

6

PROCUREMENT OF WEIGH SCALE SOFTWARE FOR YORK REGION WASTE MANAGEMENT FACILITIES

The Environmental Services Committee recommends the adoption of the recommendations contained in the following report dated April 26, 2011 from the Commissioner of Environmental Services.

1. RECOMMENDATIONS

It is recommended that:

1. The Region enter into a purchase agreement with Paradigm Software for a fully integrated Weigh Scale Software solution for all York Region Waste Management Facilities. The agreement includes software implementation, staff training and a five year software support and maintenance term for a total of \$405,735.52 excluding HST.
2. The Commissioner of Environmental Services be authorized to execute the necessary agreement.

2. PURPOSE

This report seeks Council authorization to enter into a purchase agreement with Paradigm Software to supply, deliver and implement a fully integrated Weigh Scale Software solution for all York Region Waste Management Facilities. The agreement will include testing of the software, training for staff, and a five year maintenance and support agreement.

3. BACKGROUND

Reporting data is critical to measuring success in achieving long term goals and diversion targets

York Region is committed to ongoing monitoring, assessment and communication of policy and program data to identify opportunities for continuous improvement. To ensure the Region is on-track to meeting current program targets and prepared for future program changes, including those contemplated in the upcoming Integrated Waste Management Master Plan, it is imperative program data is available, accurate and easily accessible on a consistent and reliable basis.

York Region Waste Management Facilities currently use different software packages for weigh scale and point of sale functions

Up to July 31, 2010, Geoware software was used as the weigh scale software at the Region's Waste Management Centre and the Georgina Transfer Station. It was also in place to control the Region's transactions at Miller's Earl Turcott Transfer Station in Markham. Geoware did not meet the Region's specific operational and reporting needs as staff were required to work around limitations and issues with the software to reconcile tonnages, sales, etc. As previously reported through Audit Committee in September 2008, the software failed to provide adequate reporting, exporting and data manipulation capabilities. Further, vendor support for the software was inadequate, resulting in unnecessary data handling work for Regional staff.

Staff initiated a process to procure a new integrated Weigh Scale Software for all York Region Waste Management Facilities

Staff worked with Information Technology support staff to issue a Request for Proposal that closed on March 4, 2010, to procure an integrated software solution to service all Waste Management facilities. The Request for Proposal included stringent functional requirements for an off-the-shelf software package. Unfortunately all three proponents who submitted proposals did not meet the minimum technical requirements.

As the Region's contract with Geoware was set to expire on July 31, 2010, attempts were made to extend the contract to provide additional time to issue a revised Request for Proposal and select a suitable alternative. Geoware refused this request. Consequently, an interim software solution was required to replace Geoware immediately. Staff followed up with Information Systems Inc. from Baltimore, MD, USA, in an effort to provide an interim software solution that appeared to meet the Region's needs. The Information System Inc. Weigh Master software was an inexpensive alternative that could be implemented before the Geoware contract expired in the summer of 2010. Unfortunately, it became apparent that the Weigh Master software was unstable in our operating environment and significant effort was required to troubleshoot reoccurring software problems at the Georgina Transfer Station and the Waste Management Centre. As a result, the scheduled introduction of this software to the remaining Waste facilities was halted in October 2010.

From July 2010 until present day, staff have been operating with the limitations of WeighMaster system at the Waste Management Centre and Georgina Waste Transfer Station and continue to operate with a very basic system at the McCleary Court Community Environmental Centre. With the loss of Geoware at Miller Waste's Earl Turcott transfer station, all of the Region's transactions are now being recorded using Miller Ware. This system is owned by Miller Waste and the Region has viewing rights only. In order to maintain contract oversight, Waste Management staff reconcile the invoices from Miller Waste with invoices received from destination sites such as

Dongara, York Region's Waste Management Centre, Orgaworld and Universal Resource Recovery Inc.

4. ANALYSIS AND OPTIONS

Staff reinitiated a formal process to secure an integrated software solution for all York Region Waste Management Facilities

Due to the limitations and inconsistent operating capabilities of the WeighMaster System, staff issued a Request for Proposals that closed on December 23, 2010 to procure an integrated software solution for all York Region Waste Management facilities. This time, the Request for Proposal functional requirements were more flexible while still requesting an off-the-shelf solution. The Request for Proposal evaluation terms and functional requirements were designed to ensure that proponents were given an opportunity to demonstrate their software's ability to actually perform the required functions.

Proposals were evaluated using the two-envelope system with technical and financial information submitted in separate envelopes. As part of the technical evaluation, proponents were also required to conduct an oral presentation that demonstrated the functions and features of their software. Three proponents submitted proposals and presented demonstrations to an evaluation committee. The evaluation committee was made up of individuals with information technology and waste management expertise and a representative from Supplies and Services.

Table 1 summarizes results of the evaluation process. Proponents were required to achieve a minimum technical score of 60% (48 points) out of a possible 80 points in order to have their financial proposal considered.

Table 1
Request for Proposal Evaluation Scores

Name of Company	Technical Proposal (50pts)	Presentation (30pts)	Total for Technical (80pts)	Total Price (20pts)	Evaluation Outcome
Paradigm Software, L.L.C	45.5	23.9	69.4	\$405,735.52	Rejected
Mayer Information Technology	26.3	15.2	41.5		Failed Technical
DM & T Services Ltd.	14.3	15.1	29.4		Failed Technical

Two of the three proponents did not pass technical evaluation. Paradigm Software was the only proponent that passed the technical evaluation. Paradigm Software staff were able to demonstrate the software's robust capabilities to meet all functional requirements and presented a substantial resume that included successful implementation for clients such as the City of Toronto, City of Hamilton, City of Thunder Bay, and other large cities located in the United States with similar waste management systems. Miller Waste has also recently purchased Paradigm Software for all of their facilities.

