

NO: R245

COUNCIL DATE: November 29, 2010

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **November 25, 2010**

FROM: **General Manager, Engineering**

FILE: **3810-300/01**

SUBJECT: **Award of Contract No. 1220-40-57-10 -  
Procurement of LED Traffic Signal Displays**

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## RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract No. 1220-40-57-10 for the supply of replacement LED traffic signal displays to Interprovincial Traffic Services in the amount of \$213,000 (plus HST);
2. Authorize staff to exercise the option with Interprovincial Traffic Services for the supply of replacement LED displays for each of two additional years (2011 and 2012) at the same price per replacement display unit if such an extension is advantageous to the City from a price perspective at the anniversary date of the contract; and
3. Set the expenditure authorization limit for Contract No. 1220-40-57-10 at \$270,000 including HST and contingency for the first year of the Contract.

## BACKGROUND

The Traffic Operations signal maintenance program requires traffic signal LED display replacement. This replacement program is necessary as the traffic signal light emitting diode displays (LEDs) dim over time and need replacement. The project also includes the replacement of incandescent displays with LED displays at signal installations that are still using incandescent displays. The replacement program covered by the subject contract is for a one year period from late 2010 to late 2011 with an option to extend the contract for two additional years at the same unit price per display. The first year of the contract has an estimated value of \$213,000 plus HST, which will allow for the replacement of LED displays at 100 traffic signal locations. If at the end of the first and second years of the contract it is advantageous from a price perspective to continue the contract, staff will extend the contract for an additional year. In each case the value of the annual contract extension will have an estimated total value of \$270,000 including GST and a contingency. Over the three year term if the contract were to run for that length of time, LED displays would be installed at a total of approximately 325 traffic signal locations. There is some expectation that the price of LED displays may decrease over the coming months. If this occurs, staff will issue a new RFQ at the end of the first year of the subject contract.

## DISCUSSION

The City issued a “Request for Quotations” (RFQ) for the purchase of retrofit LED display modules. The RFQ quantities were based on replacing LEDs at approximately 100 traffic signal locations throughout the City.

### Results of RFQ

In response to the RFQ, the City received eight quotations from seven different suppliers; however, four of the quotations did not meet all of the specifications identified in the RFQ. Specifically, not all of the goods included in these quotations were certified through the Intertek-ETL Traffic Signal Modules Certification Program, which is required to guarantee conformance with the Institute of Transportation Engineers (ITE) specifications for vehicle and pedestrian LED displays. Such certification is considered necessary for insurance reasons.

The results of the remaining quotations are summarized below.

#### RFQ Results Related to Fully Compliant Quotes

Supplier	Total Unit Price Year 1 (excl. taxes)
Interprovincial Traffic Services (Surrey, BC)	\$213,010.00
Electromega Ltd. (Surrey, BC)	\$247,323.80
S & A Supplies Inc. (Langley, BC)	\$362,022.94
Econolite Canada Inc. #1 (Richmond BC)	\$470,266.05

## QUOTATION EVALUATION

As noted in the RFQ document, the evaluation of the quotations was based not only on price but also on the following factors:

- Electrical Operating Costs (based on typical wattage @ 25 degrees Celsius as noted for each device over a projected lifespan of 9 years);
- Delivery schedule; and
- Contractor’s experience in delivering goods locally.

Interprovincial Traffic Services supplied all of the LED displays to Surrey as part of the 2002/2003 BC Hydro PowerSmart Program during which many of the traffic signals in Surrey were converted to LED displays. The traffic signal LED products that they supplied at that time, manufactured by Dialight Corporation, were of good quality. In relation to the current RFQ, Interprovincial Traffic Services quoted the lowest price, demonstrated that its product had the lowest operating costs in comparison to the products that would be supplied under the alternative quotations and has provided good service to the City in the performance of previous contracts.

On this basis, Engineering recommends that Interprovincial Traffic Services be awarded Contract No. No.1220-40-57-10 that includes, at the City’s option, two one-year extensions to the contract at the same unit price per display unit.

## FUNDING

Funding for the first year of the contract is available in the 2010 annual budget. Funding for years two and three of the Contract, if the City chooses to exercise its options with respect to these subsequent years, will be available in the 2011 and 2012 annual budgets.

## SUSTAINABILITY CONSIDERATIONS

The LED display replacement program supports the City's sustainability objectives by reducing power consumption, ensuring public safety and maintaining the City's infrastructure. The proposed program supports the following Sustainability Charter Scope actions:

- EC3: Sustainable Infrastructure Maintenance and Replacement
- EN1: Energy Efficiency
- EN8: Sustainable Engineering Standards and Practice

## CONCLUSION

Based on the above discussion, it is recommended that Council:

- Award Contract No. 1220-40-57-10 for the supply of replacement LED traffic signal displays to Interprovincial Traffic Services in the amount of \$213,000 (plus HST);
- Authorize staff to exercise the option with Interprovincial Traffic Services for the supply of replacement LED displays for each of two additional years (2011 and 2012) at the same price per replacement display unit if such an extension is advantageous to the City from a price perspective at the anniversary date of the contract; and
- Set the expenditure authorization limit for Contract No. 1220-40-57-10 at \$270,000 including HST and contingency for the first year of the Contract.

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VL/JB/SP/brb