

**TO:** CITY MANAGER**DATE:** 2019 Nov 12**FROM:** DIRECTOR FINANCE**FILE:** 5820-20*Reference:* RFP #19-01/16**SUBJECT: CONTRACT EXTENSION  
REPAIR AND MAINTENANCE OF STREET LIGHTS AND  
TRAFFIC SIGNALS****PURPOSE:** To obtain Council approval to award a one year contract extension for the repair and maintenance of street lights and traffic signals.

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**RECOMMENDATION:**

1. **THAT** Council approve a contract extension to Crown Contracting Limited for an estimated amount of \$2,500,000.00 including GST in the amount of \$119,047.62 for the repair and maintenance of street lights and traffic signals as outlined in this report. Final payment will be based on actual quantity of goods and services purchased.

**REPORT**

On 2016 April 14, one submission for a Request for Proposal (RFP) was received for work that involved the repair and maintenance of City street lights and traffic signals. No contract award was made as a result of this RFP.

On 2016 July 11, after direct negotiation with Crown Contracting Limited, a contract was awarded for the repair and maintenance of street lights and traffic signals in the amount of \$200,000.00 including GST in the amount of \$9,524.00 for the period 2016 July 11 to 2017 December 31. Since the award of this contract, there have been four change orders for a total of \$2,200,000.00 including GST in the amount of \$104,761.90 for increased scope and volume of work. The City has since renewed for two additional years from 2018 January 01 to 2019 December 31 for \$2,785,000.00 including GST in the amount of \$132,619.05.

Crown Contracting Limited is currently providing non-emergency services for street lights and traffic signal maintenance and specific capital works while the City's in-house team of electricians is still developing its capacity to assist with the majority of emergency on-call services and day-to-day traffic signal operations and some capital works.

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The City intends to bring this service in-house and is still in a transitional phase of developing our Electrical division. The City hired its first electrician in 2017. The division has grown to five electricians including a foreman and has recently added an Apprentice Electrician. The City's electrical division has taken on the maintenance of the traffic signal system and after hours emergency calls while continuing to rely on Crown Contracting Limited to maintain the street light system and all civil works related to both the traffic signal and street light systems.

In order for the City to be self-sufficient, the City will have to hire additional electricians, purchase a van with a bucket lift and a crane truck. It is anticipated that when phase two of the Laurel Street Works Yard and the modernization of the Norland's Works Yard is complete, the City will have the dedicated storage facilities for the street light and traffic signal components and be well-positioned to bring the repair and maintenance service completely in-house. There will continue to be a need for contract services to undertake related major capital and civil works.

This recommendation is for a third and final contract extension effective 2020 January 01 to 2020 December 31 in the amount of \$2,500,000.00 including GST in the amount of \$119,047.62. The scope of work will include various capital projects (e.g. installation of new lit crosswalks and street light pole replacements) and on-going maintenance. \$1,050,000 will be used for the repair and maintenance of the street lights and the traffic signals and \$1,450,000 will be used for capital works, for a total value of \$2,500,000. The majority of the capital works is related to the replacement of many aging street light poles beyond their useful life.

Estimated total contract value is \$7,685,000.00 including GST in the amount of \$365,952.38.

	<b>Accumulative Total Change (including GST)</b>
Original Contract Award	\$200,000.00
Change Orders #1 – 4	\$2,200,000.00
Renewal 2 Years	\$2,785,000.00
Contract Extension	\$2,500,000.00
<b>TOTAL</b>	<b>\$7,685,000.00</b>

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Crown Contracting Limited has previously performed this work to the satisfaction of City Staff. The Director Engineering concurs with this recommendation.

Funding for this requirement will be included in the 2019 – 2023 Financial Plan under various operating and capital accounts.

A handwritten signature in black ink, appearing to be 'Noreen Kassam', with a stylized, sweeping line across the middle.

Noreen Kassam, CPA, CGA  
DIRECTOR FINANCE

NK:GC:SL/ew:md

Copied to: Director Engineering  
City Solicitor