

NO: **R265**

COUNCIL DATE: **December 19, 2016**

---

## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **December 14, 2016**

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, 2017 to December 31, 2017 in the amount of \$4,494,768.36 (including applicable taxes);
2. Set the expenditure authorization limit for Contract M.S. 1220-030-2012-056 at \$4,900,000.00 (including applicable taxes); and
3. Authorize the General Manager, Engineering to execute Contract M.S. 1220-030-2012-056.

## 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 second and final 12-month extension term beyond the original 32 month contract.

## 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 October 2015. Since October 2015, the inventory of electrical traffic control devices and street lights has increased by 1%. The increase in inventory requires additional maintenance, and represents a required budget increase to the existing Contract M.S. 1220-030-2012-056 of \$46,897.84 (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, 2017 to December 31, 2017. Staff will be starting the competitive bid process in the spring of 2017 for a new electrical maintenance contract which will take effect on January 1, 2018.

## **FUNDING**

Funding for the Contract extension is available in the 2017 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, 2017 to December 31, 2017 in the amount of \$4,494,768.36 (including applicable taxes);
- Set the expenditure authorization limit for Contract M.S. 1220-030-2012-056 at \$4,900,000.00 (including applicable taxes); and
- Authorize the General Manager, Engineering to execute Contract M.S. 1220-030-2012-056.

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

AA/clr