



Report to: General Committee

Meeting Date: June 6, 2017

SUBJECT: 138-T-17 Supply & Delivery of Bulk Sodium Chloride (Road Salt)
PREPARED BY: Mike Brady, Supervisor, Contract Administration, Ext. 2316
Patti Malone, Senior Buyer, Ext. 2285

RECOMMENDATION:

- 1) That the report entitled “138-T-17 Supply & Delivery of Bulk Sodium Chloride (Road Salt)” be received;
- 2) And that the contract for Supply & Delivery of Bulk Sodium Chloride (Highway Course Rock Salt) be awarded to the lowest priced Bidder, Compass Minerals Canada Corp.
- 3) And that the term of the contract be for three years, with an option to extend the contract for an additional two years commencing October 1, 2017 in the estimated annual amounts of;
 - 2017 - \$374,310.59 (November 15 – December 31, 2017)
 - 2018 - \$1,573,200.00
 - 2019 - \$1,573,200.00
 - 2020 - \$1,573,200.00
 - 2021 - \$1,573,200.00
 - 2022 - \$1,198,889.41 (January 1-March 31, 2022)And award amounts for future years are subject to Council approval of the 2018-2022 Operating Budgets;
- 4) And that the prices are fixed for year one (2017/18 winter season) and escalated by Consumer Price Index (CPI) – (Toronto All-items) for years two to five based on the percentage change in the CPI (March to March) up to a maximum amount of 3% annually;
- 5) And that funds be provided from 700-504-4525 Salt in the amount of \$374,310.59 for the 2017 award amount;
- 6) And that Staff be authorized to adjust the purchase orders in 2018-2022 based on the approved operating budget;
- 7) And that staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

To obtain approval to award the contract for supply and delivery of Bulk Sodium Chloride (Highway Coarse Rock Salt), issued under the York Region Co-op Tender number CRFT-2016-07 for a three (3) year period with the option to extend contract for an additional two (2) years.

BACKGROUND:

York Region, on behalf of the York Region Public Buyers Co-operative, issued a tender (CRFT-2016-07) 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 Vaughan
4. Town of Aurora
5. Town of East Gwillimbury
6. Town of Georgina
7. Township of King
8. Town of Richmond Hill
9. Town of Newmarket
10. Town of Whitchurch-Stouffville

BID INFORMATION:

Advertised	ETN (Electronic Tendering Network)
Bids closed on	March 28, 2017
Number of bidders picking up the document	4
Number responding to bid	2

DETAILED SUMMARY INFORMATION:

Supplier	Qty/Year (Tonne)	Unit Price	Extended Price
Compass Minerals Canada Corp.	19,000	\$82.80*	\$1,573,200.00
K+S Windsor Salt Ltd.	19,000	\$96.66	\$1,836,540.00

Note: As compared to the previous contract in 2016, this contract represents an increase of 1.79%.

Additionally, the early fill rate \$80.37/Tonne (Delivery available August 1st to October 14th of each contract year) compared to the previous contract 2016 of \$76.90/Tonne represents an increase of 4.5%.

FINANCIAL CONSIDERATIONS:

The 2017 award amount of \$374,310.59 (for the period November 15 – December 31, 2017) will be funded through GL account 700-504-4525, which has remaining budget in the amount of \$420,387. The 2017 annual budget for sodium chloride is \$1,597,034.

OPERATING BUDGET AND LIFECYCLE IMPACT

The 2017 award amount of \$374,310.59 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 2018-2022 operating budgets. There is no impact to the Lifecycle 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 monitors weather conditions through the use of RWIS, (Road Weather Information System), and Environment Canada to optimize our responses to weather occurrence.

BUSINESS UNITS CONSULTED AND AFFECTED:

RECOMMENDED BY:



X

Morgan Jones
Director, Operations



X

Brenda Librecz
Commissioner, Community & Fire Services