
TO: CITY MANAGER **DATE:** 2018 September 10

FROM: DIRECTOR FINANCE **FILE:** 5820-20
39-03/14

**SUBJECT: CONTRACT EXTENSION
SUPPLY AND DELIVERY OF DE-ICING SALT**

PURPOSE: To obtain Council approval to award a one year contract extension for the supply and delivery of de-icing salt.

RECOMMENDATION:

1. **THAT** Council approve a one year contract extension to Lafarge Asphalt Technologies, Division of Lafarge Canada Inc., for an estimated total cost of \$628,614.56 including PST and GST in the amount of \$67,351.56 for work to be completed as outlined in this report. Final payment will be based on the actual quantities delivered.

REPORT

On 2014 August 25, Council awarded a three year contract to Lafarge Asphalt Technologies, Division of Lafarge Canada Inc. for supply and delivery of de-icing salt, in the amount of \$949,385.00 including GST and PST in the amount of \$101,719.82, for the period 2014 October 01 to 2017 September 30 with options of up to two individual one year extensions at the discretion of the City. Firm pricing has been submitted for the first year of the contract with CPI increases for years two and three.

In 2017 August, City Manager awarded the first extension year to Lafarge Asphalt Technologies, Division of Lafarge Canada Inc., in the amount of \$324,120.00 including GST and PST in the amount of \$38,895.00, for the period 2017 October 01 to 2018 September 30.

In 2017 November, Council approved the Improvement to City's Winter Storm Response Plan for salt inventory improvement to increase salt stockpiles from current 2,500 tonnes to 5,500 tonnes, in the amount of \$687,812.58 including GST and PST in the amount of \$69,526.95. This resulted in an increase of the total contract value of \$1,961,317.58 including GST and PST in the amount of \$210,141.17.

This recommendation is for the second one year extension, the term effective 2018 October 01 to 2019 September 30, for an estimated cost of \$628,614.56 including GST and PST in the amount of \$67,351.56. The extension includes a price increase of 6.5%. The increased price is due to changes to the CPI, diesel price and US exchange rate which have been negotiated and allowable

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Re: CONTRACT EXTENSION
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2018 September 17 Page 2

under this contract. Total estimated contract value will be \$2,589,932.14 including GST and PST in the amount of \$277,493.33.

Lafarge Asphalt Technologies, Division of Lafarge Canada Inc. has previously performed this work to the satisfaction of City Staff. The Director Engineering concurs with this recommendation.

Funding for this contract is provided for in various operating accounts which are included in the 2018 - 2022 Financial Plan.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:GC:JN/ew

Copied to: Director Engineering