

TO: MAYOR & COUNCILLORS
FROM: DEPUTY GENERAL MANAGER FINANCE
RESPONSIBLE DEPARTMENT: ENGINEERING
SUBJECT: **CC – HIRED EQUIPMENT – MCRAES ENVIRONMENTAL SERVICES**
PURPOSE: To obtain Council approval to award a Contract Change (CC) to McRaes Environmental Services for hired equipment services.

RECOMMENDATION

THAT a contract change to McRaes Environmental Services for an estimated cost of \$650,000 including GST, as outlined in the report titled "CC – Hired Equipment – McRaes Environmental Services" dated January 13, 2026, be approved; and

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

EXECUTIVE SUMMARY

This recommendation is to approve a contract change of \$650,000 including tax. Further details are outlined in Attachment 1.

McRaes Environmental Services provides hired equipment services on an "as and when requested" basis to support City staff in completing construction work, maintenance programs, and emergency callout responses at fixed hourly rates for operators and equipment.

A contract change is required because the existing contract with McRaes Environmental Services has been extended by three months, until March 31, 2026. This extension ensures that all Hired Equipment Contracts currently in place will expire at the end of the winter/snow season, preventing any disruption to service. Additional rationale for the contract change includes:

- The City's hydro/vac trucks work in conjunction with McRaes Environmental Services to provide hydrovac and flushing services. When City trucks are unavailable, McRae's equipment, including larger capacity units, are required, particularly for transporting contaminated waste to treatment facilities.
- McRae's compound is located near the treatment sites, making it more cost-effective for McRae's to transport contaminated waste from the Norland transfer site.
- The demand for McRae's services has grown due to an increase in sewer-related workload, which requires specialized vehicles and expertise.

1.0 POLICY SECTION

The City's Change Order Policy requires Council 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

See the previous Council Report dated June 24, 2025 and attached for your reference (Attachment 2)

3.0 GENERAL INFORMATION

The estimated total contract value is \$ 5,227,000 including taxes.

City staff have reviewed the contract change and believe it appropriately addresses our needs at a competitive cost. The General Manager Engineering concurs with this recommendation.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

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

5.0 FINANCIAL CONSIDERATIONS

Funding for this work is included in the draft 2026 – 2030 Financial Plan that is set to be approved by Council in January/February 2026.

Respectfully submitted,

Bob Klimek, Deputy General Manager Finance

ATTACHMENTS

Attachment 1 – Contract History

Attachment 2 – Council Report dated June 24, 2025

REPORT CONTRIBUTORS

This report was prepared by Rajan Sandhu, Senior Buyer and reviewed by Robyn Tegart, Senior Manager, Procurement Services – Operations.