

NO: R125

COUNCIL DATE: July 27, 2020

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 23, 2020**

FROM: **General Manager, Engineering**

FILE: **3807-001/11**

SUBJECT: **Extension of Contract No. 1220-030-2017-037
Maintenance of Roadway Electrical Systems**

RECOMMENDATION

The Engineering Department recommends that Council:

1. Exercise the option to extend Contract No. 1220-030-2017-037 with Cobra Electric Ltd. for one year (January 1, 2021 to December 31, 2021) for the maintenance of roadway electrical systems;
2. Approve the option to extend Contract No. 1220-030-2017-037 for two additional one-year terms, at the City's discretion, for the maintenance of roadway electrical systems;
3. Set the annual expenditure authorization for Contract No. 1220-030-2017-037 as follows:
 - i. At \$3,350,000.00 (including applicable taxes and contingency) for the term from January 1, 2021 to December 31, 2021;
 - ii. At \$3,450,000.00 (including applicable taxes and contingency) for the term from January 1, 2022 to December 31, 2022; and
 - iii. At \$3,550,000.00 (including applicable taxes and contingency) for the term from January 1, 2023 to December 31, 2023.

These expenditure authorization limits provide a contingency for annual infrastructure maintenance cost increase for Contract No. 1220-030-2017-037.

4. Authorize the General Manager, Engineering to execute the one-year 2021 extension of Contract No. 1220-030-2017-037 and the two optional one-year extensions related to Contract No. 1220-030-2017-037 within the approved annual expenditure authorization limits.

INTENT

The intent of this report is to seek Council's approval to exercise the City's option to extend Contract No. 1220-030-2017-037 (the "Contract") to Cobra Electric Ltd. (the "Contractor") for the maintenance of the City's roadway electrical systems. Staff will consider further one-year extensions to a maximum of two additional years for 2022 and 2023, subject to satisfactory performance of the contractor and any other relevant considerations.

BACKGROUND

The Contract is for the ongoing maintenance of over 500 roadway electrical traffic control devices, approximately 31,000 streetlights, and Intelligent Transportation Systems across the City. On October 23, 2017, Council approved Corporate Report No. R206; 2017 (attached as Appendix "1") for the original three-year term from January 1, 2018 to December 31, 2020.

DISCUSSION

In 2017, through a public competitive procurement process, the City solicited proposals for a three-year maintenance services contract (2018, 2019 and 2020), with options for three one-year term extensions (2021, 2022 and 2023).

The provisions of the Contract grant the City the unilateral right to extend the term at the current labour hourly rates by providing notification the Contractor at least 90 days prior to the end of the current term which ends December 31, 2020.

It is important to note that the scope of the roadway electrical maintenance contract has been modified for 2021 and subsequent terms to temporarily manage within the financial constraints resulting from temporary reductions in operational funding from TransLink.

TransLink provides funding to municipalities for operation, maintenance, and pavement rehabilitation ("OMR") of the Major Road Network ("MRN") to ensure they are maintained in an adequate state of good repair. The City receives approximately \$12.7 million in OMR funding, which is based on the length of MRN roads in each municipality. In 2020, TransLink has issued the first \$1,854,000 funding payment; however, TransLink independently has chosen to defer the remaining 2020 payments to municipalities due to financial impacts of the COVID-19 pandemic.

As such, at this time the City and the Contractor have negotiated a revised scope of work, while ensuring public safety, to align with the reduction in funding to the City. The Contract language and terms permits flexibility in amending the scope of work to the City's standard levels of service once TransLink's OMR funding payments are re-conveyed to the City.

EVALUATION

Staff have evaluated the Contract extension and are satisfied that it represents good value to the City. The Contractor has provided roadway electrical systems maintenance services for the City since 1985 and is very familiar with the infrastructure servicing requirements and obligations of the Contract. The Contractor's past performance has been satisfactory. They have been cooperative in making the adjustments in 2020 to accommodate the funding shortfalls as a result of TransLink. These adjustments have enabled the Contractor to seamlessly fulfill their base contractual obligations and maintain a safe level of service.

As such, it is recommended that the option to extend the Contract for one year from January 1, 2021 to December 31, 2021 be exercised, with the option to extend for two additional one-year terms at the City's discretion.

