



Office of the City Clerk



R2013-273

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City Council Document Tracking Sheet

Meeting Date: 3/13/2013

Sponsor(s): Burke, Edward M. (14)

Type: Resolution

Title: Call for hearing(s) on investigations regarding Redflex in connection with DARLEEP program

Committee(s) Assignment: Committee on Finance

RESOLUTION

WHEREAS, in 2003, the City of Chicago, through its Department of Procurement Services issued a Request for Proposals (RFP) to implement a pilot of what was to be known as the Digital Automated Red Light Enforcement Program (DARLEP); and

WHEREAS, the RFP specified that the first project phase would require the selected respondents to install one full service red light enforcement system at a designated intersection, the second phase would require the installation of 19 systems by the respondent selected after first phase, and indicated a possible third phase that could “include, but not be limited to, additional intersections...”; and

WHEREAS, a contract was awarded in January 2004 to Redflex Traffic Systems, Inc. (Redflex) for \$1,940,000, an amount needed to purchase 10 systems during the first year of the contract; and

WHEREAS, a December 2004 contract “modification” consisting of \$1,080,000 increased the City’s total commitment to Redflex to \$3,020,000 and, with a required purchase of 20 systems, it represented a 100% increase from the 10 systems that the original contract specified; and

WHEREAS, a second “modification” awarded in November 2005 added \$10,429,000 to the value of Redflex’s contracts with the City for a total City obligation of \$13,449,000, thereby committing the City to purchase 14 additional systems for a total of 34 systems; and

WHEREAS, a third “modification” was awarded in January 2007; increasing the Redflex contract price by \$23,500,000 for a total of \$36,949,000 and provided for the purchase of 100 additional systems; and

WHEREAS, the dramatic and material changes in the scope and value of the City’s contracts with Redflex without pause to employ the procedures required by laws and principles mandating free and open competitive procurement processes evidence a distinct appearance of impropriety; and

WHEREAS, at the time of the third and largest contract “modification” for this project – one that quite literally could touch upon ever corner of the City – Redflex requested a waiver of the City’s mandate requiring inclusion of Women and Minority-Owned Business Enterprises (WBE/MBEs) in the execution of City projects, claiming that full participation would be “impracticable”; and

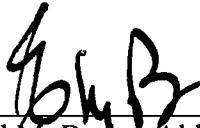
WHEREAS, it was not until after the third contract “modification” was awarded in January 2007 that the Department of Procurement Services agreed to re-open the vendor selection process for the DARLEEP program; and

WHEREAS, after issuing a Request for Proposals that garnered five respondents, the Department of Procurement Services again selected Redflex; and

WHEREAS, recent news reports have called into question the City's administration of the contract with Redflex and note that the City has launched an audit of the Redflex contracts to ensure that Chicago taxpayers have not been defrauded; and

WHEREAS, the circumstances surrounding Redflex's relationship with the City signal a divergence from the City's free and open competitive procurement process and its commitment to only doing business with responsible persons and entities; **NOW THEREFORE**

BE IT RESOLVED, that the corporate authorities of the City of Chicago do hereby request the Corporation Counsel, Chief Procurement Officer, the Commissioner of the Department of Transportation and the Executive Director of the Office of Emergency Management and Communications do appear before the Committee on Finance to testify as to any investigations into whether Redflex or City personnel may have violated any federal, state, or local laws in connection with the DARLEEP program.



Edward M. Burke, Alderman, 14th Ward