

Type of Decision									
Meeting Date	Friday, April 23, 2010				Report Date	Wednesday, April 21, 2010			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	x	Information Only			Type of Meeting	X	Open		Closed
REPORT TITLE									
Contract Award Report 23/04/10/205									

Subject: Award of contract for hall lighting, garage door and heating replacement and garage electrical work.

RECOMMENDATION: That Council adopt the following resolution awarding the contracts for the Infrastructure Stimulus Funding projects to Panke Electric Ltd. of Cobden.

**WHEREAS** the municipal procurement by-law allows for a tender or request for proposal process allowing employees to award contracts;

**AND WHEREAS** this by-law also allows for Council consideration when the conditions are not straightforward and/or costs are higher than budgeted for;

**AND WHEREAS** our project management has recommended Panke Electric Ltd.;

**AND WHEREAS** we currently have two bids for construction projects whose timetables will need to be coordinated and where work will overlap;

**AND WHEREAS** one contractor is the lowest bidder on one project by just less than \$10,000 and slightly over on the second contract by a little over \$3,000;

**THEREFORE BE IT RESOLVED THAT** for ease of administration, project management and actual construction that the contracts for both projects be awarded to Panke Electric Ltd. of Cobden for a total cost differential of \$6,868.

BACKGROUND/EXECUTIVE SUMMARY: When contracts are straightforward and are to be awarded to the lowest bidder with no other consideration, employees may make the decision to award so long as the project has been approved under the budget or by resolution of Council.

In this instance the projects were approved and estimated at \$38,500 and \$17,500 but came in at \$35,600 and \$24,800 respectively; combined totals of \$56,000 estimate and \$60,400 actual.

Our procurement by-law then requires Council approval to proceed. This \$4,440 over budgeted also includes a contingency of \$5,000 for each of the projects. Likely, this won't be needed however; it is prudent to include these contingencies when working with older buildings.

It is staff and project manager (Ed Schulz of Jp2g) recommendation to award both contracts to Panke Electric Ltd. In total their estimates for both projects is \$6,868 lower than our other bid. Ed has spoken with Panke and has been assured that all components of the contracts can be met at that price, that there were no omissions.

	Lighting (drop ceiling was added as an addendum)	Garage Heating and Doors	Totals
Approved at	\$17,500	38,500	\$56,000
Panke (each includes \$5,000 contingency)	24,800	35,600	\$60,400
Frank's Electric (each includes \$5,000 contingency)	34,137	33,131	\$67,268

The drop ceiling was added after contractors visited the site and advised that installing a lower ceiling would be less expensive and more attractive than running conduit over the existing ceiling. Further, the old lights would be removed leaving unsightly marks on the existing ceiling. We were assured that the costs for the ceiling would be lower than for the conduit and the time/effort to install it. An addendum was issued for this modification from the original request.

Options/Discussion:

Financial Considerations/Budget Impact: Cost difference \$6,868.

Policy Impact: None. As per the municipal procedure by-law.

Approved and Recommended by the Clerk	
Melinda Reith, Municipal Clerk	<i>Melinda Reith</i>