

TO: MAYOR & COUNCILLORS
FROM: DEPUTY GENERAL MANAGER FINANCE
RESPONSIBLE DEPARTMENT(S): ENGINEERING
SUBJECT: **CR - SEWER AND WATERWORKS COMPONENTS**
PURPOSE: To obtain Council approval for a Contract Renewal (CR) for Sewer and Waterworks Components.

RECOMMENDATION

THAT a contract renewal to Hanley Agencies Ltd. for an estimated cost of \$500,000 including tax, as outlined in the report titled “CR – Sewer and Waterworks Components” dated May 27, 2025, be approved; and

THAT final payment will be based on actual quantities ordered and unit prices quoted.

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 SUMMARY

This recommendation is to approve a contract renewal in the amount of \$500,000 including tax. Further details are outlined in Attachment 1.

Breakdown of Cost	Dates	Reason	Estimated Amount including tax
Accumulated Subtotal	June 2023 to May 2025 (24 months)	Original Contract Award, Increase and Renewals	950,919
Current Contract Renewal Request	June 2025 to May 2026 (12 months)	3rd renewal option	500,000
TOTAL ESTIMATED CONTRACT VALUE INCLUDING TAX			1,450,919

Since the award of this contract, there has been one contract increase and one contract renewal. The contract increase was required because Hanley Agencies Ltd. took over the supply of PVC sewer fittings that had originally been awarded to a separate supplier. That supplier could not provide the specific pipe required by the City.

There is no need to go back out to bid at this time because the original contract included optional renewal years, which the City is now exercising.

3.0 BACKGROUND

Following a Request for Quote (RFQ) in June 2023, the City awarded a one-year contract to Hanley Agencies Ltd., for an estimated cost of \$242,034 including GST and PST in the amount of \$25,933 for the period of June 20, 2023 to May 31, 2024, with the option to renew for four one-year periods at the sole discretion of the City should service prove reliable and pricing remains competitive. Optional contract renewal terms allow the City to assess the vendors performance during the initial term and provides the Contractor with the ability to adjust pricing based on market fluctuations at the time of renewal.

The scope of work of this contract is for the “as and when required” supply and delivery of sewer and waterworks components that are inventoried at Laurel Street Warehouse for use by various City departments. The City has been working with Hanley Agencies Ltd. for the supply of similar products for over ten years.

4.0 GENERAL INFORMATION

The estimated total contract value is \$1,450,919 including GST and PST in the amount of \$155,456.

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

5.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

RFQ 61-02-23 Sewer and Waterworks Components was publicly advertised. Upon closing, the City received a total of five submissions.

6.0 FINANCIAL CONSIDERATIONS

Funding for this work is provided in the 2025 – 2029 Financial Plan under various operating and capital accounts.

Respectfully submitted,

Ratan Grewal, Deputy General Manager Finance

ATTACHMENTS

Attachment 1 – Contract History

REPORT CONTRIBUTORS

This report was prepared by Jenny Ng, Purchasing Specialist, and reviewed by Robyn Tegart, Senior Manager Procurement Services – Operations.