



Item No. 11.1.2
Halifax Regional Council
January 14, 2014

TO: Mayor Savage and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY:

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: December 20, 2013

SUBJECT: **Approval Advanced Project Funding &
Award RFP # P13-035, Metro Transit AVL/CAD Replacement**

ORIGIN

The Approved 2013/14 Capital Budget.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79, Halifax Regional Council may expend money for municipal purposes. Administrative Order #35, The Procurement Policy, requires Council to approve the award of contracts for sole sources exceeding \$50,000 or \$500,000 for Tenders and RFP's. The following report conforms to the above Policy and Charter.

RECOMMENDATION

It is recommended that Halifax Regional Council:

- a) Approve advanced capital funding from the 2014-15 Project Budget of \$2,000,000 for Project CM020005 – Transit Technology Implementation as per the Financial Implications section of this report.
- b) Award RFP # P13-035, Metro Transit Automated Vehicle Location /Computer Aided Dispatch (AVL/CAD) Replacement to the highest scoring proponent, Trapeze Software Group, Inc. (Trapeze) for a Total Price of \$5,905,876.99 (net HST included) subject to the successful negotiation of a contract with funding from CM020005 New Transit Technology, as outlined in the Financial Implications section of this report.

RECOMMENDATION CONT'D ON PAGE 2

- c) Award future phase items Automated Vehicle Announcements, Automated Passenger Counters and Head sign Integration to Trapeze at a Total Price of \$1,643,317.52 (net HST included) subject to the successful negotiation of a contract with funding from CM020005 New Transit Technology, as outlined in the Financial Implications section of this report.
- d) Authorize and direct the CAO to negotiate a contract with Trapeze relative to items (b) and (c) above that meets the requirements of the RFP to the satisfaction of the CAO, attains the technical solution proposed by Trapeze and accords with the Financial Implications section of this report.
- e) Authorize the CAO to execute a contract on behalf of the Municipality resulting from these negotiations.

BACKGROUND

HRM has developed a multi-year roadmap (strategic plan) to support Metro Transit's objectives of: improved ridership and mode share; safe environment for transit employees and passengers; improved service quality and customer satisfaction; improved productivity and overall cost effectiveness. As a key early step in the delivering on that strategic plan, Metro Transit wishes to implement enhanced information and communication technologies to provide better information for customers, enable better management of on-road bus service, and collect data to assist transit planners when designing service.

The replacement AVL project forms the foundation for the future technical solutions from the Metro Transit multi-year roadmap and this initial project includes:

- The design, testing and implementation of Core Automated Vehicle Location System (AVL);
- Incident Tracking Capability;
- Standard industry best practice reporting;
- System(s) Integration with Hastus (and potentially ESRI GIS or other scheduling systems as may be required in the future);
- Vehicle Logic Unit (VLU);
- Compatibility with HRM Cellular Data Services;
- Mobile Data Terminals (MDT);
- Covert Alarm / Microphone;
- Removal of existing AVL/ CAD system (Transit On Route is the current AVL/CAD solution in use by HRM) from the core conventional transit fleet;
- Replacement of Interactive Voice Responder (IVR);
- Electronic Message Boards (EMB); and
- Web, mobile, SMS (texting) public information functionality.

DISCUSSION

RFP # P13-035, Metro Transit AVL/CAD Replacement was publicly advertised on the Nova Scotia Public Tenders portal on July 8, 2013 and closed on September 13, 2013.

Six (6) proposals were received as follows:

- Trapeze
- INEO Systems
- Strategic Mapping
- INIT
- Clever Devices
- ISR

The RFP was evaluated by a team comprised of staff from Metro Transit and ICT with professional advice from Legal Services and facilitated by Procurement per the evaluation criteria listed in Appendix A of the RFP (attached).

The RFP was scored using a two-envelope process. Envelope one was the technical component of the RFP including site visits and Envelope two consisted of the financial elements of the proposals. Upon initial evaluation, the proposals from INEO Systems, Strategic Mapping, and INIT did not achieve the minimum of 75% of technical score and their cost proposal will be returned unopened. Subsequently the evaluation committee visited Transit authorities using each of the remaining proponent systems; evaluation scores were reviewed to reflect the result of the site visits. Subsequent to this review, the proposal from ISR did not achieve the minimum of 75% of the technical score and their cost proposal will also be returned unopened.

Risk was assessed per the terms and conditions of the RFP in relation to additional HRM resources which may be required to ensure a successful project.

