



Item .....
Meeting .....2022 June 20

COUNCIL REPORT

**TO:** CHIEF ADMINISTRATIVE OFFICER **DATE:** 2022 June 13  
**FROM:** ACTING CHIEF FINANCIAL OFFICER **FILE:** 5820-20  
*Reference: RFQ 3-01/19*  
**SUBJECT: CONTRACT EXTENSION  
SEWER AND WATERWORK COMPONENTS**

**PURPOSE:** To obtain Council approval to award a six month contract extension for the supply and delivery of sewer and waterwork components.

**RECOMMENDATION:**

1. **THAT** Council approve a six month contract extension to Hanley Agencies Ltd., for an estimated total cost of \$224,000.00 including GST and PST in the amount of \$24,000 as outlined in this report. Final payment will be based on the actual quantity of goods delivered and services provided.

**REPORT**

In 2019 May, the City awarded a contract to Hanley Agencies Ltd., for a total estimated cost of \$420,000.00 including GST and PST in the amount of \$45,000.00. The initial contract was for the period 2019 June 01 to 2021 May 31, with options of up to three individual one year extensions at the discretion of the City. The work of this contract involves the supply and delivery of sewer and waterwork components on an as and when required basis to be inventoried at Central Stores for various City work crews.

Since the award of the contract, there has been one contract increase and two six month contract extensions for the period 2021 June 01 to 2022 May 31, for the total estimated cost of \$503,856.00 including GST and PST in the amount of \$53,985.00.

This recommendation is for a third six month contract extension effective 2022 June 01 to 2022 November 30 for an estimated value of \$224,000.00 including GST and PST in the amount of \$24,000.00. Due to the volatility of worldwide resin prices and global supply chain issues, Hanley Agencies Ltd., will only provide firm pricing for a six-month period. The average price increase on the overall contract is 9%. City staff have verified that this is in line with current industry standards. The total estimated contract value is \$1,147,856.00 including GST and PST in the amount of \$122,984.00.

To: Chief Administrative Officer  
 From: Acting Chief Financial Officer  
 Re: Contract Extension  
 Sewer and Waterwork Components  
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Contract History	Term	Amount
Original Contract Award	2019 June – 2021 May	\$420,000.00
First Contract Increase	2019 June – 2021 May	\$ 28,000.00
First Contract Extension	2021 June – 2021 Nov	\$223,856.00
Second Contract Extension	2021 Dec – 2022 May	\$252,000.00
<b>Third Contract Extension</b>	<b>2022 June – 2022 Nov</b>	<b>\$224,000.00</b>
<b>TOTAL</b>		<b>\$1,147,856.00</b>

The recommended bidder, Hanley Agencies Ltd., has provided similar products in the past with a proven track record for performance and reliability to the satisfaction of the City. The recommendation is based on findings of overall quality, performance and service. The General Manager Engineering concurs with the above recommendation.

Funding for this contract is provided in the 2022-2026 Financial Plan under various operating and capital accounts.



Bob Klimek  
 ACTING CHIEF FINANCIAL OFFICER

BK:GC:ML/lk:kl

Copied to: Acting General Manager Engineering