

NO: R196

COUNCIL DATE: OCTOBER 7, 2013

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **October 3, 2013**
FROM: **General Manager, Engineering** FILE: **1220-40**
SUBJECT: **Award of Contract for the Supply and Delivery of Bulk Winter Road Salt**

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract No. 1220-040-2013-053 to McTar, a Division of LaFarge Canada Inc., in the amount of \$89.36 per tonne including GST /PST for the supply and delivery of up to 12,000 tonnes of bulk winter road salt during the remainder of 2013 and 2014; and
2. Set expenditure authorization limit for Contract No. 1220-2013-053 at \$1,072,320. including GST/PST.

INTENT

The purpose of this report is to seek approval to award a contract for the supply and delivery of bulk winter road salt that will be used in winter road maintenance operations.

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 bulk road salt were requested from local suppliers. With a view to minimizing costs, the Request for Quotations (RFQ) that was issued included three pricing options as follows:

- Option A: The contractor is to provide a price per tonne with a guarantee to supply 120% of the City's estimated annual salt usage, being 6,000 tonnes, while the City will guarantee to purchase a minimum of 4,000 tonnes which represents 80% of the City's estimated annual salt usage.

- Option B: The contractor is to provide a price per tonne to provide salt with no minimum or maximum limit on the quantity that is to be supplied or purchased.
- Option C: The contractor is to provide a price per tonne for each of 2013 and 2014 under each of Option A and Option B, respectively.

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

Company	Option A (\$/tonne incl. GST/PST)	Option B (\$/tonne incl. GST/PST)	Option C (\$/tonne incl. GST/PST)
McTar, Division of LaFarge	\$89.36	\$89.36	\$89.36
Mainroad Maintenance Products	\$102.73	\$102.73	\$102.73

McTar has supplied the City's salt in each of the last five (5) winter seasons without any problems. The bid submitted by McTar under Option C is recommended as it guarantees the supply of salt for each of the 2013/14 and 2014/15 winter seasons, respectively, at a constant price per tonne.

FUNDING

Funding for the subject contract is available for 2013 in the approved Operating budget and is allocated for 2014 in the approved Five Year Financial Plan.

CONCLUSION

Based on the above discussion, it is recommended that Council:

- Award Contract No. 1220-040-2013-053 to McTar, a Division of LaFarge Canada Inc., in the amount of \$89.36 per tonne including GST /PST for the supply and delivery of up to 12,000 tonnes of bulk winter road salt during the remainder of 2013 and 2014; and
- Set expenditure authorization limit for Contract No. 1220-2013-053 at \$1,072,320. including GST/PST.

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General Manager, Engineering

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