

COUNCIL REPORT

TO: CITY MANAGER **DATE:** 2017 November 01

FROM: DIRECTOR FINANCE **FILE:** 5820-20
146-08/16

**SUBJECT: CONTRACT EXTENSION
SUPPLY AND DELIVERY OF SAND AND GRAVEL**

PURPOSE: To obtain Council approval for a one year contract extension for supply and delivery of sand and gravel aggregates.

RECOMMENDATION:

1. **THAT** Council approve a one year contract extension to Mainland Sand & Gravel ULC for \$560,000 including GST and PST in the amount of \$42,575 for the supply and delivery of sand and gravel aggregates as outlined in this report. Final payment will be based on actual products purchased and unit pricing.

REPORT

This contract involves the supply and delivery of approximately 30,000 tonnes of various sand and gravel aggregates, delivered on an “as and when required” basis to various locations within the City.

The initial contract was awarded for a one year period with options to renew for four individual one year extensions at the discretion of the City. This recommendation is for the first year extension from 2017 November 07 to 2018 October 31. For this renewal, unit prices will increase approximately 3% due primarily to increased labour, production and transportation costs. Including the extension, the total estimated contract value will be \$1,110,000 including GST and PST in the amount of \$83,557.

Mainland Sand & Gravel ULC has a proven track record in the supply of the service to the City. The Director Engineering concurs with this recommendation.

Funding for the requirements is provided in various Operating and Capital accounts within the 2017 – 2021 Financial Plan.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:GC:ML /mlm

Copied to: Director Engineering