

NO: R244

COUNCIL DATE: December 14, 2015

REGULAR COUNCIL

TO: Mayor & Council **DATE: December 10, 2015**

FROM: General Manager, Engineering **FILE: 3807-001/11**

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

RECOMMENDATION

The Engineering Department recommends that Council:

1. Approve the extension of Contract M.S. 1220-030-2012-056 with Cobra Electric Ltd. for the maintenance of roadway electrical systems from January 1, 2016 to December 31, 2016 in the amount of \$4,447,870.52 (including applicable taxes); and
2. Set the expenditure authorization limit for Contract M.S. 1220-030-2012-056 at \$4,900,000.00 (including applicable taxes).

BACKGROUND

Contract M.S. 1220-030-2012-056 is for the ongoing maintenance of over 400 electrical traffic control devices and approximately 28,000 street lights across the City. On April 8, 2013, Council approved award of Contract M.S. 1220 030 2012-056 to Cobra Electric Ltd. as part of a Request for Proposal process, with fixed contract rates over a 32 month term. Contract M.S. 1220 030 2012 056 allows for an extension of up to 24 additional months. The extension referenced in this report represents the first 12 months beyond the original 32 month contract term.

DISCUSSION

Cobra Electric has satisfactorily serviced the City's electrical infrastructure for the past 30 years, and is very familiar with the infrastructure servicing requirements/obligations of the contract. Cobra Electric has agreed to extend the terms and conditions of Contract M.S. 1220-030-2012-056 at current contract rates for an additional 12 months.

Increases in Electrical Systems Inventory

The existing Contract M.S. 1220-030-2012-056 includes units that reflect the City's inventory of electrical traffic control devices and street lights as of April 2013. Since April 2013, the inventory of electrical traffic control devices and street lights has increased by 12%. The 12% increase in inventory requires maintenance and represents a required budget increase to the existing Contract M.S. 1220-030-2012-056 of \$386,380.90 (including applicable taxes) which is reflected in the contract award amount.

Evaluation of the Extension

Staff have reviewed the terms of the contract extension and are satisfied that it represents good value to the City. As such, it is recommended that Contract M.S. 1220-030-2012-056 be extended for an additional 12 months from January 1, 2016 to December 31, 2016. The City will retain the future option to extend the contract for an additional 12 month period (year 2017).

FUNDING

Funding for the Contract extension is available in the 2016 Engineering Operating Budget.

CONCLUSION

Cobra Electric Ltd.'s performance has been very satisfactory. Staff have reviewed the terms of the contract extension and are satisfied that they represent good value to the City.

Based on the above discussion, the Engineering Department recommends that Council:

- Approve the extension of Contract M.S. 1220-030-2012-056 with Cobra Electric Ltd. for the maintenance of roadway electrical systems from January 1, 2016 to December 31, 2016 in the amount of \$4,447,870.52 (including applicable taxes); and
- Set the expenditure authorization limit for Contract M.S. 1220-030-2012-056 at \$4,900,000.00 (including applicable taxes).

Fraser Smith, P.Eng., MBA
General Manager, Engineering

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