

NO: **R058**

COUNCIL DATE: **April 8, 2013**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **April 4, 2013**

FROM: **General Manager, Engineering**

FILE: **3807-001/11**

SUBJECT: **Award of Contract M.S. 1220-030-2012-056 for the Maintenance of Roadway Electrical Systems**

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract M.S. 1220-030-2012-056 to Cobra Electric Ltd. for the term from May 1, 2013 to December 31, 2015 related to the maintenance of roadway electrical systems; and
2. Set the expenditure authorization limit for Contract M.S. 1220-030-2012-056:
 - i) At \$4,600,000.00 (excluding applicable taxes) for the 8 months from May 1, 2013 to December 31, 2013;
 - ii) At \$6,050,000.00 (excluding applicable taxes) for the year from January 1, 2014 to December 31, 2014; and
 - iii) At \$5,200,000.00 (excluding applicable taxes) for the year from January 1, 2015 to December 31, 2015;

which amounts will provide a contingency to cover potential additional costs related to wire theft and infrastructure inventory increases.

SCOPE OF WORK

The work of Contract M.S. 1220-030-2012-056 relates to the ongoing maintenance of approximately 400 traffic control devices and 28,000 street lights within the City.

BACKGROUND

The City has received good value and service by contracting out the maintenance work associated with its traffic signal and street light inventory. The current contract expired in 2012 but was extended to provide time for staff to consult with the industry and to structure a Request for Proposals (RFP) that would maximize market interest in bidding on this work.

Documents in support of the RFP were developed and the RFP was advertised on the City's website and on the BC Bid website. Based on discussions and expressions of interest that were received from several companies in advance of the RFP staff expected that several proposals

would be received; however, only a single proposal was submitted to the City; that being from Cobra Electric Ltd.

Information about the Copper Wire Replacement Project

Staff has been working on a street light wire replacement project that is focused on replacing copper electrical wire with non-recyclable metal alloy wire as a means to deter theft of wire. Such theft has been costing the City between \$2 million to \$3 million annually for the last few years.

Staff is currently refining documents for an RFP process with a view to retaining a qualified entity to undertake full scale wire replacement across the City. With a view to building background information in support of the very significant overall project, four smaller pilot replacement projects are being planned. The information gathered and lessons learned from these pilots will assist in formulating a robust strategy for the full scale project. Staff is also negotiating a bulk wire purchase with manufacturers with a view to further reducing the City's costs associated with the full replacement project.

A separate report will be provided to Council in due course with more information and related recommendations regarding this copper wire replacement project.

DISCUSSION

Based on the result of the RFP process, it appears that the roadway electrical maintenance industry in the Greater Vancouver region is very contained. When they were initially contacted by staff, several local companies specializing in roadway electrical construction expressed an interest but apparently decided not to bid on the contract due to the specialized resources and equipment needed to fulfill the terms of the contract. Three electrical maintenance contractors from outside of the Region had also advised staff of their interest in the contract but ultimately none of these other contractors submitted a proposal.

Evaluation of Proposal

The proposal from Cobra Electric Ltd. was assessed in accordance with the Evaluation Criteria specified in the RFP documents. The proposal was found to be fully compliant with the scope of services as identified in the RFP and the proponent was assessed as having the necessary experience and resources to carry out the work as specified in the RFP.

Staff further established that:

- The hourly labour rates as proposed are comparable to rates being paid under previous electrical maintenance contracts, and remain the lowest in the Region for electrical infrastructure maintenance;
- The material costs as proposed are lower than similar costs contained in previous electrical maintenance contracts; and
- Since Cobra Electric has satisfactorily serviced the City's electrical infrastructure for the past 27 years, it is very familiar with the infrastructure servicing requirements/obligations of the contract.

Expenditure Authorization

The expenditure authority as recommended, in addition to covering the costs of on-going regular maintenance of the current inventory, will address:

- Wife theft; and
- Infrastructure inventory increases.

FUNDING

Funding for the subject contract is available in the approved 2013 Engineering Operating Budget.

CONCLUSION

Based on the above discussion it is recommended that Council:

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Vincent Lalonde, P.Eng.
General Manager, Engineering

VL/JB/SP/brb