

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON  
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT  
RAPPORT

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Our File/N/Réf.	25 50-96-1014
Your File/V/Réf.	
DATE	26 September 1996
TO/DEST.	Co-ordinator Corporate Services and Economic Development Committee
FROM/EXP.	Environment and Transportation Commissioner
SUBJECT/OBJET	<b>CO-OPERATIVE TENDER M-057-090-T1/94 EXTENSION OF 1994 COARSE CRUSHED ROCK SALT CONTRACT</b>

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### DEPARTMENTAL RECOMMENDATION

**That the Corporate Services and Economic Development Committee and Council approve a one year extension of the 1994/95 joint Area Municipal contract for the purchase of coarse crushed rock salt from the Canadian Salt Company, Mississauga, at a unit price of \$59.73 per tonne. The total RMOC portion of the contract is highly dependent upon the winter season, but is estimated at \$2,000,000.**

### BACKGROUND

Annually the Regional Municipality of Ottawa-Carleton enters into a joint tendering process with ten area municipalities and with Carleton University to purchase coarse crushed rock salt used in winter snow and ice control operations. In the past, the tendering process was managed by the Director of Supply, City of Ottawa and has resulted in savings due to economies of scale.

The 1994 tender for crushed rock salt closed on the 07 July 1994, the low bidder, Canadian Salt Company, was awarded the tender and provided crushed rock salt over the 1994/95 winter season.

Within the terms of the contract, a clause was included allowing for the extension of the agreement if mutually agreeable to both parties. In accordance with this clause, the manager of the co-operative tender process requested a quotation for the 1995/96 winter season from the supplier, Canadian Salt Company.

In 1995, Council approved a one year extension of the contract which included a 2.3% increase in cost. This increase was less than comparable tendered prices being experienced by other road authorities within Ontario during 1995.

This report outlines the financial implications of exercising the further extension option with the Canadian Salt Company and for the rationale behind the Departmental recommendation.

## DISCUSSION

In accordance with the terms and conditions of the 1994 tender, the manager of the co-operative tender process requested a quotation for the 1996/97 winter season from the supplier, Canadian Salt Company. The quotation received indicated that a further one year extension of the 1994 contract would be acceptable from the vendor with a price increase over the 1995/96 prices of 2.5%. (\$58.29 per tonne to \$59.73 per tonne including GST/PST). This increase represents an estimated \$50,000 increase for RMOC.

The RMOC and the City of Ottawa are by far the largest stake holders in the co-operative tender, with a combined quantity of 71 percent of the total. Fifty percent of the salt purchased by the City of Ottawa in turn is used for RMOC roadways within the City. City of Ottawa staff have recommended to City of Ottawa Council to approve the extension of the contract to the Canadian Salt Company for the 1996/97 season.

The 1996/1997 proposed price of \$59.73 per tonne (GST/PST included) is 1.6% less than the recent prices obtained by the Ministry of Transportation for the Ottawa area from their 1996 tender process.

The 1996/97 proposed price represents a reasonable offer in the opinion of both major users, RMOC staff and City of Ottawa staff.

## CONSULTATION

The public consultation process is not applicable.

## EXPENDITURE JUSTIFICATION

The use of crushed rock salt as a de-icing material has undergone extensive and exhaustive research over the past 50 years of use in North America. Numerous alternative materials have been evaluated and either abandoned or used sparingly due to cost. Presently, crushed rock salt remains the de-icing material of choice for most road authorities. At this time, most research is being directed at using salt more effectively and in a more timely manner.

Presently de-icing salt is a major component of winter road maintenance activities, without this material, a dramatic reduction in the winter quality standards would be unavoidable.

FINANCIAL STATEMENT

In order to effectively manage winter operations, the Regional Municipality of Ottawa-Carleton purchases approximately thirty thousand (30,000) tonnes of crushed rock salt annually. An increase of 2.5%, as proposed by the Canadian Salt Company, would result in an increase to the materials component of the 1997 Operating Budget of roughly \$50,000, depending upon the actual quantities used.

Material will be purchased into the Inventory account, 013-51017-0000 and charged out to winter maintenance activities as required.

*Approved by D. Brousseau  
on behalf of M.J.Sheflin*

RWS/pnb

SUPPLY MANAGEMENT DIVISION

*Approved by G. Elliot  
on behalf of the Manager,  
Supply Management Division*

FINANCE DEPARTMENT COMMENT

The cost of materials purchased will be recorded in inventory account number 012-51017-0000. Charges to appropriate operating and capital accounts will be made as the materials are used.

*Approved by T. Fedec  
on behalf of the Finance Commissioner*