

**COUNCIL AUTHORITY FOR CONTRACT AWARDS  
CONTRACT RENEWAL**

<b>Project Award</b>	Contract No. 19-086 – Traffic Signal & Street Light Maintenance, fourth year contract renewal.												
<b>Recommendation</b>	<b>Staff are recommending the contract renewal to Ducon Utilities Ltd. for the Traffic Signal and Street Light Maintenance for the fourth year (August 1, 2022 to July 31, 2023) in the total estimated amount of \$1,713,940 (exclusive of HST).</b>												
<b>Purpose of Report</b>	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required.												
<b>Background information</b>	<p>The original award resulted from a competitive tender process lead by Milton on behalf of the Halton Cooperative Purchasing Group (HCPG). The contract was awarded to Ducon Utilities Ltd. for a possible five (5) year term, which was comprised of the original one (1) year award for the period August 1, 2019 to July 31, 2020, and four (4) additional one year renewals. The annual amounts incurred to date through the contract are:</p> <table border="1" data-bbox="621 999 1425 1150"> <thead> <tr> <th>Period Start</th> <th>Period End</th> <th>Actual Cost*</th> </tr> </thead> <tbody> <tr> <td>August 1, 2019</td> <td>July 31, 2020</td> <td>\$1,120,735</td> </tr> <tr> <td>August 1, 2020</td> <td>July 31, 2021</td> <td>\$896,364</td> </tr> <tr> <td>August 1, 2021</td> <td>July 31, 2022</td> <td>\$1,147,072</td> </tr> </tbody> </table> <p>* Third year cost includes estimates up to July 31, 2022.</p> <p>The amount fluctuates on a yearly basis as the contract captures both work related to maintenance (operating) as well as new installations and replacements (capital) for which the need can vary annually.</p> <p>The contract renewal for the fourth term is being requested in the total estimated annual amount of \$1,713,940 (exclusive of HST). This estimate is based on the Town's existing operating budget and capital program. The actual cost will be dependent on the work authorized and undertaken, and will be subject to the unit rates outlined in the contract. Through the negotiation process related to the renewal, unit rates have increased from year 3 to year 4 by 6.8%. This amount considers the current rate of inflation being experienced, including with respect to aluminum, which is a key material for several forms of work contained in the contract.</p>	Period Start	Period End	Actual Cost*	August 1, 2019	July 31, 2020	\$1,120,735	August 1, 2020	July 31, 2021	\$896,364	August 1, 2021	July 31, 2022	\$1,147,072
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	<p>The proposed rates and estimated work plan for the year have been reviewed and validated by the program area, resulting in the recommendation to proceed with the renewal.</p> <p>The contract total (years one to four) will now be in the estimated amount of \$4,878,111 (exclusive of HST). The contract allows for one (1) more renewal term for the fifth and final term for August 1, 2023 through to July 31, 2024.</p>
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**Financial Planning Section: Budget Impact** (Note 1)

<b>Account Number(s)</b>	Various Capital & Operating Accounts
<b>Account Description</b>	Traffic Signal and Street Light Maintenance
<b>Project Total Budget</b>	N/A
<b>Contract Budget</b>	\$ 1,744,106 (Note 2)
<b>Actual</b> (Net of HST Rebate)	\$ 1,744,106 (Note 3)
<b>Variance</b>	\$ 0
<b>Funding Source</b>	Various Capital & Operating Budgets

Note 1: Financial impact includes any non-refundable portion of HST.

Note 2: The contract spans 2022/2023. The 2023 budget is subject to Council approval.

Note 3: Contract Actuals are an estimate only based on the existing budgets. The resulting costs will be managed by Program Area staff and reviewed with Financial Planning with any variances being reported through the variance process. Based on the increase in unit rates, an equivalent adjustment can be expected to the cost estimates that will be incorporated in the proposed 2023 budget process.