

NO: **R215**

COUNCIL DATE: **October 1, 2012**

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **September 24, 2012**

FROM: **General Manager, Engineering**

FILE: **1220-40**

SUBJECT: **Award of Contract for the Supply and Delivery of Bulk Winter Road Salt**

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## RECOMMENDATION

The Engineering Department recommends that Council approve the award of Contract No. 1220-040-2012-037 for the supply and delivery of up to 6,000 tonnes of bulk winter road salt to McTar, a Division of LaFarge Canada Inc., at a price of \$87.55 per tonne including HST up to a maximum total amount of \$525,300 including HST.

## INTENT

The purpose of this report is to seek Council approval to award a contract for the supply and delivery of bulk winter road salt that will be used in snow and ice removal operations during the upcoming winter season.

## BACKGROUND

The Engineering Department buys bulk winter road salt on an annual basis for winter snow and ice control on the City's streets and civic parking lots. Between 5,000 and 17,000 tonnes of road salt are used a year depending on the severity of the weather during the winter season.

## DISCUSSION

In preparation for the upcoming winter season, quotations for the supply and delivery of road salt have been requested from local suppliers. In an effort to achieve optimal rates, the Request for Quotes (RFQ) that was issued included two pricing options as follows:

- Option A: The contractor guarantees to supply up to 6,000 tonnes while the City guarantees to purchase a minimum of 4,000 tonnes.
- Option B: The contractor provides a rate per tonne of salt with no minimum or maximum limit on the quantity that must be supplied or purchased.

Two companies responded to the RFQ. The results are documented in the following table:

Company	Option A (per tonne)	Option B (per tonne)	Option A Total Bid Price	Option B Total Bid Price
McTar, Division of LaFarge	\$87.55	\$87.55	\$525,300.00	\$525,300.00
Mainroad Maintenance Products	\$99.46	\$99.46	\$596,760.00	\$596,760.00

McTar has supplied the City's salt in each of the last four (4) winter seasons with the City not having any problems with the contracts in these previous years. Subject to Council approval, staff intends to enter into a contract with McTar under Option A as it guarantees a sufficient supply of salt to address the City's needs for the 2012/2013 winter season assuming severe weather. The City's salt storage facility allows for the storage of large quantities of salt so as to minimize the potential for salt shortages during the winter season. The City currently has approximately 12,000 tonnes of salt in storage. With the contract recommended in this report for the supply of up to an additional 6,000 tonnes of salt, the City will have sufficient salt to address the demands of the upcoming winter season even if it brings relatively severe conditions.

#### FUNDING

Funding for the subject contract is available in the approved 2012 Operating budget.

#### CONCLUSION

Based on the above discussion, it is recommended that Council approve the award of Contract No. 1220-040-2012-037 for the supply and delivery of up to 6,000 tonnes of bulk winter road salt to McTar, a Division of LaFarge Canada Inc., at a price of \$87.55 per tonne including HST up to a maximum total amount of \$525,300 including HST.

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