



Report to: General Committee

Meeting Date: January 31, 2022

SUBJECT: Tender 073-T-21 Supply & Delivery of Bulk Sodium Chloride (Highway Coarse Rock Salt)
PREPARED BY: Barry Budhu, Sr. Manager – Roads, Survey & Utility, Ext 2748
Melita Lee, Senior Buyer, Ext 2239

RECOMMENDATION:

- 1) That the report entitled “Tender 073-T-21 Supply & Delivery of Bulk Sodium Chloride (Highway Coarse Road Salt)” be received; and,
- 2) That the contract for Tender 073-T-21 Supply & Delivery of Bulk Sodium Chloride (Highway Coarse Road Salt) be awarded to the lowest priced bidder, Compass Minerals Canada Corp.; and,
- 3) That the term of the contract be for three (3) years, with the option to extend the contract for an additional two (2) years commencing October 1, 2022 in the estimated annual amounts of:
 - a. 2022 - \$596,416 (October 1 – December 31, 2022);
 - b. 2023 - \$2,130,055;
 - c. 2024 - \$2,130,055;
 - d. 2025 - \$2,130,055;
 - e. 2026 - \$2,130,055;
 - f. 2027 - \$1,533,639 (January 1 – March 31, 2027);
- 4) That the 2023 – 2027 operating budgets and the purchase order be adjusted for growth and a price escalation allowance based on the Consumer Price Index (CPI) (Toronto All-Items) for years two to five based on the percentage change in the CPI (January to January) up to a maximum amount of 2.5% annually; and,
- 5) And that funds be provided from 700-504-4525 Salt in the amount of \$596,416 for the 2022 award amount; and,
- 6) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to obtain Council approval to award the contract for the supply and delivery of Bulk Sodium Chloride (Highway Coarse Rock Salt), issued under the York Region Co-op Tender number CRFT-2021-01 for a three (3) year period with the option to extend the contract for an additional two (2) years.

BACKGROUND:

York Region, on behalf of the York Region Public Buyers Co-operative, issued a tender (CRFT-2021-01) for the Supply and delivery of Sodium Chloride (Highway Coarse Rock Salt).

The following municipalities were included within the co-operative tender to leverage volume pricing:

1. York Region;
2. City of Markham;
3. City of Richmond Hill;
4. City of Vaughan;
5. Town of Aurora;
6. Town of East Gwillimbury;
7. Town of Georgina;
8. Township of King;
9. Town of Newmarket; and
10. Town of Whitchurch-Stouffville.

Tender Information 073-T-21 (CRFT-2021-01)

Bid closed on	October 27, 2021
Number picking up bid document	7
Number responding to bid	3

One bidder was declared non-compliant by the Region due to failing to meet the Region's mandatory bid deposit and bonding requirements.

Price Summary

Bidder	Qty/Year (Tonne)	Unit Price (Inclusive of HST)	Bid Price (Inclusive of HST)
Compass Minerals Canada Corp.	24,027	\$88.65	\$2,130,055

The contract includes an early fill rate of \$87.64/tonne (inclusive of exclusive of HST) (delivery available August 1 to October 14 of each contract year). The early fill rate is taken advantage by the City to attain the cost reduction and to fill salt domes before the winter season. The early fill rate pricing is fixed for year 1-3, whereas, delivery after October 14 in the amount of \$88.65 is adjusted by CPI in year 2.

On December 14, 2021, York Region awarded the contract to Compass Minerals Canada Corp.

FINANCIAL CONSIDERATIONS

The 2022 award amount of \$596,416 (for the period October 1 – December 31, 2022) will be funded through GL account 700-504-4525.

Historically, annual salt consumption has been between 23,000 to 25,000 tonnes or \$2,038,950 to \$2,216,250 based on \$88.65/tonne. Under this report, staff are seeking approval to the budget amount and since salt usage is based on winter conditions, any additional amount will be dealt with through the expenditure control policy process.

OPERATING BUDGET AND LIFE CYCLE IMPACT

The 2022 award amount of \$596,416 will be funded through the operating budget, as mentioned in the Financial Considerations section above. The award amounts for future years are subject to Council approval of the 2023-2027 operating budgets. There is no impact to the Life Cycle Replacement and Capital Reserve Fund.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The City utilizes computerized spreader control devices to effectively manage the quantity of winter control material applied to the streets, while maintaining approved service levels. All vehicles are calibrated at the beginning of the winter season to ensure application rates are maintained. City staff continually monitor weather conditions through the use of RWIS (Road Weather Information Systems), and Environment Canada to optimize the City's responses to weather occurrence.

BUSINESS UNITS CONSULTED AND AFFECTED:

The Finance Department has been consulted and Staff comments have been incorporated.

RECOMMENDED BY:

Alice Lam
Director, Operations

Morgan Jones
Commissioner, Community Services