




P.O. Box 1749
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Item No. 11.1.1
Halifax Regional Council
July 22, 2014

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original signed by 

Richard Butts, Chief Administrative Officer

Original Signed by Director

Kathleen Llewellyn-Thomas, A/Director, Transportation and Public Works

DATE: May 12, 2014

SUBJECT: Award – Unit Price Tender No. 14-006, Street Light Maintenance

ORIGIN

Approved 2014/2015 Operating Budget

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79 Halifax Regional Council may expend money for municipal purposes. Administrative Order #35, the Procurement Policy, requires Council to approve the award of contracts for sole sources exceeding \$50,000 or \$500,000 for RFPs and Tenders respectively.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Award Tender No. 14-006 to Black & McDonald Ltd. for material and services listed at the unit prices quoted for a Total Tender Price of \$1,188,825.99 (net HST included) for Year One (1) of the contract, June 1, 2014 to May 31, 2015, and a three business day service standard, with funding from Operating Account No. R825 Street Light Maintenance as outlined in the Financial Implications section of this report;
2. Approve the award for Year Two (2) of the contract, June 1, 2015 to May 31, 2016, and a three business day service standard, to Black & McDonald Ltd. for \$1,219,134.63 (net HST included), with funding from Operating Account No. R825 Street Light Maintenance as outlined in the Financial Implications section of this report;
3. Approve the award for Year Three (3) of the contract, June 1, 2016 to May 31, 2017, and a three business day service standard, to Black & McDonald Ltd. for \$1,250,065.85 (net HST included) contingent upon an annual performance review and budget allocation.

BACKGROUND

HRM currently owns and maintains approximately 14,909 roadway lights. The majority of these lights are found within the former City of Halifax boundaries. As per Regional Council's direction, negotiations are underway to purchase the remainder of the roadway lighting within HRM from Nova Scotia Power which will increase the total number of roadway lights to approximately 42,710 fixtures. This Tender does take into consideration the maintenance requirements for this increase in HRM owned street light assets.

DISCUSSION

The scope of work for this Tender includes the maintenance of all HRM roadway lighting infrastructure and requires the successful bidder to be on-call for emergency maintenance work 24 hours per day, 7 days per week.

The existing service standard in HRM for municipally-owned street lights is three business days, whereas the service standard for street lights owned by Nova Scotia Power is ten business days, 80% of the time. Since there is currently an inconsistent service standard within the boundaries of HRM, staff initiated a jurisdictional scan to identify best practices across Canada. The summary of the jurisdictional scan is found on the following page.

Municipality Jurisdiction	Street Light Ownership	Existing Street Light Maintenance Service Standard
Ottawa, ON	P3 Agreement	7 business day
Fredericton, NB	NB Power	5 to 10 business days
Mississauga, ON	Mississauga	1 to 2 business day for lights at an intersection or 4 or more in one group. 10 business days for single light out
Saskatoon, AB	Saskatoon Light and Power	2 business days – Non Arterial Roadway Scheduled for Arterial 7 business days for underground faults
Winnipeg, MB	Manitoba Hydro	No Specific Response Times
Regina, AB	Sask Power	7 to 10 business days
PEI	PEI	5 business days
St. John's, NFLD	Newfoundland Power	Follow up in 7 days

Based on the jurisdictional scan results and the current service standards within HRM, Tenders were posted on March 3, 2014 and closed on April 3, 2014 requesting bid prices on a 3 day, 7 day, and 10 day service standard. Bids were received from three companies but two companies did not qualify as their bids were non-compliant.

Company	Total Bid 3 Day Service Standard (including net HST)	Total Bid 7 Day Service Standard (including net HST)	Total Bid 10 Day Service Standard (including net HST)
Black & McDonald Ltd.	\$3,658,026.46	\$3,599,511.59	\$3,542,274.22

Staff are recommending a three day service standard because this enhanced service standard can be accommodated at a very low additional cost compared to the seven day (1.6% increase) and ten day (3.3% increase) service standard quoted and is within approved budget.

This is a **UNIT PRICE** contract and the cost will be dependent upon the actual quantities approved by the HRM Project Manager.

FINANCIAL IMPLICATIONS

Based on the lowest tender price of \$3,658,026.46 (net HST included) for a three year contract, including net HST, funding in the amount of \$1,188,825.99 (net HST included) required for Year One (1) of the contract, is available in the 2014/15 Operating Budget from Account R825-6399, Street Light Maintenance.

With the anticipated purchase of stranded assets from NSPI on July 1, 2014, there will no longer be a financial commitment for a capital lease or maintenance component to the monthly electrical cost. The savings from these components, budgeted in 2014-15 at \$2,792,014 will fund the maintenance contract recommended in this report.

The budget availability has been confirmed by Finance.

ENVIRONMENTAL IMPLICATIONS

Implications not identified.

ALTERNATIVES

None.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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