

HALIFAX

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Item No. 14.1.1
Halifax Regional Council
November 28, 2017

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: November 16, 2017

SUBJECT: **Award - RFP #P17-023, Halifax Transit –
Transit Vehicle CCTV Surveillance System Upgrade**

ORIGIN

June 21, 2016 motion of Regional Council approving the submission of 16 proposed transit projects set out in the staff report dated May 19, 2016, totaling \$58.21 million, for cost-shared funding approval under the Public Transit Infrastructure Fund (PTIF).

September 20, 2016 motion of Regional Council approving the list of 2017/18 projects for advanced funding for the purposes of advanced tendering as outlined in Table 3 of the staff report dated August 24, 2016 that included the Transit Security Upgrades.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79(1)(o) Halifax Regional Council may expend money required by the Municipality for public transportation services.

The recommended contract award complies with all the pre-requisites for awarding contracts as set out in section 34 of Administrative Order 2016-005-ADM, the *Procurement Policy*.

Section 36 of the *Procurement Policy* provides that Halifax Regional Council may approve contract awards of any amount.

Under the HRM Charter, Section 35(2)(d)(i), the CAO may enter into contracts on behalf of the Municipality, for anything required by the Municipality where the amount is budgeted or within the amount determined by Council.

Section 37) of the *Procurement Policy* authorizes the CAO to execute a contract where the award is authorized in accordance with Section 36 of the *Procurement Policy* and is stamped "Approved as to Form and Authority" by Legal Services.

RECOMMENDATION

It is recommended that Halifax Regional Council:

- a) Award RFP #P17-023, Halifax Transit – Transit Vehicle CCTV Surveillance System Upgrade to the highest scoring proponent, Seon Design Inc, in the amount \$3,035,376 (net HST included) with funding from the Transit Security Account CMU00982, as outlined in the Financial Implications section of this report, and
- b) Direct the CAO to execute a contract with Seon Design Inc., with terms that are satisfactory to the CAO, subject to the contract being reviewed and approved as to “Form and Authority” by Legal Services.

BACKGROUND

The Government of Canada budget of March 22nd, 2016 specified a nationwide fiscal stimulus with a significant portion earmarked for public transit related projects, that was to be rolled out over the following two years. In Nova Scotia, \$32.2 million was available in the Public Transit Infrastructure Fund (PTIF). On June 21st, 2016 (Item 14.1.13) Regional Council approved a list of 16 proposed transit projects for consideration for shared funding under the PTIF, which was formally ratified by the Government of Canada and the Province of Nova Scotia on August 16th, 2016. On that list was the Transit Security Upgrades project that had approval for \$3.9 million.

In 2008 Metro Transit installed a mobile surveillance package, in the form of onboard CCTV cameras and Digital Video Recorders (DVR) throughout the fleet to provide a suitable deterrence against illegal or improper behavior onboard the buses (such as vandalism, theft, assaults and other criminal offences). This would allow for expansion of the tools and processes to investigate incidents, injury or accident claims and general customer complaints. The system has proven to be a big success in deterring criminal or anti-social behavior, provide increased security and safety for transit employees and patrons and aid in the provision of good customer service. Now, at nearly 10 years old, the system is starting to experience issues with maintenance and obsolescence.

With the advancement of technology for mobile surveillance systems over the last decade, a review was conducted to determine how best to expand the existing surveillance package, whilst seeking to fully utilize the technology that is already in use within the Municipality. With the assistance of the PTIF funding it was decided to issue a RFP to upgrade the existing package to a hybrid solution that leveraged some of the current onboard cameras and the installation of two externally mounted cameras on each side of the vehicle for increased coverage for accident investigation, and with new recording technology and system health monitoring. Existing forward facing cameras will be replaced with high definition cameras, and the existing DVR's will be replaced to enable future camera upgrades/replacements as individual components exceed their end of life.

The highest scoring vendor's technical solution will enable Halifax Transit to utilize the existing wireless infrastructure, currently in place and used for the AVL (automatic vehicle location) system, to wirelessly upload the system status of each DVR as well as video footage for any automatically flagged event (such as vehicle collision). The video can be reviewed and downloaded using improved software and will be able to be accessed remotely. The increased forensic analysis tools allow for geo-fenced search parameters that will automatically upload video footage based on date / time / location searches, which will save many staff hours and lead to a much more efficient system management. The real-time monitoring of the system health status will ensure any malfunctions or failures are swiftly identified and rectified without delay, preventing incidents where video footage is not available due to a previously unknown system failure. Furthermore, the new technology would enable the use of live streaming of onboard footage under certain authorized conditions, that would provide for improved situational awareness during inclement weather or security related incidents.

DISCUSSION

A Request for Proposal (RFP) 17-023 was publicly advertised on the Province of Nova Scotia's Procurement website on January 27th, 2017 and closed on March 10th, 2017. Proposals were received from the following companies:

- 247 Security Inc;
- Apollo Video Technology;
- Chubb Edwards (UTC Fire & Security Canada Inc);
- Gatekeeper Systems Inc;
- Plan Group Inc;
- Safety Vision LLC;
- Seon Design Inc; and
- Stanley Convergent Security Solutions Inc.

