
TO: CITY MANAGER **DATE:** 2014 June 18
FROM: DIRECTOR FINANCE **FILE:** 5820-20
78-05/12
SUBJECT: CONTRACT EXTENSIONS - FOR THE SUPPLY OF ASPHALT
PURPOSE: To obtain approval to extend three one year contracts for the supply of asphalt.

RECOMMENDATION:

1. **THAT** Council approve a one year contract extension to Winvan Paving Ltd., B.A Blacktop Ltd., and Columbia Bitulithic, a Division of Lafarge Canada Inc., for an estimated total cost of \$700,000 including GST in the amount of \$75,000 for the supply of asphalt as outlined in this report. Final payment will be based on actual quantities ordered and unit prices as quoted.

REPORT

In 2012 May, the City issued a Request for Quotation (RFQ) for the supply of hot mix asphalt. Contracts 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.

Each supplier has agreed to hold their pricing at their current rates for the extension term from 2014 July 01 to 2015 June 30. The RFQ document includes the provision to extend up to four one year periods, this is the second contract extension term. It is recommended that a one year contract extension be issued to each of the suppliers.

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.

Funding for the contracted materials is provided in various operating and capital accounts in the 2014-2018 Financial Plan.



Denise Jorgenson
DIRECTOR FINANCE

DJ:GC/ts

cc: Director Engineering