



TO: ACTING MUNICIPAL MANAGER 1992 June 04

FROM: DIRECTOR FINANCE

SUBJECT: TENDER FOR THE SUPPLY OF ASPHALT

PURPOSE: To obtain approval to issue purchase orders for the supply of asphalt.

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RECOMMENDATION:

1. THAT purchase orders be issued to Columbia Bitulithic Ltd., Jack Cewe Ltd., B. A. Blacktop Ltd. and Winvan Paving Ltd. for the supply of asphalt as and when required until 1993 May 31, for an estimated total combined cost of \$280,000., with final payment based on actual quantities and unit prices tendered.

REPORT

Four tenders for the supply of asphalt were received by the closing time of 3:00 p.m. Tuesday, 1992 May 19 and were opened by municipal staff in the presence of representatives of the firms bidding. A tabulation of the tenders received is attached (Attachment A).

This tender involves the supply only, and the supply and delivery, of various grades asphalt as and when required from 1992 June 1 to 1993 May 31, both dates inclusive.

Only one grade of asphalt, that being cold mix, is delivered by the supplier's trucks. This material accounts for less than 15% of the total requirements and is to be awarded to the lowest bidder for the material, Jack Cewe Ltd. The 3 grades of hot mix asphalt, accounting for the balance of the requirements, are always picked up by municipal trucks for delivery to jobsites located throughout Burnaby.

In the past, a contract for the supply of asphalt has been awarded to one supplier on the basis of the lowest overall prices submitted by the bidder complying with the specifications and requirements of the tender. This approach, however, did not permit the municipality to take advantage of the economies associated with having various sources of supply.

Engineering staff have recently undertaken a study to determine the cost and productivity implications of having municipal trucks travel to and from a single supplier's plant. It was concluded that having a single source of supply, regardless of where it is located, adversely affects both the total cost of work as well as the amount of work that can be performed at those jobsites which are more remote to any given plant. It was further concluded that having several sources of supply with plants located in closer proximity to the various jobsites throughout Burnaby would have a measurably positive effect on cost and productivity.

It was in consideration of the findings of this study that the current tender for the supply of asphalt was revised to inform bidders of the basis upon which the tenders would be awarded. The documents provided that the tender could be awarded to any number of bidders based upon the following "evaluation criteria":

- travel time to and from the bidder's plant
- turn-around time
- total cost implications
- effective utilization of municipal workforce
- conformance to the attached specifications
- quality of product

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The documents also stated that the purchase orders resulting from the tender would be utilized in consideration of these same criteria.

This approach in the tender and award of the supply of asphalt will be closely monitored over the next year to determine its effectiveness, both in terms of reducing total costs and in improving productivity.

Because the size and location of the jobsites are not now known, it is not possible to estimate what will be the value of any of the four recommended purchase orders. However, it is possible that the value of one or more of these purchase orders might exceed \$100,000.

It is worth noting that, upon checking with several of the bidders, the revised tender is seen by them as fair and reasonable and has not in itself resulted in higher unit prices for the materials.

The funding for these materials is provided in various accounts in both the Operating and Capital budgets.

The Director Engineering concurs with the above recommendation.


Rick Earle
DIRECTOR FINANCE

RR:aj
Attach.

cc. Director Engineering

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1992 May 19

TENDER TABULATION
TENDER FOR
THE SUPPLY OF ASPHALT

TENDER TOTAL

\$244,476.70	1. Jack Cewe Ltd.
\$286,096.50	2. Winvan Paving Ltd.
\$296,026.10	3. B.A. Blacktop Ltd.
\$301,073.40	4. Columbia Bitulithic Ltd.

NAME

