

MEETING DATE: May 14, 2003

SUBJECT: Procurement Authorization - Upgrades To Trackswitch Control System-Phase II

RECOMMENDATION

It is recommended that the Commission authorize the award of a contract to Alcatel Canada Inc., Transport Automation Division, in the amount of \$657,232.58, including Specified Option No. 2 for the design and supply of Phase II Upgrades to the TTC's Streetcar Trackswitch Control System.

FUNDING

Sufficient funds have been included in TTC Project 2.4 Signal Systems, Streetcar Trackswitch Rehabilitation in the State of Good Repair category as set out on pages 337 to 340 of the 2003 – 2007 Capital Program, as approved by City Council on February 26, 2003.

BACKGROUND

The Trackswitch Control System on the surface streetcar network is used to permit Streetcar Operators to remotely activate track switches. The system has been in service since the mid-1980's and was originally supplied by SEL Canada (now Alcatel Canada Transport Automation). This system has recently been the subject of a Level II Safety Investigation to formally investigate the circumstances surrounding incidents of improper operation of the trackswitch control system. A number of recommendations were made to improve the design, operation and maintenance of the system. Staff have already completed several of the recommendations, including a Phase I retrofit of the system which implemented software design changes intended to reduce the likelihood of improper system operation. The "stop-check-go" operating procedure has also been implemented, to ensure Operators visually check switch positions prior to crossing switches. Those measures have reduced the occurrences of switch incidents. However, further design improvements are planned, in the form of a second phase of system retrofits, to fully comply with the Level II Safety Investigation recommendations.

DISCUSSION

Specifications were prepared for Proposal No. P31PJ03713 and a Request for Proposal was issued to Alcatel on a single source basis on January 29, 2003, with a closing date of February 21, 2003. The proposal contained two Specified Options, No. 1 for additional programming to inhibit switch movement in front of high speed streetcars and No. 2 for improved diagnostics for troubleshooting and testing. Alcatel's submitted proposal contained a number of commercial and technical exceptions and qualifications to the Proposal Documents.

The commercial exceptions were reviewed with Legal Department staff and subsequent negotiations with Alcatel occurred and cover commercial conditions with respect to; Indemnification, Proprietary Rights, Inspection of Work, Default by the Contractor, Delay by the Commission, Termination for Default, Termination for Convenience, Force Majeure, Changes in the Work, Insurance Requirements, Evidence of Insurance, Payment, Title, and Warranty, which resulted in revised conditions which are considered acceptable by staff.

Alcatel also stated several technical exceptions and qualifications. All of the technical exceptions and qualifications stated by Alcatel have been reviewed by staff and are considered acceptable. Alcatel's proposal is valid until May 22, 2003.

Specified Option No. 1 was not required as this function will now be performed by a new system on the streetcars. Specified Option No. 2 was accepted due to the added value provided in improving the diagnostic capability of the system at a price considered reasonable by staff.

JUSTIFICATION

The proposal submitted by Alcatel is compliant with the Proposal Documents. It is necessary to proceed with the Phase II Upgrades to the Trackswitch Control System in order to comply with the Level II Safety Investigation recommendations.

April 22, 2003

6-27-207

Attachment: Appendix "A"

Appendix "A"

	Alcatel
Base Proposal Price	\$644,197.58
Specified Option 1	\$5,534.00*
Specified Option 2 Improved Interrogator Diagnostics	\$13,035.00
Total	\$657,232.58

*** Not Recommended**

Engineers estimate: \$550,000.00