



City of
Peterborough

To: Members of the Committee of the Whole

From: W.H. Jackson, Director of Utility Services

Meeting Date: March 27, 2017

Subject: Report USTR17-006
Contract Extension of Proposal P-31-13 for Routine
Maintenance and Construction of Traffic Control
Signals/Devices and Street Lights

Purpose

A report to obtain approval to exercise a contract extension on a month-to-month basis for a period of up to eighteen months for Routine Maintenance and Construction of Traffic Control Signals/Devices and Street Lights.

Recommendation

That Council, approve the recommendation outlined in Report USTR17-006 dated March 27, 2017, of the Director of Utility Services, as follows:

That a contract extension for Proposal P-31-13 for Routine Maintenance and Construction of Traffic Control Signals/Devices and Street Lights be awarded to Guild Electric Limited, 470 Midwest Road Toronto, Ontario M1P 4Y5 commencing April 4, 2017, on a month-to-month basis for a period of up to eighteen months at an estimated cost of \$1,014,543 plus \$131,890 HST for a total cost of \$1,146,433.

Budget and Financial Implications

Proposal P-31-13 is a unit price contract that is used to complete necessary traffic signal and street light maintenance and construction work. The price is based on estimated quantities of work required, multiplied by the unit prices submitted for labour, equipment and material. The final cost may change depending on the actual volume of work required.

The estimated net \$1,032,399 requirement after applicable HST rebates can be accommodated from a combination of the 2017 Traffic Signal and Street Light operating budgets and the 2017 Traffic Signal Infrastructure and Traffic Improvements capital budgets. Funds for work anticipated in 2018 will be included in the appropriate 2018 budgets.

Background

RFP P-31-13 Overview

At its meeting of February 24, 2014, in considering Report USTR14-001, Council approved the award of RFP P-31-13 for Routine Maintenance and Construction of Traffic Control Signals/Devices and Street Lights to Guild Electric Limited, 470 Midwest Road Toronto, Ontario M1P 4Y5. Included in the RFP and the Contract Documents, the City, at its sole discretion, has the option to extend the contract for an additional one-year period and beyond the third year provided the parties agree, the contract may be extended on a month-to-month basis subject to satisfactory performance, price and budget availability.

On March 30, 2016, in considering Report USTR16-004, the Administrative Staff Committee approved the optional one-year contract extension for RFP P-31-13 commencing April 1, 2016 to March 31, 2017.

The services provided through the Routine Maintenance and Construction of Traffic Control Signals/Devices and Street Lights contract are split approximately 30% traffic signal works and 70% street light works. Recent events including the proposed sale of Peterborough Distribution Inc. to Hydro One and the ongoing processes to initiate conversion of incandescent street lights to LED fixtures will significantly impact the City's needs for street light maintenance and any future street light maintenance contracts. The proposed month-to-month extension of RFP P-31-13 for Routine Maintenance and Construction of Traffic Control Signals/Devices and Street Lights to Guild Electric Limited will provide the necessary time and flexibility to determine future requirements for street light maintenance within the City of Peterborough and how this should be incorporated into future procurements.

Pricing for the month-to month extension period of the contract is calculated based on the lower of 3% or the Average Annual Consumer Price Index for Ontario, as calculated during the previous year. Accordingly, the calculated increase based on the Average Annual Consumer Price Index for Ontario is 2.3%.

Delegated Authority to Approve

Section 17.6.2 of Purchasing By-law 14-127 delegates authority to the Administrative Staff Committee to award an extension to an existing agreement:

“Where the original bid and resulting award included a provision for additional units to be purchased at a subsequent date, based on such factors as satisfactory performance, operational needs, and annual budget approvals...regardless of the size of the expenditure”.

RFP P-31-13 included provision for the City, at its sole discretion, to extend the contract for an additional one-year period and following the third year the contract may be extended on a month-to-month basis, subject to satisfactory performance, price and budget availability. The Administrative Staff Committee did extend the award for one-year as stipulated in the original report (USTR14-001). However, the original report failed to include in its Recommendations the option of a further month-to-month extension. Accordingly, to ensure Council is agreeable to this proposed arrangement, this report is being submitted to Council.

Staff is satisfied with Guild Electric's performance and delivery of the contract over the past three years.

Timelines

If the recommendation is approved, the contract extension will commence April 4, 2017 and run on a month-to-month basis up to September 30, 2018.

Summary

RFP P-31-13 for Routine Maintenance and Construction of Traffic Control Signals/Devices and Street Lights was awarded in accordance with the City's Purchasing By-law and contained provisions to extend the contract for an additional one-year period and following the third year of the contract extend the contract on a month-to-month basis.

Failure of the original report approved by Council to detail the option of a month-to-month extension is the reason this report is now being presented to Council.

Submitted by,

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