

COUNCIL REPORT

TO: CITY MANAGER **DATE:** 2018 October 23

FROM: DIRECTOR FINANCE **FILE:** 5820-20
RFQ #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 \$518,000 including GST and PST in the amount of \$39,200 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.

In 2016 October, the City awarded a one year contract for \$550,000 including GST and PST of \$40,982 to Mainland Sand & Gravel ULC, for the period 2016 November 01 to 2017 October 31 with options for up to four individual one year extensions at the discretion of the City. The City’s first year renewal was \$560,000 including GST and PST in the amount of \$42,575, for the period 2017 November 01 to 2018 October 31.

This recommendation is for the second renewal, effective 2018 November 01 to 2019 October 31 for an estimated value of \$518,000 including GST and PST in the amount of \$39,200. For this renewal, unit prices will increase approximately 5% primarily due to increased labour, production and transportation costs. The total estimated contract value will be \$1,628,000 including GST and PST in the amount of \$122,757.

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 2018 – 2022 Financial Plan.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

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Copied to: Director Engineering