

TO: MAYOR & COUNCILLORS
FROM: DEPUTY GENERAL MANAGER FINANCE
SUBJECT: **CI – HIRED EQUIPMENT SERVICES – DONERITE BACKHOE SERVICES LTD.**
PURPOSE: To obtain Council approval to award a Contract Increase (CI) for Hired Equipment Services to Donerite Backhoe Services Ltd.

RECOMMENDATION

THAT a contract increase to Donerite Backhoe Services Ltd. by an estimated cost of \$300,000 including GST in the amount of \$14,286 as outlined in the report titled, “CI – Hired Equipment Services – Donerite Backhoe Services Ltd.” dated April 22, 2025 be approved; and,

THAT final payment will be based on the actual quantity of services delivered and hourly rates submitted.

1.0 POLICY SECTION

The City’s Change Order policy requires Council’s approval for change orders, which individually or when accumulated with prior change order, increases the total value of the contract by \$500,000.

2.0 BACKGROUND

Following a Request for Standing Offer (RFSO) #76-03-22 in December 2022, the City awarded contracts for hired equipment services to multiple vendors including Donerite Backhoe Services Ltd. in the amount of \$990,000 including GST in the amount of \$47,143. The contract term is from January 1, 2023 to December 31, 2025.

The scope of work of this contract is to provide hired equipment services for Engineering Operations on an “as and when requested” basis to assist City forces in completing construction work, maintenance programs, and emergency callout support at fixed hourly rates for operators and equipment.

3.0 GENERAL INFORMATION

This recommendation is to approve a contract increase of \$300,000 including GST in the amount of \$14,286. The contract increase is due to operational requirements, as there has been an increase in excavation works. Without this crucial piece of equipment and operator, the entire project crew would be idle, leading to significant costs and reassignment. Hired equipment services are only requested when internal operators are not available, to ensure that City operations continue.

The estimated total contract value is \$1,290,000 including GST in the amount of \$61,429.

Contract History	Date	Accumulative Total Change (including GST)
Original Contract Award	December 2022	\$990,000
First Increase	Pending	\$300,000
TOTAL		\$1,290,000

City staff have reviewed the increase and believe it appropriately addresses the City's needs at a fair cost. The General Manager Engineering concurs with this recommendation.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

RFSO #76-03-22 Hired Equipment Services (Attachment 1) was publicly advertised. Upon closing, the City received a total of thirty-two submissions.

5.0 FINANCIAL CONSIDERATIONS

Funding for this work will be included in the 2025 – 2029 Financial Plan under various Engineering operating and capital budgets.

Respectfully submitted,

Ratan Grewal, Deputy General Manager Finance

ATTACHMENTS

Attachment 1 – RFSO 76-03-22

REPORT CONTRIBUTORS

This report was prepared by Brian Carter, Director Public Works – Roads & Utilities, Rebecca Yeung, Senior Buyer, and reviewed by Sophan Lum, Senior Manager, Procurement Services – Capital.