



REPORT

TO: Mayor Lawlor and Members of Council

FROM: Matt Roj, Traffic Coordinator

DATE: October 7, 2024

REPORT NO.: TPW-2024-022

SUBJECT: Award of Tender 2024-083-T - Lighting System Maintenance Services

RECOMMENDATION:

THAT Report No. TPW-2024-022, dated October 7, 2024, regarding the Award of Tender 2024-083-T – Lighting System Maintenance Services, be received;

AND FURTHER THAT AC Contracting Incorporated be awarded the Tender 2024-083-T for one (1) year term with the option to renew this contract for four (4) additional one-year terms based on satisfactory performance and price negotiations;

AND FURTHER THAT the Manager of Purchasing be authorized to issues a purchase order to AC Contracting Incorporated in the amount of \$446,986.30 plus applicable taxes for a one-year term with the option to renew this contract for four (4) additional terms, based on satisfactory performance and price negotiations;

AND FURTHER THAT any operating budget shortfall incurred in 2025 be addressed through the 2025 year-end operating status report, with an appropriate funding source if required;

AND FURTHER THAT the increase in annual operating costs of \$265,000.00 be considered as part of the 2026 operating budget.

KEY POINTS:

The following are key points for consideration with respect to this report:

- The Purchasing Policy (PLCY-2023-0003) requires awards for Requests for Tenders over \$1 Million dollars, including optional contract renewals, be authorized by Council.

- Seven (7) vendors submitted a bid for the Lighting System Maintenance contract.
- Staff are recommending the award of Tender 2024-083-T – Lighting System Maintenance Services to AC Contracting Incorporated as being the lowest compliant bidder.
- This is a one-year contract with an option to renew four (4) one-year terms based on satisfactory performance and price negotiations.
- Based on the tender award for the contract the projected shortfall in the proposed 2025 operating budget will be approximately \$265,000.00.
- Staff will continually monitor and assess the preventative maintenance program in an effort to minimize the 2025 operating costs and provide an update during the year-end financial reporting.
- An operating budget increase of \$265,000.00 to address potential cost escalation be considered as part of the 2026 operating budget.

BACKGROUND AND DISCUSSION:

Request for Tender 2024-083-T was issued on August 22, 2024. The tender closed on September 16, 2024, with seven (7) submissions received. Bids were received from the following companies.

Vendor Name	Bid Amount* (HST excluded)	Bid Amount (Including Non-Refundable HST)
AC Contracting Incorporated	\$446,986.30	454,853.26
Fairway Electrical Services Incorporated	\$599,838.47	610,395.63
Hastings Utilities Contracting Limited	\$657,027.20	668,590.88
Ador Can Incorporated	\$793,599.00	807,566.34
Black & McDonald Limited	\$1,226,854.46	1,248,447.10
Igman Electric Limited	\$2,040,949.50	2,076,870.21
Beacon Utility Contractors Limited	\$2,995,024.88	3,047,737.32

The Lighting System Program includes the operation and maintenance of approximately 5,800 Town owned streetlights, 400 Region owned streetlights, 500 pathway and tunnel

lights, and 150 parking lot lights. This includes luminaires, poles, support arms, power supply cabinets and overhead/underground street lighting power conductors.

Staff recommend awarding the tender for the Lighting Systems Maintenance contract to AC Contracting Incorporated for one year with the option to renew for an additional four (4) one-year terms based on performance and price negotiations.

The proposed annual operating budget for Lighting System Maintenance services in 2025 is \$190,000.00. The tender cost for the Lighting System Maintenance services submitted by AC Contracting Incorporated is \$446,986.30 (including non-refundable HST), which results in a projected operating budget shortfall of approximately \$265,000.00 in 2025. Staff will continually monitor and assess the preventative maintenance program in an effort to minimize the 2025 operating costs. The project shortfall will be addressed through the 2025 year-end operating status report.

Staff recommends a Purchase Order be issued for the period starting November 1, 2024, to October 31, 2025, in the amount of \$446,986.30 plus applicable taxes (\$454,853.26 including non-refundable HST) to AC Contracting Incorporated for the maintenance of the lighting system.

STRATEGIC PLAN ALIGNMENT:

This report identifies infrastructure and asset management as one of the Town's Strategic priorities. The operation, maintenance and enhancement to lighting infrastructure improves road safety and neighbourhood livability.

RELATIONSHIP TO CLIMATE CHANGE:

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

PUBLIC ENGAGEMENT:

Public Engagement was not needed as this report is administrative in nature.

INTERNAL CONSULTATION:

Finance and Purchasing staff provided input in this report and are in agreement with this recommendation.

FINANCIAL IMPLICATIONS:

This report has an immediate financial impact and requires a funding source.

The proposed 2025 operating budget for the operation and maintenance of the Lighting System Program is \$190,000.00. However, this allocation is projected to result in a budget shortfall of approximately \$265,000.00 for the 2025 fiscal year. This shortfall will be addressed as part of the 2025 year-end operating status report, where an appropriate funding source will be identified to cover the overspending in operating costs.

Subject to Council approval, a budget increase of \$265,000, necessary to manage future cost escalations and maintain the current level of service for the Lighting System Program, will be considered as part of the 2026 operating budget with pre-budget approval.

Reviewed and approved by,

Maureen Van Ravens, Director of Transportation

Bethany Yew, Manager of Purchasing

Moya Jane Leighton, Treasurer

Bill Andrews, Commissioner of Transportation & Public Works

Chris Mills, Chief Administrative Officer