Paradigm Software's financial submission was opened once the technical evaluation was completed. Supplies and Services noticed an irregularity with the financial submission and called upon the Bid Review Committee for evaluation. The Bid Review Committee consisted of representatives from Supplies and Services, Environmental Services and Legal Services. Paradigm Software included system implementation, support and escrow agreements in their financial submission listing terms with conditions that were inconsistent with the Region's requirements as provided in the Request for Proposal document. The most significant variance was found in the indemnification provisions. Paradigm Software's indemnification provisions were more restrictive than the Region's RFP in that the type of damages that could be recovered by the Region was limited.

The Bid Review Committee recognized that this was the second Request for Proposal that the Region had conducted with respect to acquiring an integrated software solution and only this proponent had satisfied the Region's technical requirements. It was therefore recommended that Supplies and Services schedule a meeting to determine if an agreement could be reached with the proponent based on the sole source provisions of the Region's Purchasing By-law.

Staff rejected bid and began to discuss possible purchase of Paradigm Software's proposed weigh scale software package

On February 22, 2011 staff contacted Paradigm Software and initiated a discussion on the rejected bid and the possibility of purchasing the weigh scale software package with new terms and conditions, deemed beneficial to the Region. It was agreed that Paradigm's proposal and financial submission would not be re-negotiated, recognizing that these submissions were a result of the formal competitive bidding process. It was also agreed that Paradigm Software's system implementation, support and escrow agreements that were included with the financial submission, would not be accepted. Alternatively, it was proposed that staff would work with Legal Services to develop new terms and conditions, including strengthened indemnification provisions acceptable to the Region. On March 11, 2011 staff initiated discussion with Paradigm Software on key elements of a new agreement. In summary, the new agreement includes terms and conditions agreed to by York Region and Paradigm Software.

Staff recommend award of purchase to Paradigm Software

Staff are recommending the purchase of the Paradigm Software package recognizing that staff utilized the formal Request for Proposal bidding process twice with Paradigm being the only proponent compatible with the Region's current system. Supplies and Services support this approach. Throughout the Request for Proposal processes, it was determined that the Paradigm Software is the only software product found that meets the Region's technical requirements and can be easily integrated into all of the Region's Waste Management facilities. This was demonstrated at the oral presentation given to the evaluation committee on February 2, 2011. Paradigm Software was able to demonstrate that their software met all minimum technical requirements and included several features such as the ability to audit facility operations, conduct necessary point of sale functions as well as provide the necessary reporting functions that are flexible and compatible with Waste Management business requirements.

5. FINANCIAL IMPLICATIONS

The total cost of the Paradigm Software package is summarized in Table 2. The purchase price represents value for money considering the significance of the software's functions and features. For example, in the current year weigh scale software will be used to verify payments to contractors in excess of \$20 million and track approximately \$7.5 million of blue box revenue. These payments and revenues are directly associated with over 300,000 tonnes of material that transfers through the Region's waste management facilities on an annual basis.

Funding for this project is included in the approved 2011 Capital budget. Maintenance costs for 2012 to 2015 will be budgeted annually in Environmental Services operating budget as will support and maintenance costs that extend beyond the initial five year term.

Table 2
Paradigm Software Financial Proposal Details

Paradigm Proposed Components	Costs (\$)
Software implementation and staff training	261,643.02
Five Year Software Support and Maintenance Agreement (licensing agreement)	144,092.50
Total	405,735.52

6. LOCAL MUNICIPAL IMPACT

Data collected from the weigh scales and point of sale systems at the Region's Waste Management facilities is used to report on waste management programs, initiatives and operations. Reporting from these facilities help local municipalities determine diversion rates, guide program decision-making, and measure the success of new initiatives. The local municipalities also depend on the accuracy of the Region's weigh scale software at the Georgina Transfer Station, the Waste Management Centre and Miller Waste's Earl Turcott waste transfer station to reconcile invoices received by local municipal collection contractors with the Region's weigh scale tickets. The Paradigm Software package offers a robust data management solution that will enhance reporting capabilities, in turn helping the local municipalities enhance their programs and initiatives.

7. CONCLUSION

York Region is committed to ongoing monitoring, assessment and communication of policy and program data. In order to meet current program targets and implement program changes, including those contemplated in the upcoming Integrated Waste Management Master Plan, it is imperative that tonnage data is readily available, accurate, easily accessible and can be prepared on a consistent and reliable basis to guide decision making. The integrated software solution offered by Paradigm Software is necessary to provide accurate and reliable data used to measure performance and program success.

Staff have used the formal purchasing process twice in an effort to obtain appropriate software capable of meeting functional requirements of an integrated system for all Waste Management facilities. The second Request for Proposal identified Paradigm Software as a company able to provide a comprehensive software package capable of meeting requirements but rejected due to submission irregularities. Based on results of two competitive procurement processes, Regional staff have concluded that Paradigm Software is the only company with the ability to provide a compatible system to ensure accurate and reliable data collection, tracking and reporting. Going forward, it is recommended that Council authorize the sole source purchase of Paradigm Software and a five year support agreement.

For more information on this report, please contact Laura McDowell, Director, Environmental Promotion and Protection at (905) 830-4444 Ext. 5077.

The Senior Management Group has reviewed this report.