



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Report Date: July 4, 2008  
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Meeting Date: July 22, 2008

TO: Vancouver City Council

FROM: General Manager of Engineering Services  
Manager of Materials Management

SUBJECT: Award of Contract for the Supply and Delivery of De-Icing Salt PS08099

### RECOMMENDATION

- A. *THAT, subject to the conditions set out in Recommendations B, C and D, Council authorize the General Manager of Engineering Services and the Manager of Materials Management to enter into an agreement with Mainroad Maintenance Products Ltd. to provide the supply and delivery of road de-icing salt for a term of three (3) years at an estimated total cost of \$1,574,505 plus GST (less any municipal rebate received) and PST (where applicable) with subsequent renewal options for two (2) additional one (1) year periods.*
- B. *THAT, the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendation A.*
- C. *THAT, all such legal documents be on terms and conditions satisfactory to the General Manager of Engineering Services, the Manager of Materials Management and the Director of Legal Services.*
- D. *THAT, no legal rights or obligations will be created by Council's adoption of Recommendation A, B and C above unless and until such legal documents are executed and delivered by the Director of Legal Services.*

### GENERAL MANAGER'S COMMENTS

On April 7, 1998, Council approved the continued use of road salt for de-icing purposes.

## COUNCIL POLICY

Contracts with a value of \$300,000 are referred to Council for award.

## BACKGROUND

The City of Vancouver uses road de-icing salt in the winter months for melting falling snow and to prevent build up of ice on the City's main roads.

## DISCUSSION

On June 6, 2008, the City issued an Invitation to Tender PS08099 for the supply and delivery of De-icing Salt. In addition to notifying incumbent suppliers to the City and other well known vendors, the ITT was placed on the City's and BC Purchasing Commission's BC Bid website and advertised in the Vancouver Sun.

Two (2) bids were received and opened on June 25, 2008 and referred to the General Manager of Engineering Services and the Manager of Materials Management for evaluation and report.

The tender called for the supply and delivery of de-icing salt offering best value to the City on an as required basis over a three (3) year period with an option to renew for two (2) additional one (1) year periods and includes a review of pricing at the end of every year. Pricing received was based on one year estimated quantities.

The prices received from the two bidders represent a significant increase of approximately 67% for the cost of the product and 125% for the delivery to National Yard since the last price increase in 2007.

The main factors for the rise in prices are based on supply and demand and delivery costs to transport the product from its Baja Mexico origin to storage facilities in Langley. Delivery costs to truck the product from Langley to the city have increased substantially based on the rise in fuel costs since this spring.

These significant price increases will impact the snow fight program budget based on usage during the upcoming winter season.

		Bid 1	Bid 2
Item 1	De-icing Salt	\$470,250.00	\$495,000.00
Item 2	Delivery	\$54,585.00	\$33,750.00
	Total	\$524,835.00	\$528,750.00

Bid #1 (Mainroad Maintenance Products Ltd.) is the overall lowest bid meeting specifications which includes the supply of de-icing salt, delivery and unloading to National Yards with a total delivered price of \$524,835.00.

### **FINANCIAL IMPLICATIONS**

Financial costs for the supply and delivery of de-icing salt comes from the snow fight program within the Streets Operating Budget.

### **ENVIRONMENTAL IMPLICATIONS**

Engineering Services has since 2002 began a sodium chloride monitoring program to test several creeks and ponds in the city for salt concentrations. The program's testing period runs from October to May each year.

### **CONCLUSION**

Accordingly, we are recommending acceptance of the low bid from Mainroad Maintenance Products Ltd. for the supply and delivery of De-icing Salt, at an estimated annual cost of \$524,835.00, for a total contract value over three years of \$1,574,505.00.

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