

TO: CHIEF ADMINISTRATIVE OFFICER **DATE:** 2022 September 28

FROM: ACTIING CHIEF FINANCIAL OFFICER **FILE:** 5820-20
Reference: RFP #72-03/19

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

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

RECOMMENDATION:

1. **THAT** Council approve a contract extension to Mainroad Maintenance Products LP for an estimated cost of \$1,359,568.00 including GST in the amount of \$60,695.00. Final payment will be based on the actual quantity of goods delivered and services provided.

REPORT

On 2019 September 11, Council awarded a contract to Mainroad Maintenance Products LP for the supply and delivery of de-icing salt in the amount of \$1,505,280.00 including GST in the amount of \$67,200.00. The initial contract was for the period 2019 October 01 to 2022 September 30, with options of up to two individual one year extensions at the discretion of the City. The work of this contract includes the supply and delivery of de-icing salt. The estimated annual usage of de-icing salt is 10,000 tonnes to service the City's road network.

Since the award of this contract, there has been one contract increase for \$210,051.58 including GST in the amount of \$9,377.30.

This recommendation is for the first contract extension effective 2022 October 03 to 2023 September 30 for an estimated value of \$1,359,568.00 including GST in the amount of \$60,695.00 for the supply and delivery of de-icing salt. Contract extension pricing has been negotiated with a fifteen percent increase due to the increased diesel costs and CPI index. Staff have reviewed and confirmed the unit pricing is competitive and reflective of the current market conditions.

The total estimate contract value is \$3,074,899.58 including GST in the amount of \$137,272.30.

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 From: Acting Chief Financial Officer
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 Supply and Delivery of De-Icing Salt
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Contract History	Date	Accumulative Total Change (including GST)
Original Contract Award	2019 September	1,505,280.00
Change Order #1	2021 January	210,051.58
Change Order #2 (Contract Extension)	Pending	1,359,568.00
TOTAL		3,074,899.58

City staff have reviewed the proposed contract extension and believe it appropriately addresses the City’s needs at a fair cost. The Acting General Manager Engineering concurs with this recommendation.

Funding for this contract is provided in various operating accounts within the 2022 – 2026 Financial Plan.



Bob Klimek
 ACTING CHIEF FINANCIAL OFFICER

BK: GC: CC/lk:mt

Copied to: Acting General Manager Engineering