

Report to Civic Works Committee

To: Chair and Members
Civic Work Committee

From: Kelly Scherr, P. Eng., MBA, FEC, Deputy City Manager,
Environment & Infrastructure

Subject: SS-2024-162 Traffic Signal Controller Single Source Purchase

Date: May 22, 2024

Recommendation

That on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the purchase of Traffic Signal Controllers for the traffic signal system:

- a) The quotation submitted by Innovative Traffic Solutions Ltd. at its quoted price of \$226,600.00 (excluding HST) **BE ACCEPTED** in accordance with the Procurement of Goods and Services Policy Section 14.4 d) Single Source;
- b) the financing for this project **BE APPROVED** with the Source of Financing Report attached hereto as Appendix A;
- c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project; and,
- d) the approval given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract for the material to be supplied and the work to be done relating to this project.

Linkage to the Corporate Strategic Plan

Municipal Council's new Strategic Plan identifies Mobility and Transportation as a strategic area of focus. This report supports the Strategic Plan by identifying the building of infrastructure that provides safe, integrated, connected, reliable and efficient transportation choices.

Analysis

1.0 Background Information

1.1 Background

On October 29, 2019, Council approved the award of the Advanced Traffic Management System and New Traffic Signal Controllers to Parsons Corporation. As part of this contract Parsons acquired McCain ATC eX2 controllers from Innovative Traffic Solutions Inc (ITS). All traffic signals have been upgraded with these controllers.

1.2 Previous Reports Related to this Matter

- Civic Works Committee – October 22, 2019 – Contract Award, RFP 19-27 – Advanced Traffic Management System and Traffic Signal Controllers

2.0 Discussion and Considerations

2.1 Discussion

City staff and the maintenance contractor have been trained on programming and maintaining the new McCain ATC eX2 controllers. All of London's traffic signals operate with these controllers. Additional traffic signal controllers are required for new signalized intersections that are being constructed and to ensure sufficient spare controllers are available for maintenance activities and near-term system growth.

It is recommended that 50 McCain ATC eX2 controllers be purchased at a cost of \$222,600.00 excluding HST. Standardizing the system with one type of traffic signal controller mitigates issues surrounding the programming of the controllers and ensures that existing controllers can be replaced with identical equipment as needed for maintenance.

2.2 Procurement Process

Innovative Traffic Solutions Inc (ITS) is the only supplier of McCain controllers in Canada; therefore, an opportunity for publicly bidding these goods is not available and a single source purchase is required as per the Procurement of Goods and Services Policy Section 14.4 d) Single Source, stating;

d. There is a need for compatibility with goods and/or services previously acquired or the required goods and/or services will be additional to similar goods and/or services being supplied under an existing contract (i.e., contract renewal);

3.0 Financial Impact/Considerations

The cost for 50 McCain ATC eX2 controllers is \$222,600.00 excluding HST and can be funded from the approved capital budget for the Investing in Canada Infrastructure Program (ICIP) Intelligent Traffic Signals capital project budget. There is no impact to the operating budget with this purchase.

Conclusion

Controllers are required at every traffic signal. A contingency supply of controllers is required to accommodate near-term new installations and system maintenance. McCain controllers are operating effectively with the City's new Advanced Traffic Management System. The recommended single source will maintain system integrity and efficiency with a consistent type of controller. The purchase of the 50 traffic signal controllers will ensure there is enough equipment for near-term additional signals and ongoing maintenance.

Prepared by: Ted Koza, P. Eng., Division Manager, Traffic Engineering

Submitted by: Doug MacRae, P. Eng., MPA, Director, Transportation & Mobility

Recommended by: Kelly Scherr, P. Eng., MBA, FEC, Deputy City Manager, Environment & Infrastructure

Attached: Appendix A – Source of Financing Report

c: Steve Mollon, Senior Manager, Procurement & Supply

Appendix "A"

#24078
 May 22, 2024
 (Award Contract)

Chair and Members
 Civic Works Committee

RE: Traffic Signal Controller Single Source Purchase
 (Subledger TF240014)
 Capital Project TS180519 - TIMMS- PTIS - Transportation
 Innovative Traffic Solutions Ltd.- \$226,600.00 (excluding HST)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this purchase can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the recommendation of the Deputy City Manager, Environment and Infrastructure, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Committed To Date	This Submission	Balance for Future Work
Engineering	1,890,278	1,772,084	0	118,194
Construction	880,454	880,454	0	0
Traffic Signals	8,996,209	3,971,261	230,588	4,794,360
City Related Expenses	14,059	13,460	0	599
Total Expenditures	\$11,781,000	\$6,637,259	\$230,588	\$4,913,153

Sources of Financing

Debenture By-law No. W.-5660-92 (Note 2)	251,360	114,176	6,150	131,034
Drawdown from Debt Substitution Reserve Fund	62,840	62,840	0	0
Public Transit Infrastructure Stream (PTIS) - Federal Funding	4,712,400	2,654,904	92,235	1,965,261
Public Transit Infrastructure Stream (PTIS) - Provincial Funding	3,926,605	2,212,198	76,855	1,637,552
Drawdown from City Services - Roads Reserve Fund (Development Charges) (Note 1)	2,827,795	1,593,141	55,348	1,179,306
Total Financing	\$11,781,000	\$6,637,259	\$230,588	\$4,913,153

Financial Note:

	TS180519
Contract Price	\$226,600
Add: HST @13%	29,458
Total Contract Price Including Taxes	256,058
Less: HST Rebate	-25,470
Net Contract Price	<u>\$230,588</u>

Note 1: Development charges have been utilized in accordance with the underlying legislation and the approved 2019 Development Charges Background Study and the 2021 Development Charges Background Study Update.

Note 2: Administration hereby certifies that the estimated amounts payable in respect of this project does not exceed the annual financial debt and obligation limit for the Municipality from the Ministry of Municipal Affairs in accordance with the provisions of Ontario Regulation 403/02 made under the Municipal Act.

Alan Dunbar
 Manager of Financial Planning & Policy

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