



CITY OF VANCOUVER

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ADMINISTRATIVE REPORT

Report Date: May 6, 2008
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RTS No.: 07457
VanRIMS No.: 03-1200-20
Meeting Date: June 10, 2008

TO: Vancouver City Council

FROM: General Manager of Engineering Services
Manager of Materials Management

SUBJECT: Direct Purchase of Traffic Signal Controllers

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations B, C, and D, Council approve waiving the normal bidding process and authorize the Manager of Materials Management to acquire by direct purchase thirty (30) complete traffic signal controller cabinets and five (5) retrofit kits to meet the City's constant requirement for this product at a total cost of \$540,000 plus applicable taxes (less any municipal rebate received); source of funding for this contract is provided within the 2006 - 2008 Engineering Traffic Signal Program Capital Budget.
- B. THAT, the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendation A.
- C. THAT, all such legal documents be on terms and conditions satisfactory to the General Manager of Engineering Services, Manager of Materials Management, and the Director of Legal Services.
- D. THAT, no legal rights or obligations will be created by Council's adoption of Recommendation A, B and C above unless and until such legal documents are executed and delivered by the Director of Legal Services.

COUNCIL POLICY

The policy of Council is that contracts with a value over \$300,000 are referred to Council.

PURPOSE

The purpose of this report is to seek Council authority to approve the direct purchase of thirty (30) complete traffic signal controller cabinets and five (5) retrofit kits from Novax Industries Corporation and as a consequence of this decision, to waive the normal bidding process.

GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services and the Manager of Materials Management recommend approval of Recommendations A through D.

BACKGROUND

Staff are requesting Council approval to waive the normal tendering process to purchase traffic signal controllers and related equipment directly from Novax Industries Corporation. The City presently has a requirement for thirty (30) complete controller cabinets and five (5) retrofit kits.

The City has a constant requirement for this product. Novax Industries Corporation has been supplying traffic signal equipment to the City for over twenty years and their controllers are compatible with our existing system.

DISCUSSION

The traffic signal controllers are custom cabinets and components which are designed to be compatible with the existing traffic control system. The majority of the City's traffic control system is proprietary in nature and the substitution of equipment is not recommended.

The City of Vancouver staff is currently trained to service the existing equipment. If additional brands of equipment are added to the system, staff will need additional training. In addition, the inventory of spare parts which will be used to support this equipment will increase substantially and the existing control system will need to be re-designed to handle the different equipment. The value of the existing traffic control system is estimated to be \$13,000,000 and it has taken approximately eight years to implement the current traffic controller system. Upgrades to the traffic control system, including the recent addition of transit priority for buses, is ongoing.

The cabinets will need to be delivered as soon as possible to meet current construction schedules. Tendering for this requirement at this time will cause unnecessary delays in the schedule. Some of the equipment will be used along the Canada Line which is proceeding at an accelerated pace. Street Operations civil construction is in progress and there is a need to follow their schedule to minimize the impact on the citizens.

The requested equipment has been tested by City staff. Any potential changes to equipment will trigger a significant delay in testing for compatibility. It is not standard practice to introduce untested traffic system equipment into a current system.

FINANCIAL IMPLICATIONS

A quotation was requested and Novax Industries Corporation, the sole distributor of the Traffic Signal Controllers in BC, offered to supply thirty (30) traffic signal controllers and five (5) retrofit kits at \$540,000 plus applicable taxes. Staff has reviewed the prices quoted and confirm this purchase represents best value to the City. Funding for this purchase is provided from the 2006 - 2008 Engineering Traffic Signal Program Capital Budget.

CONCLUSION

Accordingly, we recommend that the normal bidding process be waived and that Council authorize the direct purchase of thirty (30) complete controller cabinets and five (5) retrofit kits for Traffic Signal Controllers from Nova Industries Corporation at a net cost of \$540,000 plus the 5% GST (less any municipal rebate received) and PST (where applicable), with the source of funds from the previously approved budget.

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