

Award of Tender Call 2-2016, Contract 17TM-01TP: Maintenance and Operation of Electrical Traffic Control and Related Devices and Approval of Multi- Year Cash Flow Commitments for the Award

Date: September 16, 2016
To: Public Works and Infrastructure Committee
From: Acting General Manager, Transportation Services
Director, Purchasing and Materials Management
Wards: All Wards
Reference: P:\2016\Cluster B\TRA\gmo\bu1601gmo

SUMMARY

The purpose of this report is to seek authority to award Tender Call No. 2-2016, Contract 17TM-01TP for the Maintenance and Operation of Electrical Traffic Control and Related Devices within the City of Toronto for the period February 1, 2017 to March 31, 2021. The lowest compliant bidder, meeting the specifications in conformance with the requirements of the Tender, is Guild Electric Limited at a contract value of \$62,186,648 (\$63,281,133 net of HST recoveries, of which approximately \$30,295,730 and \$32,985,400 will be funded through the Operating and Capital Budgets, respectively).

This report also requests authority to commit cash flows in Transportation Service's approved 2016-2025 Capital Budget and Plan, totalling \$31,641,900, to affect the contract award. This request will have no net impact on Transportation Services approved 2016-2025 Capital Budget and Plan.

RECOMMENDATIONS

The Acting General Manager, Transportation Services and Director, Purchasing and Materials Management recommend that:

1. City Council grant authority to award Tender Call No. 2-2016, Contract 17TM-01TP for the Maintenance and Operation of Electrical Traffic Control and Related Devices within the City of Toronto for the period February 1, 2017 to March 31, 2021, to Guild Electric Limited in the amount of \$62,186,648 (\$63,281,133 net of HST recoveries) having submitted the lowest compliant bid and meeting the specifications in conformance with the tender requirements.
2. City Council approve cash flow commitments in 2017 to 2021 totalling \$31,641,900 in Transportation Services approved 2016-2025 Capital Budget and Plan.

FINANCIAL IMPACT

The total amount of the award for Tender Call No. 2-2016, Contract 17TM-01TP, the Maintenance and Operation of Electrical Traffic Control and Related Devices within the City of Toronto, is \$62,186,648 (\$63,281,133 net of HST recoveries) over the four (4) year contract term.

Funding for this Contract will be included in the Transportation Services 2017 and future year budget submissions under various operating and capital accounts. Tables 1 and 2 summarize the Operating and Capital Budget cash flow requirements, respectively.

Table 1 - Transportation Services Forecasted Operating Budget for Electrical Traffic Control Devices under Contract 17TM-01TP (Net of HST Recoveries).

Program Description	2017	2018	2019	2020	2021*	TOTAL
Traffic Plant Installation & Maintenance, RESCU, Field Electronics, Electronics and Communications <i>TP0241</i>	\$1,043,860	\$1,138,750	\$1,167,400	\$1,196,580	\$70,920	\$4,617,510
Traffic Data Centre, Contracted Services, Electronic Maintenance <i>TP0248</i>	\$2,960	\$3,230	\$3,325	\$3,410	\$200	\$13,125
Traffic Plant Installation & Maintenance, Traffic Signals <i>TP0252</i>	\$4,676,740	\$5,101,900	\$5,230,280	\$5,361,040	\$317,730	\$20,687,690
Traffic Plant Installation & Maintenance, Pedestrian Crossovers <i>TP0252</i>	\$459,070	\$500,800	\$513,450	\$526,295	\$31,185	\$2,030,800
Traffic Plant Installation & Maintenance, Beacon and Illuminated Signs <i>TP0252</i>	\$54,730	\$59,700	\$61,170	\$62,685	\$3,715	\$242,000
Damage Due to Collisions, Signals, Flashing Beacons and Illuminated Signs <i>TP0258</i>	\$611,420	\$667,000	\$683,775	\$700,870	\$41,540	\$2,704,605
TOTAL:	\$6,848,780	\$7,471,380	\$7,659,400	\$7,850,880	\$465,290	\$30,295,730

Note: *Budget request for partial year to March 31, 2021.

Keeping the level of service for operating activities under this Contract consistent with the approved 2016 service levels over the next four (4) years, the operating budget anticipated for electrical traffic control devices under Contract 17TM-01TP is \$29,771,750 (\$30,295,730 net of HST recoveries). Funding required for these activities as identified in Table 1 and covered under this contract commencing February 1, 2017, will be requested in the 2017 to 2021 Operating Budget submissions, respectively.

In order to affect the contract award, a capital budget totalling \$32,414,898 (\$32,985,400 net of HST) is required for the period of 2017 to 2021.

In approving Transportation Service's 2016 to 2025 Capital Budget and Plan, Council has approved funding of \$1,320,263 (\$1,343,500 net of HST) for the 'Accessible Pedestrian Signals' account (CTP 716-06). Therefore, Council approval is being requested for cash flow commitments totalling \$31,094,634 (\$31,641,900 net of HST), as summarized in Table 2. This will have no net impact on Transportation Service's approved 2016-2025 Capital Budget and Plan.

