

Item	11
Manager's Report No.	29
Council Meeting	97/11/17

TO: CITY MANAGER

DATE: 1997 NOV 12

FROM: DIRECTOR ENGINEERING

FILE: 55-03-05

SUBJECT: Contract #9609 - Repair and Maintenance of Streetlighting and Traffic Signal Systems

PURPOSE: To inform Council of the final cost of the subject supply and maintenance contract.

RECOMMENDATION:

1. THAT this report be received for information purposes.

REPORT

It is City's practice to tender specific supply and maintenance service related contracts on a unit price basis. The purpose is to establish unit prices for the various materials and services to be used throughout the year. Typically, this type of supply/service contract is demand driven with quantities predicated on the previous years' experience in order to give contractors a sense of the scope of what is required and to provide a common basis for evaluating tenders. Thus the final value of the contract is not known prior to award and a quantity over-run does not necessarily translate into a funding shortfall.

Contract #9609, Repair and Maintenance of Streetlighting & Traffic Signal Systems, between the City and Cobra Electric Ltd, was originally awarded to cover the period May 1996 to April 1997. It was subsequently extended for a one month period ending May 1997. The initial total value of the award was estimated to be \$662,956, based on the previous years' quantities. However, final costs were \$860,187 which exceeded the original contract value by \$197,231. Current policy requires that Council receive a report where overexpenditures are in excess of \$100,000. The supply/maintenance Contract #9609 meets this criteria.

The cost increase was due primarily to the one month contract extension and to increased quantities resulting from an unusually high number of motor vehicle accidents. Several motor vehicle accidents caused extensive damage to streetlighting and traffic signal systems. Repairs had to be done immediately because of public safety concerns. In many instances the complete replacement of poles and bases was necessary. However, the City generally recovers approximately 90% of the cost from external sources.

Contract #9609 provided the financial mechanism for processing electrical service/maintenance costs and, despite the increased final costs, expenditures were within existing approved budgets.

  
DIRECTOR ENGINEERING

AAS:

cc: Director Finance