



**Request for City Council Committee Action
From the Departments of Public Works and Procurement**

Date: August 23, 2005
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barb Johnson, Chair Ways & Means Committee

Subject: Approval of Official Publication No. 6486 - Bids for Traffic Signal Communication Equipment

Recommendation:

Acceptance of the bid of Fortran Traffic Systems Limited in the amount of \$ 292,500.00 to furnish and deliver traffic signal communication equipment, as follows:

150 each	Fortran Traffic System Ltd. RCU2148 Units	ea	1950.00	292,500.00
----------	---	----	---------	------------

Vendor agrees that the quantities maybe increased up to 100% until September 1, 2007 at the established prices.

Terms are net 30 days with delivery 100 days after receipt of purchase order. F.O.B.: Destination.

Contingent on approval of the Civil Rights Department.

Prepared by: Gary Warnberg Director, Procurement

Approved by: Klara A. Fabry, P.E. City Engineer, Director of Public Works

Presenters: Jon Wertjes Director of Traffic and Parking Services

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
 (If checked, go directly to Background/Supporting Information)

- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain): Action is within Budget

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

Tabulation of one (1) bid received on Official Publication No. 6486 for Traffic Signal Communication Equipment is attached.

This is a specialized equipment that must be compatible with existing equipment. Please refer to the enclosed Staff Memo.

Attachments - Staff Recommendation
 Tabulation Sheet

cc: D. Hildebrand L. Mountjoy J. Wertjes R. Nubbe

TRAFFIC & PARKING SERVICES

DATE: August 4, 2005

TO: Connie L. Beck
Finance Department

FROM: Dallas Hildebrand
Traffic & Parking Services

SUBJECT: Communication Unit Purchase O.P. #6486

The Transportation Division is in need of purchasing additional Communication Units (CMU's) used in communicating and interfacing with individual intersections in our computerized traffic signal control system. The product bid is for communication hardware that has been designed and built by Fortran Traffic Systems, Ltd. of Toronto, Canada. It is a proprietary method of communication for which no one else can supply the hardware, and there is no other hardware in existence that can be substituted.

The CMU's in use in the city were custom designed for the City of Minneapolis in 1974, and today the City of Minneapolis and several Canadian cities are the only users of this proprietary communication technology. The components making up portions of this proprietary device were no longer available to be purchased because of changes in technology that occurred between 1994 and 1997 when the Transportation Division was in need of purchasing additional units because of system expansion and for replacement of units that had become non-functional. The City, in 1997, negotiated a contract (No. 12210) with FORTRAN Traffic Systems, Ltd. (the owner of the rights to the Minneapolis CMU design) to design, develop and provide a new communication unit based on current technology that was compatible with the in place operating system of over 725 communication units. The city purchased 150 units at that time at a cost of \$567,125, which included development costs of \$260,875 for engineering, design, and software. The quoted production price paid by the city at that time for the newly designed CMU was \$1,745 each. In 2002, 150 additional units were bid and purchased at \$1,630 each.

The price bid for the 150 units included in OP #6486 is \$1,950. We believe this is a reasonable price for a product for which no alternative exists considering the changes that have occurred in currency exchange rates since 2002. We therefore recommend that the bid provided by Fortran Traffic Systems Ltd. be accepted.

cc: J. Wertjes
D. Sobania

**Border
Avenue**

300 Border Av. N. Minneapolis, MN 55405
Phone 673-5750 Fax 370-3973

