

MEETING DATE: May 15, 2002

SUBJECT: Procurement Authorization - Transit Control Centre Project Supply & Installation Of Mimic Display System Contract N70-6

RECOMMENDATION

It is recommended that the Commission authorize acceptance of the proposal submitted by AVW – TELAV Inc. in the amount of \$2,697,560.07, for Contract N70-6, Supply and Installation of a Mimic Display System for the Transit Control Centre Project.

FUNDING

Sufficient funds for this expenditure are included in the 2002-2006 Capital Program under the Transit Control Centre Project, Section 3.9, Buildings and Structures Projects (set out on pages 631 to 639, State of Good Repair category), as approved by the City of Toronto Council on March 6, 2002.

BACKGROUND

As part of the new Transit Control Centre (TCC) Project, a mimic display system is required to project the real time status of the subway lines and power grid. This will provide an overall picture to all operating staff in the new TCC.

Accordingly, proposal documents were prepared for Contract N70-6, which calls for the supply and installation of a mimic display system in the new TCC Building.

DISCUSSION

A Request for Proposal for Contract N70-6 was posted on TTC's M&P Web-site on February 7, 2002. Sixteen (16) companies picked up copies of the proposal documents and five (5) companies submitted proposals, as summarized in Appendix 'A'. None of the proposals were fully compliant with the Proposal Document requirements.

Ken Lewis Group Inc. submitted the lowest priced proposal (\$818,445.29), but did not submit a Proposal Security, a properly executed Agreement To Bond, or any of the required technical details of the proposed system. Ken Lewis' proposal is considered incomplete and unacceptable.

Sartrex Power Control Systems Inc. submitted the second lowest priced proposal (\$2,419,890.60), but did not submit Page 1 of the "Form of Proposal", which contains the proponent's "Declaration" and "Offer" clauses. Sartrex also did not submit either an executed "Agreement To Bond" or an executed "Agreement To Provide an Irrevocable Letter of Credit (Contract Security)". Further, Sartrex's proposal is based on an alternative projector technology. Sartrex's proposal is considered incomplete and unacceptable.

Evans Consoles Inc. (Evans) submitted the highest priced proposal (\$3,468,412.65), but did not submit either an executed "Agreement To Bond" or an executed "Agreement To Provide an Irrevocable Letter of Credit (Contract Security)". Evans also stated two commercial exceptions with respect to the specified "Terms of Payment" and specified "Liquidated Damages". Evans' proposal is considered incomplete and unacceptable.

Applied Electronics Limited (Applied) submitted the third lowest priced proposal in the amount of \$2,593,222.46. Applied did state two commercial exceptions with respect to the specified "Terms of Payment" and specified "Project Milestones Schedule". They also stated one technical exception and one technical qualification.

AVW-Telav Inc. (Telav) submitted the fourth lowest priced proposal in the amount of \$2,697,560.07. Telav did not state any commercial exceptions. Telav did state an exception to one of the technical specification requirements.

As no proponent was fully compliant, be it commercially or technically, it was decided to continue evaluation of the two proposals that were considered complete and closest to compliance, namely Applied and Telav. The evaluation was based on three criteria; technical acceptability, life cycle costs and total proposal price.

Technical Acceptability

The proponents participated in a side-by-side demonstration to enable staff to evaluate the performance of the proposed equipment. Clarifications were also sought with respect to the technical information submitted within their proposals. Based on the demonstration and responses to the technical questions, staff determined both proponents had areas where they were technically non-compliant, beyond those stated in their proposals.

Applied's proposed system demonstrated a very distinct 'hot spot' and as a result, it did not meet the screen brightness uniformity requirement. Based on the significant nature of

this limitation, this system is considered to be technically unacceptable. All other areas of technical non-compliance were considered to be acceptable.

Telav's proposal was based on a screen that differed from the specified type. The main impact is that they do not meet the requirement for the vertical viewing angle. From the user's perspective, this will reduce the vertical viewing window for optimum screen brightness. Telav subsequently submitted explanations as to how they can mitigate the

impact of this limitation and staff believes it will be acceptable. Telav also had several less critical areas of non-compliance which staff considers being acceptable.

Life-Cycle Costs

The mimics will require ongoing costs associated with the replacement of a few key components (eg. lamps, ballasts). To facilitate a comparison, the proponents were required to submit replacement pricing and life expectancy information for these key components. The wattage of the respective systems also has an impact on the electricity usage requirements. Taking these into consideration, on an annual basis, Telav's equipment will cost approximately \$60,000 less to operate than Applied's equipment.

Summary

Based on the above, Telav's proposed system is considered to be the only acceptable proposal. In addition, Telav's system will have significantly lower life-cycle costs. Based on these factors, Telav's proposal is recommended for acceptance. It is also noted that Telav's proposal price included an allotment of standby parts in the amount of \$101,769.25, which were over and above those specified.

The Agreement to Bond submitted by AVW-Telav covers both a Labour and Material Payment Bond and a Performance Bond, each for 50% of the contract price. The surety company noted in the proposal is licensed to transact business under the Insurance Act of Ontario.

JUSTIFICATION

Acceptance of the lowest acceptable proposal received from AVW-TELAV is required in order to support the requirements of the TCC Project.

May 2, 2002

6-218-221

APPENDIX ' A '

CONTRACT N70-6

SUPPLY & INSTALLATION OF MIMIC DISPLAY SYSTEM

PROPOSAL PRICING SUMMARY

Name of Firm	Proposal Price
Ken Lewis Group Inc.	\$ 818,445.29 *
Sartrex Power Control Systems	\$2,419,890.60 *
Applied Electronics Limited	\$2,593,222.46
AVW – Telav Audio Visual Solutions	\$2,697,560.07
Evans Consoles Inc.	\$3,468,412.65 *

*** Proposal incomplete and unacceptable**