

COUNCIL REPORT

TO: CITY MANAGER **DATE:** 2009 August 18
FROM: DIRECTOR FINANCE **FILE:** 94-07/07 9300-01
SUBJECT: TENDER FOR THE SUPPLY OF GRAVEL AND SAND AGGREGATES
PURPOSE: To obtain approval to extend the existing contract for the supply and delivery of gravel and sand aggregates by one additional year.

RECOMMENDATION:

1. **THAT** the option be accepted to extend the contract awarded to Mainland Sand & Gravel Ltd., for the supply and delivery of gravel and sand aggregates, for an additional one year period at an estimated additional cost of \$713,863.81 with final payment based on actual quantities and unit prices.

REPORT

At the Open Council meeting held on 2007 August 27, Council approved a contract award to the low bidder, Mainland Sand & Gravel Ltd. for a one year period with options that the contract could be extended by 12 month periods for a total contract extension of 48 months. Council approved a one year extension on 2008 August 25.

Purchasing has obtained pricing for the second optional year extension with an overall 3.75 percent decrease to the prices and reviewed them with Engineering. Considering the current economic climate, the proposed decreases are considered reasonable.

The work of this contract involves the supply and delivery of approximately 38,000 tonnes of gravel and sand aggregates, delivered as and when required to various locations within Burnaby. The term for this optional extension is from 2009 September 8 to 2010 September 7.

Engineering staff report that both the performance and product offered by Mainland Sand & Gravel Ltd., have been satisfactory and therefore have no hesitation in recommending them for this contract extension. The Director Engineering concurs with the above recommendation.

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Sufficient funds are available and expenditures for this contract are provided in various expenditure components within the 2009 Operating and Capital Budgets.



Rick Earle
DIRECTOR FINANCE

cc. Director Engineering