

B.C. MINISTRY OF TRANSPORTATION

Local Area Specification #1

RAIL HAUL

The Ministry of Transportation recognizes the lack of gravel and quarry rock resources in the North Peace District. Therefore a provisional sum of \$500,000 has been established to enable the Contractor to move crushed gravel from Teko gravel pit and/or Rip-rap from West Pine quarry by rail to off-load sites at:

| Off Load Site | | Estimated Price 2004 |
|-------------------|---------|----------------------|
| Buick Siding | Crush | \$11.50 tonne |
| Murdale Siding | | \$9.50 tonne |
| St. John Yard | | \$7.50 tonne |
| Fort Nelson Yard | | \$14.50 tonne |
| Ft. St. John Yard | Rip Rap | \$22.25 tonne |

Note: The above costs per tonne are limited to loading, haul by rail and unloading at a siding only. These costs will be adjusted annually. All other costs are the responsibility of the Contractor and cannot be drawn from the provisional sum for rail haul.

Terms and Conditions:

1. The Contractor must provide the Ministry with estimated crushed gravel or Rip-rap quantities and scheduling requirements and preferred locations for stockpiles at least one year in advance to allow for winter stockpiling by BC Rail. Crushing the aggregate in Teko pit or riprap production at West Pine Quarry will be the responsibility of the Contractor. The Ministry will partner with the Contractor to produce crushed granular aggregate in Teko pit when opportunities are available. The Contractor may purchase available crushed gravel resources from the Ministry of Transportation. If the Contractor purchases crushed aggregate from the Ministry that has been hauled by rail, only the load, haul and unload costs can be drawn from the provisional sum.
2. The Ministry of Transportation representative and BC Rail will coordinate the delivery of crushed gravel from Teko and/or of Rip-rap from West Pine quarry to the siding stockpiles. All Ministry of Transportation gravel delivery programs and projects will take precedence over Contractor requirements. The Ministry will establish a stockpile of crushed 25 mm aggregate in one of the above listed stockpile sites to be selected by the Ministry for use by the contractor in the event that the rail haul is unavailable.

3. The Contractor must crush the aggregate before it can be accepted for haul by rail. No pit run gravel will be hauled by rail without prior approval by BC Rail and the Ministry. All Rip-rap must be clean and sorted by size before loading onto rail cars.
4. The Contractor must ensure that Teko pit and West Pine quarry are included in their gravel license agreement.
5. The Contractor must pay BC Rail directly for loading, hauling and unloading and stockpiling costs within 30 days of receipt of the invoice.
6. The Contractor must reimburse the Ministry of Transportation directly for Ministry of Transportation gravel sources used.
7. The Ministry of Transportation reserves the right to amend or cancel this provisional sum/Local Area Standard at anytime. If the Ministry amends or cancels the provisional sum, crushed gravel unit prices in the Quantified work list will be subject to negotiation on a prorated basis. The total value of the negotiated change on an annual basis, must not exceed the value of 80% of the remaining provisional sum at the time of amendment or cancellation for the years or part years in which the change applies.
8. The Ministry may consider other options for potential stockpile sites. Development costs for stockpile sites may be approved as costs to be drawn from the above provisional sum.