

COUNCIL REPORT

TO: CITY MANAGER **DATE:** 2015 June 17

FROM: DIRECTOR FINANCE **FILE:** 5820-20
78-05/12

SUBJECT: CONTRACT EXTENSIONS - SUPPLY OF ASPHALT

PURPOSE: To obtain Council approval to extend three one year contracts for the supply of asphalt.

RECOMMENDATION:

1. **THAT** Council approve one year contract extensions to Winvan Paving Ltd., B.A. Blacktop Ltd., and Columbia Bitulithic, a Division of Lafarge Canada Inc., for an estimated total cost of \$672,000 including taxes in the amount of \$72,000 for the supply of asphalt as outlined in this report. Final payment will be based on actual quantities ordered and unit prices as quoted.

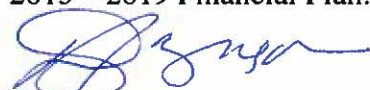
REPORT

In 2012 May, the City received six submissions in response to a Request for Quotation for the supply of hot mix asphalt. One year contracts with the option of four one year extensions at the discretion of the City, were awarded to three vendors: Winvan Paving Ltd., B.A. Blacktop Ltd. and Columbia Bitulithic, a Division of Lafarge Canada Inc. In addition, the delivery of cold mix asphalt was awarded under the same terms and conditions to Columbia Bitulithic.

The work of these contracts include the delivery of cold mix asphalt to a City storage yard, and the pick-up by City trucks of hot mix asphalt at the suppliers' respective plants. Having multiple sources of supply with individual suppliers located in close proximity to the various jobsites has a positive effect on costs and operational productivity.

All three suppliers have confirmed that they will hold pricing at their current rates for the third extension term from 2015 July 01 to 2016 June 30. It is recommended that a one year contract extension be issued to each of the suppliers. The Director Engineering concurs with this recommendation.

Funding for this requirement is provided in various operating and capital accounts in the 2015 – 2019 Financial Plan.



Denise Jorgenson
DIRECTOR FINANCE

GC:ML/ts

cc: Director Engineering