Table 2 - Transportation Services Forecasted Capital Budget and Commitment Adjustments for Electrical Traffic Control Devices under Contract 17TM-01TP (Net of HST Recoveries)

Program Description	2017	2018	2019	2020	2021*	Total
New Traffic Control Signals <i>CTP716-01</i>	\$176,275	\$192,300	\$197,155	\$202,100	\$11,980	\$779,810
Signal Major Modifications <i>CTP716-03</i>	\$1,408,095	\$1,536,100	\$1,574,785	\$1,614,155	\$95,670	\$6,228,805
Traffic Plant Requirements <i>CTP716-07</i>	\$5,022,920	\$5,479,550	\$5,617,370	\$5,700,000	\$341,260	\$22,161,100
Advanced Traffic Signal Control <i>CTP716-09</i>	\$487,940	\$532,300	\$545,775	\$617,220	\$33,150	\$2,216,385
Third Party Signals (Fully Recoverable) <i>CTP716-15</i>	\$57,840	\$63,100	\$64,660	\$66,270	\$3,930	\$255,800
<i>Total Commitment Adjustments::</i>	<i>\$7,153,070</i>	<i>\$7,803,350</i>	<i>\$7,999,745</i>	<i>\$8,199,745</i>	<i>\$485,990</i>	<i>\$31,641,900</i>
Accessible Pedestrian Signals <i>CTP716-06</i>	\$303,740	\$331,350	\$339,645	\$348,130	\$20,635	\$1,343,500
Grand Total:	\$7,456,810	\$8,134,700	\$8,339,390	\$8,547,875	\$506,625	\$32,985,400

Note: *Budget Request for partial year to March 31, 2021.

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

DECISION HISTORY

This report is a new request being presented to the Public Works and Infrastructure Committee.

COMMENTS

Contract Award

The existing contract for the maintenance and operation of electrical traffic control and related devices commenced on February 1, 2013 and will expire on January 31, 2017. The maintenance and operation of existing electrical traffic control devices within the City of Toronto includes traffic control signals, pedestrian crossovers, flashing beacon and illuminated signs, as well as Intelligent Transportation Systems, such as electronic message signs and closed circuit television cameras operated by the Transportation Services Division. In addition, the contract also supports the improvement and expansion of several capital programs that impact the traffic control signal infrastructure including road reconstruction, major traffic control signal modifications, new electrical traffic control devices, accessible pedestrian signals, transit priority, third party modifications including development related requests, as well as work associated with the film industry or special events.

On March 16, 2016, Tender Call No. 2-2016, Contract No. 17TM-01TP, for Maintenance and Operation of Electrical Traffic Control and Related Devices within the City of Toronto from February 1, 2017 until March 31, 2021 was issued by Purchasing and Materials Management Division (PMMD). The closing date was April 15, 2016. PMMD, at its Public Opening held on April 15, 2016, opened the following two (2) bids in response to the Tender:

Table 3 - Bid Price Summary

Firm Name	Bid Price (Excluding HST)	Bid Price (Net of HST Recoveries)
Guild Electric Limited	\$62,186,648	\$63,281,133
Beacon Utility Contractor Ltd.	\$96,975,445*	\$98,682,212*

**Beacon's Tender bid item prices were corrected for mathematical errors. These corrections are minor in nature and do not affect the ranking of the bidders. Purchasing and Materials Management has verified that the mathematical errors were corrected.*

The bid submitted in response to Tender 2-2016 by the Guild Electric Limited has been reviewed by the Transportation Services Division and the Purchasing and Materials Management Division, and was found to be in conformance with the Tender requirements.

Traffic Plant Installation and Maintenance staff of the Transportation Services Division, have compared the bid to the engineering estimated cost and found the price of the recommended bidder to be fair and reasonable in comparison to similar contracts, and taking into account inflation.

The Fair Wage Office has reported that the recommended low bidder has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trade requirements and has agreed to fully comply.

Cash Flow Commitments

This report requests authority to commit cash flows in Transportation Service's approved 2016-2025 Capital Budget and Plan, totalling \$31,641,900 to affect the contract award. This request will have no net impact on Transportation Services approved 2016-2025 Capital Budget and Plan.

The City of Toronto Act, at sub-section 212 (1), states that, "the City shall adopt and maintain policies with respect to...the financing of capital works, including the limits on the annual costs associated with the financing." According to the Toronto Municipal Code, at sub-section 71-2, Council has the sole authority for approving funding to operating programs and capital projects. Accordingly, this report requests Council's authority to increase 2017-2021 cash flow commitments totalling \$31,641,900, comprising of cash flow commitments for Transportation Services projects.

This report will have no net impact on Transportation Service's approved 2016-2025 Capital Budget and Plan.

This report has been prepared in consultation with the Financial Planning Division, Transportation Services, and Purchasing and Materials Management Division

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