The Trapeze proposal took varying exceptions to many of HRM's standard terms and conditions for similar scopes of work. Although setting a reasonable period for key points of negotiation mitigates some risk, the prospect of negotiation represents a risk in relation to the resources which will be required to arrive at terms and conditions which are acceptable to both parties. There is also a risk that the parties will not be able to agree on terms and conditions within a reasonable time period.

Clever Devices indicated less exceptions to our standard terms and conditions but did not include the full costs of implementing some of the public facing requirements of the AVL/CAD solution including SMS/Email (Schedule Lookup, Real Time); Subscriptions SMS/Email (General Alerts, Schedule Alerts; and Real Time); and Trip Planning. The implementation of these under the Clever Devices proposal would require HRM to scope, solicit, award and possibly negotiate contracts for the services with up to two (2) additional service providers. This would require HRM to dedicate additional Finance & Information Technology Communications, Legal and Metro Transit staff in the scoping and soliciting these vital solution components and in contract management/administration as well as an unknown amount of HRM financial resources which

would be market driven at the time of solicitation.

The Trapeze proposal included the costs of implementation, project and life-cycle costs relative to the above-noted public facing requirements, whereas Clever Devices did not. It can be fairly assumed that the Clever Devices proposal, by relying on HRM to separately procure for these requirements, would (if accepted) result in the imposition of costs onto HRM that are the same or higher than those detailed in the Trapeze proposal. As a result, the Trapeze proposal provides HRM with a higher level of confidence in relation to cost controls, the management of the contract and the successful outcome of the project.

The deduction of points for risks associated with contract negotiation and contract management for each proponent reflects these concerns.

Cost Proposals were evaluated based on a five (5) year life cycle cost including the core AVL/CAD solution, maintenance, upgrades and expansion. As stated above, the life-cycle costs of the Clever Solution did not include several components of the solution.

Detailed scoring results for the remaining proponents, as shown in Appendix A – RFP Evaluation Criteria, are summarized as follows:

- Trapeze 76.5
- Clever Devices 74.0

The Request for Proposals required that proponents include the details and costs of future planned enhancements as a method of calculating life cycle costs. The evaluation of the proposals indicated that HRM could receive best value by taking advantage of the fixed costs as proposed as well as the resource, schedule and risk mitigation efficiencies which would be realized by accelerating the implementation of these future components within the current proposed contract with the recommended vendor.

FINANCIAL IMPLICATIONS

Within the 2013-14 approved Project Budget, project account CM020005 – New Transit Technology forecasted a funding requirement of \$11,630,000 for 2014-15. As a result of favourable pricing and to limit the operational impacts resulting from multiple equipment installations it would be advantageous that the Automated Vehicle Announcements, Automated Passenger Counters and Headsign modules be included within this Award. As a result Metro Transit seeks \$2,000,000 in advanced funding from the 2014-15 Project Budget to take advantage of this opportunity.

The highest scoring proponent's cost for the core solution and future functionality is \$7,238,933.81, plus net HST of \$310,260.70, for a total of \$7,549,194.51. Funding is available from Project No. CM020005 New Transit Technology. The budget availability has been confirmed by Finance.

Report Approved by: Eddie Robar, Director Metro Transit (490-6720)

APPENDIX A

Evaluation Criteria

CRITERIA	SUMMARY (considerations may include but are not limited to the following)	SCORE	Trapeze	Clever Devices
Proposal Submission	Clarity and readability of written proposal	5	4	4
Corporate and Team experience	Sector specific experience of the Proponent Firm Experience of individual team members with projects of similar scope and size Team members' appropriate skills and education Demonstrated history of proposed team in successfully completing projects of a similar nature on time and on budget Balance of level of effort vs. team roles (project mgmt., technical, etc..)	20	16.5	16
Understanding of HRM needs	Understanding of the requirements of the scope of work and HRM organizational structure Acceptable proposed schedule and work plan Value added propositions and recommendations Attention to relevant challenges that the committee has not considered	20	15	15.5
Technical Solution	Solution addresses all technical aspects of the project as identified in the RFP Solution draws on proven methodology Solution is flexible and scalable Solution is cost and time effective	30	23.5	23.5
Project Management Methodology	Management structure within Proponents organization/project team Proposed communication methods between proponent team and HRM Quality Assurance standards and practices	5	4	4
Subtotal (Technical Proposal)		80	63	63
Legal and Administrative Risk	Points may be deducted		(-5)	(-9)
Cost		20	18.5	20
5-year cost Net HST included			\$6,265,163.12	\$5,829,751.36
Total		100	76.5	74