

COMMITTEE OF THE WHOLE - JULY 6, 2010

SINGLE SOURCING OF GLOBAL POSITIONING SYSTEM/AUTOMATED VEHICLE LOCATOR SERVICES

Recommendation

The Commissioner of Engineering and Public Works, in consultation with the Commissioner of Community Services, the Commissioner of Legal and Administrative Services, and the Director of Purchasing Services, recommends:

1. That in accordance with the City's Purchasing Policy, a single-source agreement be signed with Grey Island Systems Inc., for a 5 year period for the supply of Global Positioning System /Automated Vehicle Locator services; and,
2. That the Mayor and Clerk be authorized to sign the necessary documents.

Contribution to Sustainability

The provision of GPS/AVL technology ensures that services are delivered in an efficient and safe manner.

Economic Impact

The overall operating costs for the provision of GPS/AVL services under this agreement will decrease to a level that is lower than currently being spent by the three user departments. Details of the economic impact are outlined below in the Background and Analysis Section of this report.

Communications Plan

One benefit of maintaining the current service provider is that the City's public winter maintenance web site map will be maintained, thereby communicating to the residents the status of snow clearing activities across the City. This service was pioneered in Vaughan, and has proven to be an effective communications tool to residents.

Purpose

The purpose of this report is to request a Single Source Agreement as it relates to the supply, delivery and support of A.V.L. units for the City of Vaughan.

Background - Analysis and Options

Initial Purchasing Process

In September 2005, the Public Works Department, in conjunction with the Information and Technology Management Department, issued a Request for Proposal for a solution to address the City's need for an Automated Vehicle Location (AVL), system based on Global Positioning System (G.P.S.), technology. The City's intention was to use AVL to assist with the delivery of services, the monitoring of maintenance activities, and to ensure compliance with established levels of service and contractual obligations.

Grey Island Systems Inc. was the lowest priced supplier, and awarded the contract in June 2006. This contract is scheduled to terminate on December 31, 2010.

In order to meet the City's requirements and stay within the budget, Grey Island's proposal consisted of a "Lease to Own" program whereby the G.P.S. units were leased for a 3 year term and then purchased by the City.

Current Inventory of GPS Units

A GPS unit consists of an antenna, power cord and a send/receive unit. At the end of the present contract date December 31, 2010, the inventory of units used by the City will be as follows:

	Owned Units	Leased Units	Total
Public Works	116	113	229
Enforcement Services	18	5	23
Parks	0	20	20

Based on the new proposal by Grey Island, and without projecting any increase in City vehicles, at the end of 2013 the City will own all 272 G.P.S. units.

Current Price / Annual Cost

The current cost to operate the AVL system, is as follows:

Lease	\$17.09
Grey Island Service	\$25.00
Wireless Fee	<u>\$23.00</u>
	\$65.09 / unit / month (excluding taxes)

The Grey Island service fee is for the storage of historical data on their server, updates to the Grey Island / Vaughan web site and the broadcasting and upkeep of the "Where Is My Snow Plow" public web site.

Current Department Usage

Public Works has a total of 229 units. The projected annual cost for the year 2010 is \$155,078.04 (owned cost plus leased cost x 12 months). Enforcement Services has a total of 23 units, and the projected annual cost for the year 2010 is \$14,273.40. Parks & Forestry Operations has a total of 20 units, and the projected annual cost for the year 2010 is \$15,621.60.

New 5 Year Pricing from Grey Island Systems Inc.

The projected cost to operate the A.V.L. system with the proposed 5 year Grey Island rates is as follows:

Lease	\$17.09
Grey Island Service	\$21.25
Wireless Fee	<u>\$23.00</u>
	\$61.34 / unit / month (excluding taxes)

As the City will become the owners of all of the existing leased units during the 5 year contract period, the projected annual cost for December 2013 (mid way through contract):

Public Works will own 229 units, and the projected annual cost for the year 2014 is \$121,599. Enforcement Services will own 23 units, and the projected annual cost for the year 2014 is \$12,213. Parks & Forestry Operations will own 20 units, and the projected annual cost for the year 2014 is \$10, 620.

The proposed 5 year term will result in an operating cost saving of approximately \$40,540 within the 3rd year. This is based on the current number of GPS units. Additional units added during the term of the agreement will reduce the savings accordingly. It should also be noted that although the annual operating costs are reduced, capital funding will be required at some point to replace the City owned units used by the various City departments.

Purchasing Services staff support the single sourcing of this service due to a number of reasons, including:

- the City owns a significant number of GPS units that will not function on another system, and there would be a large financial impact to replace these units;
- Grey Island currently provides the public web site for winter operations at no additional cost;
- Grey Island has worked with the various departments to customize its sites to meet the demands of the City's operations at no additional costs; and,
- Grey Island was the highest scorer with most suitable and cost effective AVL solution which best met the RFP requirements during the last RFP for GPS/AVL services.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council and ties into the following Vaughan Vision 20/20 Goals and Objectives:

Goal: Service Excellence
Objective: Pursue Excellence in Service Delivery

Goal: Management Excellence
Objective: Enhance Productivity, Cost Effectiveness and Innovation

Regional Implications

N/A

Conclusion

The multi-year single source agreement for the supply, installation, monitoring of all AVL units for the City will allow the Public Works Department, Enforcement Services, and the Parks and Forestry Operations Department, to continue on seamlessly with the delivery of services, monitoring of maintenance activities, and provide the level of service the public has come to expect for winter maintenance monitoring. For these reasons, it is recommended that a single source agreement be approved with Grey Island Systems Inc., for a 5 year period.

Attachments

N/A

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Respectfully submitted,

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