

**Meeting Date:** May 8, 2007

**Subject:** Procurement Authorization – Trapeze FX and Midas BD Software Maintenance

### **Recommendation**

It is recommended that the Commission approve the issuance of a purchase order to Trapeze Software Inc. (Trapeze) for Trapeze FX and Midas BD software maintenance in the total amount of \$1,155,100.44 (including taxes), for a three year period commencing May 1, 2007 to April 30, 2010.

### **Funding**

Sufficient funds are included in the 2007 TTC Operating budget and will be included in future Operating budgets as required.

### **Background**

The Commission's current support for the Trapeze FX and Midas BD software maintenance expired on April 30, 2007. Trapeze has agreed to provide maintenance pending Commission approval.

The Commission currently uses two Trapeze Group software applications to manage its Fixed Route Services and the associated Operators Workforce: Trapeze FX and Midas BD respectively.

Trapeze FX is used by the Schedules section of the Service Planning Department to develop operating schedules and crewing requirements based on required service levels for each subway line, bus route, streetcar route and collectors division. The schedules and crewing requirements are produced for each board period, approximately every six weeks during the year. Trapeze FX is currently licensed for 1,808 peak vehicles and 20 workstations.

Midas BD is used by the Surface and Subway Transportation Departments to capture and track data related to managing operations resources, process scheduling information, facilitate work sign-ups, manage and report on daily work changes, data input and reports on operator's payroll and tracking of workforce performance monitoring.

Midas BD is currently licensed for 3,351 drivers for Phase 1 and Phase 2. Phase 1 includes workforce management and bidding currently in production while Phase 2 includes daily operations, daily payroll and performance monitoring.

Each of these software applications has an annual maintenance cost that provides software upgrades along with technical and end user support.

The Software License Agreement was originally signed on March 1, 1999 for Trapeze FX and staff have been processing annual renewals since that time.

The Software License Agreement for Midas BD Phase 1 and Phase 2 software was originally signed on November 8, 2002 between the TTC and Trapeze which stipulated pricing for the required maintenance in future years as follows:

#### **Midas BD Phase 1**

- May 1, 2007 to April 30, 2008 - \$105,125 (14% higher than previous year)

#### **Midas BD Phase 2**

- May 1, 2007 to April 30, 2008 - (cost for year one maintenance is included in the original license fee)

- May 1, 2008 to April 30, 2009 - \$ 89,000 (price comparison not available)

- May 1, 2009 to April 30, 2010 - \$100,275 (13% higher than previous year)

## **Discussion**

The current agreement with Trapeze for their Midas BD Phase 2 software expires on April 30, 2010. Staff requested pricing for a three year term for the Trapeze FX software maintenance and for a two year term for the Midas BD Phase 1 software maintenance. The reason was to co-terminate the expiry dates for the Trapeze FX and Midas BD Phase 1 and 2 software maintenance and to reduce the cost for software maintenance and the current administrative costs which are based on processing annual renewals.

The pricing was requested from Trapeze on the basis of single source, as they are the original designer of the software and maintenance is only available from Trapeze. The recommended pricing for the software maintenance is detailed in Appendix 'A'.

The Commission requested Trapeze submit a proposal for the extension of the following Trapeze software maintenance:

- Trapeze FX – Pricing for a three year period (May 1, 2007 – April 30, 2010)
- Midas BD Phase 1 – Pricing for a two year period (May 1, 2008 – April 30, 2010)

### **Trapeze FX**

The original proposed pricing submitted for FX software for year 1 is approximately 11% higher than the Commission's current pricing and approximately 10% higher in each of years 2 and 3 over the previous year's pricing.

As a result of negotiations, Trapeze decreased their price increase for year 1 from 11% to 7.5% (\$5,530 savings) and for both years 2 and 3 from 10% to 7.5% (\$24,692 savings). The negotiated annual increases for FX software are approximately 12% lower than Trapeze standard fees.

### **Midas BD Phase 1**

Trapeze pricing for year one of the extension (May 01, 2007 to April 30, 2008) is as stipulated in the current agreement and Trapeze was not able to offer lower pricing. Staff requested pricing for a two year term from May 1, 2008 to April 30, 2010 for Midas BD Phase 1.

The original proposed pricing submitted for Midas BD Phase 1 for year 2 (May 1, 2008 to April 30, 2009) is approximately 15% higher than year one pricing and their year three pricing (April 30, 2009 to May 30, 2010) is approximately 10% higher than year 2 pricing.

As a result of negotiations, Trapeze decreased their price increase for year's 2 and 3 from 15% and 10% respectively to a 7.5% increase for both years 2 and 3 (\$17,724 savings). The negotiated increase for years 2 and 3 are approximately 21% lower than Trapeze standard fees.

### **Midas BD Phase 2**

The pricing for the two year contract extension (May 1, 2008 to April 30, 2010) was already stipulated in the current agreement. Staff contacted Trapeze to negotiate pricing; however, Trapeze was not able to offer lower pricing (see Appendix 'A').

Overall Trapeze offered a discount of approximately \$54,658 (tax included) as a result of negotiations for the Trapeze FX and Midas BD Phase 1 software maintenance.

## **Justification**

Continued maintenance is required by Trapeze to support the software applications and their environment. The Trapeze FX and Midas BD software products allow Service Planning and the Operations group to

effectively manage the TTC's Fixed Routes and their associated Operators workforce.

April 25, 2007

14-35-45

Attachments – Appendix – 'A'

Appendix 'A'

TRAPEZE FX AND MIDAS BD SOFTWARE MAINTENANCE

PROPOSAL SUMMARY

PRODUCT DESCRIPTION	TERM		
	YEAR 1 01, 2007 - April 30, 2008 May	YEAR 2 May 01, 2008 - April 30, 2009	YEAR 3 May 01, 2009 - April 30, 2010
Trapeze FX Software Maintenance	\$ 150,143.00	\$ 161,403.00	\$ 173,509.00
BD Phase 1 Software Maintenance	\$ 105,125.00	\$ 112,784.00	\$ 121,007.00
BD Phase 2 Software Maintenance	**N/A	\$ 89,000.00	\$ 100,275.00
3 Year Sub-Total	\$1,013,246.00		
GST	\$ 60,794.76		
PST	\$ 81,059.68		
<b>3 YEAR GRAND TOTAL</b>	<b>\$1,155,100.44</b>		*

\* Recommended for award to Trapeze Software Inc. in the total amount of \$1,155,100.44 for a three year period.

\*\* Cost for Year 1 for BD Phase 2 Software maintenance is included in the current contract with Trapeze.