

TO: CITY MANAGER **DATE:** June 16, 2005

FROM: DIRECTOR FINANCE

SUBJECT: PURCHASE OF TRAFFIC SIGNAL CONTROLLERS AND RELATED EQUIPMENT

PURPOSE: To obtain approval to issue a standing order for the purchase of traffic signal controllers and related equipment.

RECOMMENDATION:

1. **THAT** a standing order be issued to Econolite Canada Inc. for the purchase of traffic signal controllers and related equipment as and when required for a 12 month period, for a total estimated cost of \$600,000 with final payment based on actual quantities and quoted unit prices.

REPORT

It has been determined that the optimal life of the City's traffic controllers is 12 to 14 years. Replacement of equipment on this schedule will minimize maintenance costs and improve equipment reliability, and will serve to keep the equipment in step with developing technology.

Given the City's inventory of traffic signal controllers, it is estimated that 14 cabinets should be replaced each year. In addition, there is need this year for an estimated six new controllers, for intersections to be signalized.

Based on the anticipated requirements and on a quotation received from Econolite Canada, a standing order valued at an estimated \$600,000 is recommended.

In 1996, when the City's previous supplier of traffic signal equipment began to falter, a review of the marketplace confirmed that Econolite Canada was an industry leader in terms of product development, product support, financial stability and competitiveness. It was then that the City embarked on a strategic business relationship with Econolite Canada Inc. for the supply, delivery and support of traffic signal controllers and related equipment.

Traffic control equipment from one manufacturer is, for the most part, not compatible with that of others. However, the benefits of standardization include: interchangeability of parts, flexibility in signal coordination, familiarity of Engineering staff and the maintenance contractor, and the financial advantage of volume purchases.

During our nine year relationship with Econolite, they have continued to make technological advances in their product and their software while, at the same time, maintaining compatibility with existing equipment. A review of our purchases over the past several years confirms that volume discounts as well as design improvements have served to reduce pricing; Econolite remains a competitive force in the traffic control equipment industry. The reliability of the

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equipment and the superior product support, together with staff and contractor familiarity with the systems, excellent local representation and competitive pricing combine to establish Econolite Canada as the ideal choice for this strategic business relationship.

Funding for the purchase of the equipment required for maintenance replacements is available under various Operating Budget accounts. Any new signalization will be funded under capital work orders generated prior to purchasing the equipment.



Rick Earle
DIRECTOR FINANCE

cc. Director Engineering