

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON OCTOBER 4, 2016
FROM:	JOHN BRAAM, P.ENG. MANAGING DIRECTOR ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER
SUBJECT:	TENDER 12-76 SUPPLY AND DELIVERY OF HIGHWAY SALT 2016 -2017 CONTRACT RENEWAL

RECOMMENDATION

That, on the recommendation of the Managing Director Environmental & Engineering Services and City Engineer, the following actions **BE TAKEN** with respect to Tender 12-76 Contract Renewal:

- a) That approval hereby **BE GIVEN** to enter into negotiations and obtain a supply contract for the last and final year for the Supply and Delivery of Highway Salt with K + S Windsor Salt Ltd., 1195 Courtneypark Drive East, Mississauga, ON L5T 1R1.
- b) Subject to Council approval, the following pricing has been negotiated for the 2016 to 2017 Winter Season of \$64.77 per tonne, deliver included, Harmonized Sales Tax (HST) extra.
- c) That Civic Administration **BE AUTHORIZED** to undertake all of the administrative acts that are necessary in connection with this contract;
- d) Approval hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or issuing purchase orders or contract record relating to these matters of this approval.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Board of Control September 16, 2009 and Council Resolution September 22, 2009.

Civic Work Committee, August 21, 2012 and Council Resolution August 29, 2012.

BACKGROUND

Purchasing Process

Tender 12-76 was issued in June of 2012 to seek competitive pricing for the supply and delivery of Highway Salt on behalf of the Elgin, Middlesex, Oxford Purchasing Co-operative (EMOP) for up to a five (5) year contract period. Pricing in the tender document was formatted to separate the Highway Salt and the delivery portion of to avoid cross subsidization amongst the various agencies; this tender was awarded in August 2012 to the overall low bidder K + S Windsor Salt Ltd. at their tendered price of \$62.87 per tonne, including delivery, HST extra for a two (2) year contract period, with an option to renew for three (3) additional one (1) year periods that commenced September 1, 2012.

Highway Salt purchased through this contract supports the Transportation and Roadside Operations Division's annual winter maintenance programs. In June of 2014 the City negotiated and accepted a 1% price increase which then revised our unit pricing to \$63.50 per tonne, including delivery, HST extra for the 2014 to 2015 and 2015 to 2016 winter seasons.

This is our last option renewal period granted under this tender award; K + S Windsor Salt Ltd. has requested a 2% increase for the upcoming 2016 to 2017 winter season.

Financial Impact

Funding for this commodity is included in the 2016 and 2017 Operating Budgets.

Acknowledgements

This report was prepared with input from John Parsons, Division Manager, Transportation and Roadside Maintenance and Chris Ginty, CPPB, Procurement Officer, Purchasing and Supply.

SUBMITTED BY:	REVIEWED AND CONCURRED BY:
JOHN PARSONS DIVISION MANAGER - TRANSPORTATION AND ROADSIDE OPERATIONS	EDWARD SOLDO, P.ENG. DIRECTOR – ROADS AND TRANSPORTATION
REVIEWED AND CONCURRED BY:	RECOMMENDED BY:
ANNA LISA BARBON, CPA, CGA DIRECTOR, FINANCIAL SERVICES	JOHN BRAAM, P.ENG. MANAGING DIRECTOR – ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER

Cc: John Freeman, CSCMP, Manager - Purchasing and Supply
Chris Ginty, CPPB, Procurement Officer - Purchasing and Supply