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STAFF REPORT: ENGINEERING AND PUBLIC WORKS DEPARTMENT



REPORT TO: **Committee of the Whole**
MEETING DATE: **August 18, 2014**
REPORT NO.: **EPW.14.057**
SUBJECT: **Tender Award 2014-28-T-EPW –
Supply and Delivery of Winter Road
Salt (Sodium Chloride)**

PREPARED BY: **Jim McCannell, Manager of Roads
and Drainage on behalf of TPAC**

A. Recommendations

THAT Council receive Report EPW.14.057, “Tender Award 2014-28-T-EPW – Tender for the Supply and Delivery of Winter Road Salt”

AND THAT the Tender be awarded to Sifto Canada Corporation, for the supply and delivery of approximately 1,000 tonnes of winter road salt, at a cost of \$76.06 per tonne, in the amount of \$76,060.

B. Background

The Purchasing of Goods and Services Policy POL.COR.07.05 clause 7 “Powers of the Tender/Proposal Award Committee” states:

“The Tender / Proposal Award Committee, within the parameters of this policy, are hereby authorized to make awards for Tenders from \$50,001 - \$100,000 and \$25,001 to \$100,000 for Requests for Proposals within the respective budget allocations. Awards exceeding \$100,000 shall be made by Council with a recommendation from the Tender / Proposal Award Committee.”

The Roads Operating account for the purchase of winter control materials anticipates the purchase of approximately 1000 tonnes of road each winter. The use of regular salt has decreased with the use of treated salt and the use of liquid de-icing brines. The purchase of treated salts and liquid de-icing brines is purchased from within the anticipated road budget for winter control materials. The materials are purchased as they are required and are trucked to the storage dome at the County yard. This is not a bulk purchase.

Tender 2014-28-T-EPW is for an initial period of one (1) year, with the Town reserving the right to negotiate with the successful Contractor for a period of up to four (4) additional years for a total contract length of five (5) years. Contract 2014-28-T-EPW will extend until the spring of 2019.

The value of the contract over the five year term is approximately \$350,000 (\$70,000 x 5 years) and places the Award in the Tier 2 category, requiring Award by Council.

The Tendering Process was conducted in compliance with the Town’s Purchasing Policy and Procedures.

Staff is recommending awarding Tender 2014-28-T-EPW for the supply and delivery of winter road salt to Sifto Canada Corporation, for the supply and delivery of approximately 1,000 tonnes annually of winter road salt, at a cost of \$76.06 per tonne, in the amount of \$76,060.

The overall contract value is estimated to be as much as \$350,000 over the five year term of the contract.

C. The Blue Mountains' Strategic Plan

These works address the Town's Strategic Plan Goal No. 2 "Addressing the Town's Municipal infrastructure needs".

D. Environmental Impacts

Staff is monitoring the use of salts as de-icing agents through better record keeping and reporting. Annual reports are filed with Environment Canada. Increased training of staff and contractors has made Operators aware of alternative methods and products that have decreased the overall volume of salt being used.

E. Financial Impact

This product is anticipated to be purchased during the 2014 and 2015 budgets and will be funded from the Roads and Drainage Winter Control Operating budget, item 1-308-3105-62000, Materials. Due to the overly harsh and extended winter that the Town had in 2013 and 2014 this department is currently at 90% of budget. Staff was well aware of this during the 2013 year end and was able to add an additional \$300,000 to the Winter Control which increased its balance to \$434,000 which will be utilized to fund and overages for this department as well as this specific account.

F. In Consultation With

Serena Wilgress, Manager of Purchasing & Risk Management
Sam Dinsmore, Financial Analyst

G. Attached

None

Respectfully submitted,

Jim McCannell

Jim McCannell
Manager of Roads and Drainage Division
Engineering & Public Works
Office: 519-599-3131 Ext.271
Fax: 519-599-7723
jmccannell@thebluemountains.ca

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Tender Proposal Award Committee

Troy Speck

Troy Speck
Chief Administrative
Officer

Reg Russwurm

Reg Russwurm
Director of Engineering
and Public Works

Serena Wilgress

Serena Wilgress
Manager of Purchasing
& Risk Management