

STAFF REPORT: Engineering & Public Works Department



REPORT TO: Infrastructure & Recreation Committee
MEETING DATE: September, 22 2009
REPORT NO.: EPW.09.071
SUBJECT: Purchase of Granular products from
 Grey County
PREPARED BY: Jim McCannell, Manager of Roads and
 Drainage Division

A. Recommendations

THAT Council approve the purchase of Granular products from the Grey County quarry for use on roads and highways within the Town, and

THAT these purchases be approved under the Procedures for Procurement Policy, FS.08.08 Schedule E, Standardization Procurement Procedures of a Particular Product, Service or Support Activity for the reasons outlined in Report EPW.09.071 entitled "Purchase of Granular products from Grey County".

B. Background

The Town is no longer able to extract gravel from the pit at the landfill site. The gravel vein is now very thin and the over burden is too great to justify further extraction. As more material is used as landfill cover it may be economical to have gravel crushed in the future. At this time the Town must purchase gravel for road washouts, shouldering and for use as maintenance gravel.

Prior to 2007 the Town use to produce 10,000 yards of gravel from the Town pit on County Road 13 for use in Thornbury, Clarksburg and the urban areas. In addition to this the Town would also purchase 10,000 yards in the Gibraltar area for use in the former Township. This was done with 2 contracts and the combined value of these two contracts was approximately \$150,000. In 2008 the budget for maintenance gravel was reduced to \$130,000. This allowed for the Town to purchase 8,000 m³ which is equivalent to the 10,000 yards purchased the year before. In 2009 the Town purchased approximately 8,000 m³. The 2009 contract was to purchase the gravel by weight instead of by volume and so purchased 16,000 Tonnes of 5/8 maintenance gravel. This is about half the gravel that has traditional been purchased by the Town for use as maintenance gravel.

The Town no longer has a source of gravel that is close to Thornbury, Clarksburg or the urban areas. The Town has purchased gravel from Grey County's quarry in the past. This material can be purchased from the County for the cost of crushing with no additional benefit going to Grey County.

Staff would like the ability to purchase larger amounts of gravel from the County for use within the Town. These purchases would be sole sourced and would therefore be purchased under the requirements of Schedule E of the Purchasing Policy. Within Schedule E of the Purchasing Policy single sourcing of a product or service is permitted to ease day to day operations. This will result in a reduction in the overall operating cost of the product. The combined value of annual purchases will exceed \$100,000 and must be approved by the CAO and Council.

The Town is purchasing gravel from Grey County for use with the Tar and Chip resurfacing that is being completed this summer. This was done without tendering for this product. The list of products to be purchased from Grey County would include granular products for road maintenance and construction, plus the purchase of winter sand used for winter control.

The review period for this is every 5 years.

C. The Blue Mountains' Strategic Plan

This engineering assignment furthers the Town's Strategic Goal #2, "Addressing the Town's municipal infrastructure needs".

D. Environmental Impacts

The movement of gravel is very energy intensive and relies heavily on diesel fuel and other fossil fuels. The focus here is to reduce the distance that material must be hauled to limit the fuel used and carbon released. The challenge is to work around the escarpment elevation changes. By not requiring trucks to travel up and down the escarpment we are able to reduce the amount of fuel used and reduce trucking costs.

E. Budget Impact

This authorization will have no impact on the current budget. The purchase of stone chips for resurfacing will be funded from \$135,000 in G/L 1-308-3001-64056 Single Surface Repairs. Winter sand will be funded from the \$115,000 in G/L 1-308-3105-62000 Winter Control. Maintenance Gravel will be funded from the spot improvement budget G/L 1-308-3001-64050. Future Budgets may allow for the purchase of more granular products. Purchases over the managers signing authority of \$10,000 will be reviewed and approved by the Director of Engineering and Public Works.

F. Attached

None.

Respectfully submitted,

Jim McCannell
Manager of Roads and Drainage Division

Sherri Adams
Manager of Purchasing

Reviewed and approved by:

Reg Russwurm
Director of Engineering and Public Works

J.P. (Paul) Graham
Chief Administrative Officer

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