

**TO:** MAYOR & COUNCILLORS  
**FROM:** DEPUTY GENERAL MANAGER FINANCE  
**SUBJECT:** **CI – ASPHALT PAVING SERVICES – ENGINEERING DEPARTMENT**  
**PURPOSE:** To obtain Council approval to award a Contract Increase (CI) for Asphalt Paving Services – Engineering Department.

## **RECOMMENDATION**

**THAT** a contract increase to Blackrete Paving Ltd., for an estimated amount of \$1,065,750 including GST in the amount of \$50,750 as outlined in the report titled “CI – Asphalt Paving Services – Engineering Department” dated October 07, 2024 be approved; and

**THAT** final payment will be based on the actual quantity of goods and services delivered and unit prices as submitted.

## **1.0 POLICY SECTION**

The City’s Procurement Policy requires Council approval for change orders, which individually or when accumulated with prior change orders, increases the total value of the contract by \$1,000,000.

## **2.0 BACKGROUND**

On July 15, 2022, the City awarded a contract to Blackrete Paving Ltd. for Asphalt Paving Services - Engineering Department on an as and when need basis, for an estimated value of \$210,000 including GST in the amount of \$10,000. The original contract term was from July 15, 2022 to March 31, 2024. The contract was extended from April 1, 2024 to March 31, 2025 with two individual extension option years remaining at the sole discretion of the City.

The asphalt paving contract is a multi-year contract with external contractors to provide paving and concrete services to compliment City forces work.

## **3.0 GENERAL INFORMATION**

This contract increase of \$1,065,750 including GST in the amount of \$50,750 is required to cover work until the end of the contract term March 31, 2025.

Since the award of the contract, there have been eight contract increases for a value of \$2,417,310 including GST in the amount of \$115,110. These contract increases have been a result of the City experiencing an increase in the amount of asphalt paving requirements due to emergency repair work that cannot be predicted, and the growing need for storm sewer extensions and watermain installations.

The total estimated contract value is \$3,693,060 including GST in the amount of \$175,860.

The General Manager Engineering concurs with this recommendation.

<b>Contract History</b>	<b>Date</b>	<b>Accumulative Total Change (including GST)</b>
Original Contract Award	July 2022	\$ 210,000
Contract Increase #1	December 2022	\$ 210,000
Contract Increases #2 & #3	January 2023	\$ 63,378
Contract Increases #4 & #5	May 2023	\$ 131,355
Contract Increase #6	July 2023	\$ 17,577
Contract Increase #7	August 2023	\$ 1,050,000
Contract Increase #8	May 2024	\$ 945,000
<b>Subtotal Contract Increase #1 to #8</b>		<b>\$2,417,310</b>
Contract Increase #9	Pending	\$ 1,065,750
<b>TOTAL</b>		<b>\$ 3,693,060</b>

**4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT**

The RFP #139-05-21 was publicly advertised. Upon closing, the City received a total of nine submissions.

**5.0 FINANCIAL CONSIDERATIONS**

Funding is included in the 2024 – 2028 Financial Plan under various capital and operating accounts.

Respectfully submitted,  
 Ratan Grewal, Deputy General Manager Finance

**ATTACHMENTS**

Attachment 1 – RFP 139-05-21

**REPORT CONTRIBUTORS**

This report was prepared by Steve Chan, Senior Buyer, and reviewed by Scott Lovas, Acting Senior Manager, Procurement Services – Capital.