

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

RECOMMENDATION

THAT a contract increase to Blackrete Paving Ltd. by an estimated cost of \$1,102,500 including GST in the amount of \$52,500 as outlined in the report titled “CI – Asphalt Paving Services – Engineering Department” dated May 13, 2025 be approved; and

THAT final payment will be based on actual quantity of services delivered and contracted unit prices.

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 orders, increases the total value of the contract by \$500,000.

2.0 BACKGROUND

Following a Request for Proposal (RFP) #139-05-21 in January 2022, the City award contracts for Asphalt Paving Services to multiple vendors including Blackrete Paving Ltd. in the amount of \$210,000 including GST in the amount of \$10,000. The original contract term was from July 15, 2022 to March 31, 2024 with three renewal option years at the City’s discretion.

The scope of this contract is to provide asphalt paving and concrete services on an as and when needed basis to complement City forces work. Since the award of this contract, there have been nine contract increases and two contract renewals as outlined in the table in section 3 of this report. The total value of these changes is \$3,473,060 including GST in the amount of \$165,384.

3.0 GENERAL INFORMATION

This recommendation is to approve a contract increase of \$1,102,500 including GST in the amount of \$52,500. The contract increase is necessary due to increased work that requires certified utility crews on a consistent basis.

The estimated total contract value is \$4,785,560 including GST in the amount of \$227,884.

Contract History	Date	Accumulative Total Change (including GST)
Original Contract Award	January 2022	\$ 210,000
Contract Increases #1 - 6	December 2022 to July 2023	\$ 412,310
Contract Increase #7	August 2023	\$ 1,050,000
Contract Renewal #1	April 2024 to March 2025	-
Contract Increase #8	May 2024	\$ 945,000
Contract Increase #9	October 2024	\$ 1,065,750
Contract Renewal #2	April 2025 to March 2026	-
Contract Increase #10	Pending	\$ 1,102,500
TOTAL		\$ 4,785,560

City staff have reviewed the increase and believe it appropriately addresses the City's needs at a fair cost.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

RFP #139-05-21 Asphalt Paving Services – Engineering Department (Attachment 1) was publicly advertised. Upon closing, the City received a total of nine submissions.

5.0 FINANCIAL CONSIDERATIONS

Funding for this work is 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 – RFP 139-05-21

REPORT CONTRIBUTORS

This report was prepared by Steve Chan, Senior Buyer, and reviewed by Sophan Lum, Senior Manager, Procurement Services – Capital.