

COUNCIL AUTHORITY FOR CONTRACT AWARDS CONTRACT INCREASE

Project Award	Contract Increase for Hatch – Contract Administration 2018 Expanded Asphalt
Recommendation	Staff is recommending the contract increase to Hatch for the Contract Administration 2018 Expanded Asphalt in the total amount of \$10,932.10 (exclusive of HST).
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required.
Background information	<p>The current contract awarded to Hatch for 2018 Expanded Asphalt contract Administration is in the amount of \$152,954 (exclusive of HST). Was awarded in March 27, 2018 through purchase order C-18-39 R2. Change orders for renewal terms have been issued in the amount of \$33,018.</p> <p>This contract increase in the amount of \$10,932.10 (exclusive of HST) is for additional fees for contract administration, inspection and material testing. The 2018 Expanded asphalt warranty period for Esquesing Line was extended for additional two years because the result of asphalt testing was found in non- compliance. Hatch's original proposal did not include the cost for the additional two years, therefore, there was no budget allocated for this purpose. The request of additional fees includes the following:</p> <ul style="list-style-type: none"> • Project Management and Contract Administration Services • Geotechnical support, inspection and material testing. <p>The original contract was awarded with an old roster. Hatch requested the increase in their original hourly rate fees considering that original proposal was in 2018. The new rates will only be applied in future invoices.</p> <p>The new contract total will be \$163,886.10 (exclusive of HST).</p>

Financial Planning Section: Budget Impact (Note 1)

Account Number(s)	C35012818-A0611-7210
Account Description	2018 Expanded Asphalt
Project Total Budget	\$1,443,843
Contract Budget	\$29,490
Actual (Net of HST Rebate)	\$11,125
Variance	\$18,365 (F) (Note 2)
Funding Source	Federal Gas Tax and Project Variance Account

Note 1: Financial impact includes any non-refundable portion of HST

Note 2: Staff is requesting that the favourable variance remain in the project to accommodate future changes.