

NO: **R246**

COUNCIL DATE: **December 10, 2012**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **December 4, 2012**

FROM: **General Manager, Engineering**

FILE: **3807-001/11**

SUBJECT: **Extension of Contract No. M.S. 1220-20-03-07, Cobra Electric Ltd. Related to the Maintenance of Roadway Electrical Systems**

RECOMMENDATION

The Engineering Department recommends that Council:

1. Approve an extension to Contract M.S. 1220-20-03-07 with Cobra Electric Ltd. for the maintenance of roadway electrical systems including wire replacement as necessary on a month-to-month basis for up to a maximum of 6 months (ending no later than June 30, 2013) in the amount of \$592,000 per month (including HST); and
2. Set the expenditure authorization limit for Contract M.S. 1220-20-03-07 at \$650,000 per month, including HST, to allow for contingency.

BACKGROUND

Cobra Electric has held a contract with the City for the maintenance of roadway electrical systems for a 5-year term ending on July 31, 2012. At its Regular meeting on June 25, 2012, Council adopted the recommendations of Corporate Report No. R136; 2012 thereby authorizing an extension of the contract with Cobra Electric for a 5-month period ending on December 31, 2012. The purpose of the 5-month extension was to allow time for staff to complete the development of a wire theft mitigation strategy and then to proceed through a procurement process for purposes of entering into a new electrical maintenance contract that includes the measures that are contained within the wire theft mitigation strategy.

Staff has completed its review of wire theft mitigation measures and has concluded that to properly address street light wire theft, the City should replace the existing network of copper street light wire with non-recyclable aluminum alloy wire. With the magnitude of wire replacement that is necessary under this approach and the different terms that should be incorporated in such a contract, staff has decided that this work should be separated from the contract that covers the on-going roadway electrical systems maintenance work. A separate report on the wire replacement contract will be forwarded to Council in early 2013 complete with recommendations.

DISCUSSION

A Request for Proposal (RFP) was issued in November 2012, for the maintenance of roadway electrical systems and is scheduled to close on December 21, 2012.

To ensure competitive proposals and to maximize the opportunity for submissions from a variety of contractors, the RFP allows for a proposal to be submitted on any of the following:

- Option 1: Traffic signal maintenance and demand street light maintenance only; or
- Option 2: Street light preventative maintenance only; or
- Option 3: All electrical maintenance work, being Options 1 and 2 combined.

Based on the current state of the process, staff is recommending that Council approve an extension of up to 6 months of the current contract with Cobra Electric. This extension would be on a month-to-month basis with the duration dependent on the outcome of the RFP process.

Cobra Electric has agreed to such an extension and to maintain the current unit prices through the extension period. These prices are favourable in comparison to the rates that are contained in similar contracts in neighbouring jurisdictions. Cobra Electric has been performing the work related to the current contract in a satisfactory manner.

Staff will be forwarding a report to Council complete with recommendations in due course that addresses the outcome of the above-referenced RFP process in relation to the award of a new contract or contracts.

FUNDING

Funding for the subject contract extension is available in the 2013 Engineering Operating Budget that has been approved by the Finance Committee.

CONCLUSION

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

- Approve an extension to Contract M.S. 1220-20-03-07 with Cobra Electric Ltd. for the maintenance of roadway electrical systems including wire replacement as necessary on a month-to-month basis for up to a maximum of 6 months (ending no later than June 30, 2013) in the amount of \$592,000 per month (including HST); and
- Set the expenditure authorization limit for Contract M.S. 1220-20-03-07 at \$650,000 per month, including HST, to allow for contingency.

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