



## STAFF REPORT ACTION REQUIRED

### **Contract Amendment – Toronto Hydro Street Lighting Electrical Services including design, supply and installation**

<b>Date:</b>	June 8, 2009
<b>To:</b>	Government Management Committee
<b>From:</b>	Deputy City Manager Sue Corke Director, Purchasing and Materials Management
<b>Wards:</b>	All
<b>Reference Number:</b>	P:/2009/Internal Services/pmmd/gm09019pmmd (AFS #10235)

### **SUMMARY**

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The purpose of this report is to request authority to amend Contract #47012227 with Toronto Hydro Street Lighting Inc., for the design, supply, installation, and inspection of decorative pedestrian street lighting, and other lighting projects, through a capital cost-sharing program with various Business Improvement Areas (BIAs).

The City of Toronto Municipal Code Chapter 71- Financial Control, states that if costs for a commitment exceed the original funding by more than \$500,000.00 excluding all taxes, approval must be obtained from the appropriate Standing Committee. The amendment is primarily to ensure continued processing of decorative lighting capital projects, in the final year of the contract.

### **RECOMMENDATIONS**

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**The Deputy City Manager and the Director of Purchasing and Materials Management recommend that the Government Management Committee grant authority to:**

1. Increase Contract #47012227 with Toronto Hydro Street Lighting Inc., by an additional \$2,500,000.00 net of GST for a revised total value of \$5,276,415.10 net of GST.

2. Amend the validity end date from November 30, 2009, to February 26, 2010, to allow for the payment of invoices only. No additional orders will be placed against this Contract after November 30, 2009.

## **Financial Impact**

The total contract amendment identified in this report is \$2,625,000.00 including all applicable taxes and charges. The total contract amendment cost to the City is \$2,500,000.00 net of GST. The revised total contract value with Toronto Hydro Street Lighting Inc. is increased from \$2,776,415.10 to \$5,276,415.10 all net of GST.

Funds required for the commitment of capital cost shared electrical projects, for various Business Improvement Areas (BIAs), in the final year of the contract, are available in the 2009 Economic Development, Culture and Tourism Capital Budget in the following accounts: CED043 for \$1,250,000.00 net of GST and CED046 for \$1,250,000.00 net of GST.

The various BIAs will reimburse the City for 50% of the costs applied to their districts.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

In June 2006, Purchasing and Materials Management Division, on behalf of Economic Development, Culture and Tourism, Business Services, BIA Office, issued Request for Proposal (RFP) No. 9118-06-7112. The purpose of this RFP was to select a qualified firm for engineering and construction services for the design, supply, installation and inspection of decorative pedestrian, street and other lighting projects, for various BIAs. Contract #47012227 was awarded to Toronto Hydro Street lighting Inc., being the only proposal received and having met all the requirements of the RFP. The resulting agreement was for an initial one-year period with an option to renew for two additional one-year periods, to be extended at the discretion of the City.

Bid Committee, at its session on December 22, 2006, recommended that authority be granted to award a contract to Toronto Hydro Street Lighting Inc., for the period December 13, 2006 to November 30, 2007, in the total amount of \$925,471.70 net of GST, with an option to renew, at the sole discretion of the General Manager, Economic Development, Culture and Tourism, for the period December 1, 2007 to November 30, 2008, in the amount of \$925,471.70 net of GST, with a further option to renew for the period December 1, 2008 to November 30, 2009, in the amount of \$925,471.70 net of GST, for a total potential award of \$2,776,415.10 net of GST.

<http://www.toronto.ca/legdocs/2006/agendas/committees/bc/bc061222/it001.pdf>

## **ISSUE BACKGROUND**

The Economic Development, Culture and Tourism (EDCT) Division is involved in several lighting projects each year as part of its capital cost-sharing program with various BIAs. These lighting projects typically involve the design, supply, installation and inspection of such decorative lighting projects as pedestrian scale lighting, street lighting and tree lighting.

The cost for individual projects varies depending on the nature of the project, but is included in the yearly EDCT Capital Budget submission. The Council approved Capital Cost-Share Guidelines require both the BIA and the City have sufficient funds in place before commencing a cost-share project. From 2003 to 2006, EDCT spent an average of \$981,000 per year on lighting projects.

In order to carry-out lighting projects in various BIAs, the EDCT Division previously engaged separate firms to carry out the engineering and design stage and the supply and installation stages of each project. The splitting of these contracts resulted in elongated time frames to complete projects beyond the two-year budgetary time-frame.

In order to expedite this process and achieve efficiencies, it was determined that it would be prudent to retain the services of one full-service firm capable of delivering the engineering and design requirements and the supply and installation.

## **COMMENTS**

In the last 3 years, the number of BIAs has continued to grow. With an increase in BIAs, comes an increase in the amount of capital electrical project requests. In order to complete work already in progress and begin work on new projects in 2009, while providing the best value to the City and the BIA, it is recommended that authority be granted to amend the total value of the contract, by \$2,500,000.00 net GST, to accommodate the number of electrical projects scheduled to be completed by the end of 2009.

## CONTACT

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## SIGNATURE

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