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**TO:** CITY MANAGER **DATE:** 2008 October 14

**FROM:** DIRECTOR FINANCE

**SUBJECT:** **CONTRACT FOR ELECTRICAL MAINTENANCE SERVICES**

**PURPOSE:** To obtain approval to exercise the final option and extend the existing contract for an additional year to 2009 September 30.

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**RECOMMENDATION:**

1. **THAT** the existing contract with Western Integrated Electrical Ltd., for the supply of electrical maintenance services, be extended for an additional year, for an estimated annual cost of \$550,000.

**REPORT**

In 2004, an award was made to Western Integrated Electrical Ltd. (WIE), to provide the subject services for a two year period ending 2006 September 30. The tender documents provided for extensions to the contract by up to three 12 month periods, with the second such option being exercised in 2007 September.

Staff from Engineering and Purchasing recently met with WIE and negotiated rates starting with an increase of six and one-half percent followed by an additional six percent increase for the last six months of the optional year. WIE have encountered significant labour rate increases in order to maintain their staff, along with increases in fuel and costs associated with implementing new safety procedures .

WIE has provided the City with electrical maintenance services since 1993 and has performed satisfactorily. Staff consider the services provided to be effective, of good value, and the contractor's personnel to be competent and cooperative. Given WIE's past performance and the negotiated rate increases for the next year, exercising the final option for a third 12 month extension to the contract is considered to be in the best interest of the City. The funding for this work is provided for in various accounts throughout the Operating and Capital Budgets.

The Director Engineering concurs with the above recommendation.



Rick Earle  
DIRECTOR FINANCE