

STAFF REPORT: Finance & IT Services

REPORT TO: Council
MEETING DATE: April 11, 2012
REPORT NO.: FIT.12.20
SUBJECT: Extension of Contract for the Purchase of Gravel
PREPARED BY: Sherri Adams, Manager of Purchasing

A. Recommendations

THAT Council receive Staff Report FIT.12.20 entitled “Extension of Contract for the Purchase of Gravel” detailing the following negotiated procurement for information purposes:

1. The negotiated contract extension with Dalton R. Lowe and Sons Construction Ltd, for the supply, crushing, loading, hauling, and application of approximately 7,000 additional tonnes of Granular “A” – 5/8” crushed gravel, at a cost of \$8.58 per tonne, extending the current approved contract from \$145,860 to \$201,000 plus HST.

B. Background

Council awarded Tender 2012-49-T-EPW for the purchase of 17,000 tonnes of 5/8 maintenance gravel to Dalton Lowe and Son Construction in January of 2012.

Following the award of the gravel contract an additional 7,000 tonnes of gravel was required, bringing the total gravel from 17,000 tonnes to 24,000 tonnes.

Purchasing Policy POL.COR.07.05 - Clause 14 Purchasing Procedures, sub clause (f) Negotiations and Sole Source authorizes the CAO and the Manager of Purchasing to approve negotiated procurement “when there is a strong business case to extend a contract beyond its initial term, such as when additional work is required that pertains to a current or recently completed project.”

Under the requirements of Tier 2, purchase amounts of up to \$100,000 can be approved by the CAO and the Manager of Purchasing, followed by an information report to Council at the next scheduled Council meeting.

C. The Blue Mountains’ Strategic Plan

Providing a strong, well managed municipal government.

This engineering assignment furthers the Town’s Strategic Goal #2, “Addressing the Town’s municipal infrastructure needs”.

D. Environmental Impacts

The application of spring gravel will reduce the amount of gravel lost during winter control operations, and thereby may result in less truck trips for the replacement of maintenance gravel.

E. Financial Impact

The 2012 Roads & Drainage Operational Budget has \$140,000 allocated for materials. This account has been increased by \$61,000 to \$201,000 through the budget process. The materials will be coded to Account 1-308-3065-62000, identified for gravel resurfacing and used by Finance & IT Services to track for Municipal Performance Measures.

F. In Consultation With

Jim McCannell, Manager of Roads and Drainage

G. Attached

None

Respectfully submitted,

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Manager of Purchasing

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Director of Finance & IT Services

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