of a competitive offer as the functionality offered by Transit App is unique within the industry. Although development of similar features for Winnipeg Transit's own internal service information app is slated for the future, they will not be ready for public use by April 2025.

The Departmental IT Manager has approved the associated IT Expenditure request.

In the opinion of the Department the proposed contractor has the skills and resources to satisfactorily complete the Work.

This procurement is subject to the Trade Agreements. The Trade Agreements do not appear to contain an exception that would permit the action(s) in Recommendations 1 and 2 of this Report. In the opinion of the Public Service, there is a risk that a complaint, if brought against the City pursuant to the Trade Agreements, would be successful should Council approve this Recommendation.

Work will not begin until award of contract.

FINANCIAL IMPACT

Financial Impact Statement **Date:** November 20, 2024

Project Name: **First Year of Program** **2024**

Single Source Negotiation and Award of Contract for the Procurement of Trial Functionality of Transit App extended features for Winnipeg Transit Master Plan Implementation Communication Plan – Purchasing Reference No. 903-2024

	2024	2025	2026	2027	2028
Capital					
Capital Expenditures Required	$ 181,570	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	181,570	-	-	-	-
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	$ 1,605	$ 2,368	$ 2,368	$ 2,368	$ 2,368
Less: Incremental Revenue/Recovery	5,715	-	-	-	-
Net Cost/(Benefit)	$ (4,110)	$ 2,368	$ 2,368	$ 2,368	$ 2,368
Less: Existing Budget Amounts	(4,110)	2,368	2,368	2,368	2,368
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The Capital Expenditure Required represents the award amount plus applicable MRST, and Corporate administration/interest overheads. There is sufficient funding available for the award provided from the Council approved a first charge of 2025 Capital Budget in 2024 adopted budget, in the Primary Transit Network Infrastructure capital project. This budget includes Federal and Provincial contributions as part of the ICIP Program. The City's contribution amount will be funded by external debt.

The Operating Budget impact consists of the interest and debenture issue costs related to external borrowing (Direct Costs). The incremental revenue/recovery amount reflects the recovery of the Corporate interest/administration overheads, being charged to capital project. Direct costs amounts are included in the Transit's annual operating budget submissions.

Laurie Fisher November 20, 2024

Laurie Fisher, CPA, CA
Manager of Finance and Administration

CONSULTATION

In preparing this report there was consultation with:

- Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

OurWinnipeg (2010)
01-1b key Directions for the Entire City:

- Dynamically integrate transportation with land use
- Accommodate growth and change in Transformative Areas within the city's built environment including: Mixed Use Centres and Corridors, Major Redevelopment Sites and Downtown
- Recognize that New Communities will play an important role in accommodating the City's projected population growth.
- Ensure Winnipeg's Employment Lands provide for a wide range of market opportunities, accommodating new investment and economic development while contributing an abundance of job opportunities for our citizens.

Winnipeg Transit Master Plan (2021)
Network Goals:

1. Enhance Customer Experience
   Increase Ridership
   Improve Downtown Mobility
   Complement Land-Use Development
   Improve Multi-modal Mobility
   Ensure Transit is Inclusive
   Continuously Innovate
   Empower Healthy Communities
   Balance Investment with Affordability

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

This report is in accordance with the Winnipeg Climate Action Plan (WCAP) as per Direction 3.1 *Increase Use and Efficiency of Public Transit Systems* (page 37).

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

n/a

SUBMITTED BY

Department:	Transit
Division:	Innovation and Technology
Prepared by:	Kirk Cumming – Manager of Innovation and Technology
Date:	November 21, 2024