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**TO:** CITY MANAGER **DATE:** 2020 January 22

**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.

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**RECOMMENDATION:**

1. **THAT** Council approve a one year contract extension to Mainland Sand & Gravel ULC in the amount of \$660,861.21 including GST and PST in the amount of \$50,300.44 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**

In 2016 October, the City awarded a contract to Mainland Sand & Gravel ULC, for a total cost of \$796,400.00 including GST and PST in the amount of \$60,920.00. The initial contract was for the period 2016 November 01 to 2017 October 31 with options of up to four one year extensions at the discretion of the City. The work of this contract is to supply and deliver "as and when required" sand and gravel aggregates.

The City has since renewed two additional years for \$1,078,000.00 including GST and PST in the amount of \$81,775.00. One change order valued at \$165,215.30 including GST and PST in the amount of \$12,575.10 was initiated to hold current pricing for a 3 month period 2019 November to 2020 January 30 to negotiate renewal pricing.

This recommendation is for the third renewal, effective 2020 February 01 to 2021 January 31 for an estimated value of \$660,861.21 including GST and PST in the amount of \$50,300.44. For this renewal, unit prices will increase approximately 5% primarily due to increased labour, production and transportation costs. Total estimated contract value will be \$2,700,476.51 including GST and PST in the amount of \$205,570.54.

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 From: Director Finance  
 Re: Contract Extension  
 Supply and Delivery of Sand and Gravel  
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<b>Contract History</b>	<b>Term</b>	<b>Accumulative Total Change (including GST and PST)</b>
Original Contract Award	2016 Nov – 2017 Oct	\$796,400.00
First Contract Extension	2017 Nov – 2018 Oct	\$560,000.00
Second Contract Extension	2018 Nov – 2019 Oct	\$518,000.00
Change Order #1	2019 Nov – 2020 Jan	\$165,215.30
Third Contract Renewal	2020 Feb – 2021 Jan	\$660,861.21
<b>TOTAL</b>		<b>\$2,700,476.51</b>

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 2020 – 2024 Provisional Financial Plan.



Noreen Kassam, CPA, CGA  
 DIRECTOR FINANCE

NK:GC:ML / ts:md

Copied to: Director Engineering