

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee

From: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment & Infrastructure

Subject: RFT 21-51 Supply and Delivery of Steel Guiderail and Accessories

Date: June 27, 2021

Recommendation

That, on the recommendation of the Deputy City Manager, Environment & Infrastructure the following actions **BE TAKEN** with respect to the tender RFT 21-51, Supply and Delivery of Steel Guiderail and Accessories:

- a) approval hereby **BE GIVEN** to enter into an eight month contract, with four (4) one year options for the Supply and Delivery of Steel Guiderail and Accessories to Royal Fence Limited at the quoted price of \$478,840.00, it being noted that this is an irregular result where pricing exceeds the budget but award can proceed in accordance with the Procurement of Goods and Service Policy, Section 8.10 a);
- b) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, as required, to give effect to these recommendations; and,
- c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this contract.

Linkage to the Corporate Strategic Plan

This report supports the Strategic Plan in the following areas:

- Building a Sustainable City:
 - Infrastructure is built, maintained and operated to meet the long-term needs of our community; and,
 - Growth and development is well planned and sustainable over the long term
- Leading in Public Service:
 - Exceptional and valued customer service; and,
 - Leader in public service as an employer and a steward of public funds.

Background

The City of London's Road Operations Service maintains steel guide rail and post and cable infrastructure within the road allowance. There are approximately 100 locations throughout the city and repairs are required due to traffic collisions or the age of the infrastructure. Maintenance of these roadside safety devices are an important for road safety and risk management.

Discussion

Purchasing Process

The tender for the Supply and Delivery of Steel Guiderail and Accessories was posted on April 21, 2021 and closed May 6, 2021. Two contractors submitted tender prices as listed below, excluding HST.

CONTRACTOR		TENDER PRICE SUBMITTED
1.	Royal Fence Limited	\$474,840.00
2.	Peninsula Construction Inc.	\$550,208.40

The tender submissions have been checked by Environment & Infrastructure and Purchasing and Supply staff. The results of the tendering process reflect a competitive process. The submitted low bid by Royal Fence Limited meets the tender requirements.

The tender result exceeds the \$350,000 operation budget line item for this service so is being reported as an irregular result. The tender results and award of this contract is in the best interests of the Corporation. A portion of this service is conducted on a cost-recovery basis for which the cost of collision repairs are recovered through insurance claims with no impact on City budget. Additionally, the City-led work is scalable to the operational budget available. The irregular result can be accepted through Procurement of Goods and Services Policy, section 8.10 a) whereby Committee and City Council shall approve the award where the value of the lowest compliant bid is in excess of the City Council approved budget including any contingency allowance.

Financial Impact

Funding for the current year has been included in the 2021 operating budget and will be requested in future operating budget submissions. This contract can be managed within the funds available. The collision repair portion of this service is cost-recoverable and the City asset management component is scalable using the items in the contract.

Conclusion

Maintenance of roadside safety devices is an important asset and risk management service. Civic Administration has reviewed the results of the tender bids and recommends Royal Fence Limited as the supplier that provides the best value. The expenditures under this unit-price contract will be managed within the budget available.

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Division Manager, Road Operations

Submitted By: Doug MacRae, P.Eng., MPA
Director, Transportation & Mobility

Recommended By: Kelly Scherr, P.Eng., MBA, FEC,
Deputy City Manager, Environment & Infrastructure

c: John Freeman, Manager of Purchasing and Supply
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