SUSTAINABILITY CONSIDERATIONS

The work of this Contract supports the objectives of the City's Sustainability Charter 2.0. In particular, the services that will be performed under this Contract relate to the Sustainability Charter 2.0 themes of Infrastructure, and Built Environment and Neighbourhoods. Specifically, this Contract supports the following Desired Outcome ("DO") and Strategic Directions ("SD"):

- All Infrastructure DO1: City facilities and infrastructure systems are well managed, adaptable and long lasting, and are effectively integrated into regional systems;
- All Infrastructure DO2: Infrastructure systems provide safe, reliable and affordable services;
- All Infrastructure SD1: Proactively manage community assets to maintain them over the long-term in a state of good repair; and
- Transportation Safety SD8: Ensure all public infrastructure is built and maintained to ensure community safety and well-being for all ages and abilities.

FUNDING

Funding for the Contract extension will be available in the proposed 2021 Transportation Operating Budget and included in the 2022/2023 Transportation Operating financial forecasts.

Scott Neuman, P.Eng.
General Manager, Engineering

GDC/cc

Appendix "I" – Corporate Report No. R206; 2017

CORPORATE REPORT

NO: **R206**

COUNCIL DATE: **October 23, 2017**

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **October 13, 2017**
FROM: **General Manager, Engineering** FILE: **3807-001/12**
SUBJECT: **Award of Contract M.S. 1220-030-2017-037 for the Maintenance of Roadway
Electrical Systems**

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract M.S. 1220-030-2017-037 to Cobra Electric Ltd. related to the maintenance of roadway electrical systems for a three-year term from January 1, 2018 to December 31, 2020 (the "Term") in the amount of \$11,165,420.79, including GST;
2. Set the expenditure authorization limit for Contract M.S. 1220-030-2017-037 as follows:
 - i) At \$4,100,000.00 (including applicable taxes) for the year from January 1, 2018 to December 31, 2018;
 - ii) At \$4,300,000.00 (including applicable taxes) for the year from January 1, 2019 to December 31, 2019;
 - iii) At \$4,500,000.00 (including applicable taxes) for the year from January 1, 2020 to December 31, 2020.

These expenditure authorization limits provide a contingency and annual infrastructure inventory increase for Contract M.S. 1220-030-2017-037; and

3. Authorize the General Manager, Engineering to execute Contract M.S. 1220-030-2017-037.

SCOPE OF WORK

The scope of work associated with this contract consists of ongoing maintenance of approximately 500 electrical traffic signalling devices and approximately 29,000 street lights across the City.

BACKGROUND

The City has received good value and service by contracting out the maintenance work associated with its traffic control device and street light inventory. The current electrical maintenance contract with Cobra Electric Ltd. expires on December 31, 2017.

DISCUSSION

Evaluation of Proposal

In early August 2017, a public competitive procurement process was undertaken which resulted in the City receiving a total of two submissions. The following proponents submitted proposals:

1. Cobra Electric Ltd.; and
2. Crown Contracting Limited.

The above referenced proposals were evaluated by a team facilitated by the Purchasing Section, consistent with the criteria disclosed in the solicitation document as follows:

- Experience, reputation and resources;
- Technical approach and methodology; and
- Financial considerations.

Both submitted proposals were found to be fully compliant with the scope of services, as identified in the Request for Proposals ("RFP").

Subsequent to review of the submitted proposals, staff established that Cobra Electric Ltd. was the preferred proponent and has the necessary experience and resources to carry out the work as specified in the RFP. Staff further established that:

- Cobra Electric Ltd. provided the most competitive bid;
- The hourly labour rates, as proposed, are comparable to rates paid under previous electrical maintenance contracts;
- The material costs, as proposed, are similar to costs contained in previous electrical maintenance contracts;
- Cobra Electric Ltd. is very familiar with the infrastructure servicing requirements/obligations of the contract; and
- Based on the overall evaluation, the evaluation team concluded that the proposal submitted by Cobra Electric Ltd. best met the City's requirements and provides best overall value to the City.

Expenditure Authorization

The expenditure authority, in addition to covering the cost of on-going regular maintenance of the current inventory, will address contingency and an infrastructure inventory increase.

SUSTAINABILITY CONSIDERATIONS

This work of this contract supports the objectives of the City's Sustainability Charter. In particular, this project relates to the Sustainability Charter themes of Public Safety and Infrastructure. Specifically, this contract supports the following Desired Outcomes.

- Transportation Safety SD8: Ensure all public infrastructure is built and maintained to ensure community safety and well-being for all ages and abilities;
- All Infrastructure DO1: City facilities and infrastructure systems are well managed, adaptable and long lasting, and are effectively integrated into regional systems; and
- All Infrastructure DO2: Infrastructure systems provide safe, reliable and affordable services.

FUNDING

Funding for the subject contract is available in the 2018, 2019 and 2020 Engineering Operating Budgets.

A handwritten signature in black ink, appearing to read 'Fraser Smith', with a stylized initial 'F'.

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

JB/RKR/cc

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