

TO:	CITY MANAGER	DATE:	2019 July 23
FROM:	DIRECTOR FINANCE	FILE:	5820-20
		<i>Reference</i>	<i>RFQ #40-03/17</i>
SUBJECT:	CONTRACT EXTENSION SUPPLY OF ASPHALT		
PURPOSE:	To request Council approval for a one year contract extension for the supply of asphalt.		

RECOMMENDATION:

1. **THAT** Council approve a one year contract extension for \$800,000.00 including GST and PST in the amount of \$85,714.29 to B.A. Blacktop Ltd. as outlined in this report. Final payment will be based on unit prices and actual quantities ordered.

REPORT

The work of this contract includes the supply and delivery of cold mix asphalt to a City storage yard and the pick-up by City trucks of hot mix asphalt at the supplier's plant.

On 2017 June 26, the City awarded a one year contract to B.A. Blacktop Ltd. for a total value of \$588,958.50 including GST and PST in the amount of \$63,102.70. The initial contract was for the period 2017 July 01 to 2018 June 30 with options for up to four individual one year extensions at the discretion of the City. The City had since renewed one additional year for the period 2018 July 01 to 2019 July 31, for \$611,041.50 including GST and PST in the amount of \$65,468.73.

This recommendation is for the second renewal option, effective 2019 August 01 to 2020 June 30 for an estimated value of \$800,000.00 including GST and PST in the amount of \$85,714.29. B.A. Blacktop Ltd., has implemented an increase of 5.8% due to increased aggregate and bitumen costs. City staff have verified that this price increase is in line with the current industry standard. Additional City projects have also contributed to the overall increase in contract value. Total estimated contract value will be \$2,000,000.00 including GST and PST in the amount of \$214,285.71.

B.A. Blacktop Ltd., has a proven track record in the supply of these products and has met the delivery requirements of the City during the contract term. The Director Engineering concurs with this recommendation.

Funding for the contracted material is provided in various operating and capital accounts within the 2019 – 2023 Financial Plan.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:GC:ML/ew

Copied to: Director Engineering