A team consisting of staff from Halifax Transit and a security consultant representing HRM Corporate Security, facilitated by Procurement, evaluated the written proposals, followed by a technical demonstration / presentation by the bidders. Based on the criteria listed in Appendix A – Evaluation Criteria. The RFP was scored using a two-envelope process. Envelope one (1) was the technical component of the RFP (Communication Skills; Team composition and experience; Understanding of HRM needs; Technical Solutions, and Project Management Methodology). Envelope two (2) was the financial component of the RFP. All bidders were scored by the evaluation committee and those achieving 75% or more for the technical proposals then advanced to the cost proposal evaluation, and their cost proposal submissions were then opened and evaluated. Those advancing to this stage had their scores for costing added to their scores for the technical proposals, and the results were as follows:

<u>Proponent</u>	<u>Score (Max 100)</u>
Apollo Video Technology	74.76
Seon Design Inc	85.74
Stanley Convergent Security Solutions Inc	82.92

Seon (Seon Design Inc) received the highest score of the two (2) proponents based on the criteria in Appendix A.

Per the conditions of the RFP, with assistance from Legal Services, staff entered negotiations with Seon Design Inc facilitated by Procurement to achieve a mutually agreeable contract for the goods and services. These negotiations are substantially complete. During the negotiation of the contract and the development of the statement of work the capital cost was reduced from the evaluated cost of \$3,231,901.05 including net HST to \$3,035,376 including net HST.

There are 379 DVRs being removed and replaced as a part of the project. These will be declared surplus and disposed of per Administrative Order 2016-005-ADM, the *Procurement Policy*.

FINANCIAL IMPLICATIONS

The highest scoring proponent's cost for the core solution and future functionality is \$2,910,626 plus net HST of \$124,750, for a total of \$3,035,376. Funding is available in the approved Capital Budget from No. CMU00982, that was originally budgeted for a total project cost of \$3,900,000 with the approved advanced funding requests being comprised of \$1,950,000 from CMU00982 and \$1,950,000 from Government of Canada PTIF funding. The budget availability has been confirmed by Finance.

Budget Summary:	<u>Project Account No. CMU00982</u>	
	Cumulative Unspent Budget	\$ 4,230,493
	Less: Tender No. P17-023	\$ 3,035,376
	Balance	\$ 1,195,117

The resulting contract will result in an Operating Cost of \$30,320 per year renewable annually for software license fees. This cost will be included in the proposed Halifax Transit Operating Budget for the appropriate fiscal year.

RISK CONSIDERATION

There are no significant risks associated with the recommendations in this Report. The risks considered rate: **Low**.

To reach this conclusion, consideration was given to operational and financial risks.

Operationally:

- Conditions were included in the RFP that ensured that the installation works were to be undertaken simultaneously at both Transit Centres to minimize any disruption to service operations;
- Maximum of 2 vehicles per garage would be withdrawn from service per day to ensure no impact to Transit service delivery;
- Site surveys of existing infrastructure have already been conducted to ensure suitable coverage of the existing wifi coverage; and
- Retention and utilization of existing camera hardware currently installed to reduce installation works and downtime for the installation and keep costs to a minimum.

Financially, risk has been mitigated through:

- The detailed requirements in the RFP, which minimize the opportunity for high cost Change Orders;
- Stringent contract negotiations; and
- Option for Seon to buy back the existing DVR's that are going to be replaced that will further reduce costs.

ENVIRONMENTAL IMPLICATIONS

No environmental risks identified as the decommissioned hardware will be recycled by the manufacturer or possibly even deployed for use by other HRM business units.

ALTERNATIVES

Council could choose not to award this RFP. The current Halifax Transit mobile surveillance package in use by the fleet is approaching the end of its service life and will require replacing at some point in the future. The OEM has discontinued the support and replacement parts for over 60% of the on-board DVR's and the newest models will be discontinued.

If Council chooses not to award this RFP, it will postpone delivery of new functionality, and associated benefits, including:

- More efficient and effective business processes;
- More cost-effective system management;
- Increased flexibility and reduced cost for system maintenance;
- Business processes that reflect modern best practices;
- More informed decision making;
- Greater situational awareness for improved service delivery
- Improved employee productivity and proficiency;
- Increased transparency of operational decision making;
- Reduction of accident claims against the HRM with improved video evidence; and
- Improved forensic investigative analysis.

ATTACHMENTS

Attachment A – Halifax Transit – Transit Vehicle CCTV Surveillance System Upgrade Evaluation Criteria

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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Appendix A – Evaluation Score Sheet

Criteria	Summary (considerations may include but are not limited to the following)	Max Score	Stanley	Seon	Apollo
Communication Skills	Clarity and readability of written proposal	5	3.58	3.83	3.33
Team composition and experience	Sector Specific Experience Subcontractors proposed, balance of effort Balance level of effort	10	8.25	8.42	7.83
Understanding of HRM needs	Understanding of the requirements of the scope of work Value added propositions and recommendations Attention to relevant challenges	15	8.42	11.42	10.50
Technical Solution	Solution addresses all anticipated 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 in its use of the Municipality's resources Training plan and documentation, as built drawings	30	25.00	24.67	24.33
Project Management Methodology	Management structure within Proponents organization/project team Understanding of risks, proposed plan to mitigate	10	7.67	8.33	7.83

	Acceptable project schedule and work plan with minimal impact on Transit Operations Proposed communications methods between proponent team and the Municipality, reporting cycle Quality Assurance standards and practices Testing and Change Management				
Subtotal (Business Proposal)		70	52.92	56.67	53.83
Cost Score			30.00	29.07	20.93
Total Score			82.92	85.74	74.76
Evaluated Cost			\$3,201,730	\$3,231,901	\$4,043,786