

RE: REMOVAL OF PEAT FROM RIVERWAY GOLF COURSE SITE

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Finance be adopted.

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TO: MUNICIPAL MANAGER

FROM: DIRECTOR FINANCE

RE: REMOVAL OF PEAT FROM RIVERWAY GOLF COURSE SITE

RECOMMENDATIONS:

1. THAT a copy of this report be forwarded to Ratanda Construction Ltd.

87 09 04

REPORT

This report is in response to a letter from Ratanda Construction Ltd. dated 1987 August 31 appearing under Correspondence in this agenda.


The letter from Ratanda states that since their proposal was for 36% of the dump fee per load of fill, staff should have calculated the revenue from this at \$3.60 per load based on a \$10.00 dump fee per load rather than the \$3.00 minimum shown in the report of 1987 July 23. The \$3.00 minimum per load was used in the calculation because that is what Ratanda Construction Ltd. used in their proposal. This was discussed and confirmed with Mr. Gosal during his interview with the staff selection committee. It was clearly stated that Ratanda would likely have to lower the \$10.00 dump fee for fill in order to attract sufficient quantities of fill and for this reason Ratanda included the \$3.00 minimum in their proposal, and in calculating the revenue it was the only value staff could use to arrive at a fair comparison. It should also be pointed out that although Marmax quoted 30% they also guaranteed a minimum of \$3.00 for every load of fill.

Ratanda should be made aware that the new contract is for five years. Marmax Holdings Ltd. chose to make part of the payment in advance by using a different basis for its payments than the other proposers. However, the bottom line is that the proposal from Marmax Holdings Ltd. clearly provides the most benefits to the Corporation.

Ratanda, in their letter, also stated that Marmax's contract was for six years and therefore Ratanda's proposal should be compared based on a six year contract. Ratanda shows a corrected total for six years which they arrived at by adding 20% to the five year total. The total revenue is based on the amount of peat estimated for removal. Therefore, the length of the contract has no bearing on the total revenue.

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In Item 2 of Ratanda's letter they request . . . "that Ratanda be provided with another Corporation property to conduct the same operations under the same terms of the Golf Course Contract." If in the future the Corporation decides to conduct a similar operation on another property, then the proper bidding process will take place and Ratanda Construction Ltd. will have the same opportunity as anyone else interested in submitting a proposal.

  
*for*  
Howard Karras  
DIRECTOR FINANCE

JV:ah

cc. Director Recreation & Cultural Services  
Municipal Solicitor  
Director Administrative & Community Services