



Item
Meeting 2013 July 08

COUNCIL REPORT

TO: CITY MANAGER **DATE:** 2013 June 28

FROM: DIRECTOR FINANCE **FILE:** 5820-20
78-05/12

**SUBJECT: CONTRACT EXTENSION
QUOTATION FOR THE SUPPLY OF ASPHALT**

PURPOSE: To obtain approval to extend the contracts for the supply of asphalt from 2013 July 01 to 2014 June 30.

RECOMMENDATION:

- 1. **THAT** Council approve the first contract extension year for the supply of asphalt for a total estimated cost of \$700,000 including GST and PST of \$75,000. Final payment based on actual quantities ordered and current unit prices.

REPORT

In 2012 May, the City issued a Request for Quotation (RFQ) for the supply of asphalt. Contracts for the supply of hot mix asphalt were awarded to Winvan Paving Ltd., B.A. Blacktop Ltd. and Columbia Bitulithic, a Division of Lafarge Canada Inc., with the requirements for supply and delivery of cold mix asphalt being awarded to only Columbia Bitulithic. The RFQ document allowed for up to four (4) one year contract extensions.

Each supplier has agreed to hold their pricing at their current rates for the extension term. It is recommended that contract extensions be issued to each of the suppliers noted above.

The cold mix asphalt is delivered to a City storage yard, with the hot mix asphalt picked up by City trucks at the suppliers' respective plants and taken directly to jobsites. Having multiple sources of supply with individual suppliers located in close proximity to the various jobsites has a positive effect on costs and operational productivity. The Director Engineering concurs with this recommendation.

All three suppliers have a proven track record in providing these products to the City and have performed satisfactorily for the existing contract.

Funding for these requirements are provided for in various Operating and Capital accounts in the 2013 Annual Financial Plan.

for 
Denise Jorgenson
DIRECTOR FINANCE

BK:MF:GC/ts
cc: Director Engineering