

**2. SUPPLY OF COARSE CRUSHED ROCK SALT
TENDER 01300-77545-T01**

COMMITTEE RECOMMENDATIONS

That Council approve the award of Tender 01300-77545-T-01 to the Canadian Salt Company Ltd., Pointe-Claire, Quebec:

- a. for the purchase of coarse crushed rock salt for the 2000/2001 winter season at the estimated total price of salt is \$8,416,248.55 (including GST & PST); and,
- b. for the purchase of coarse crushed rock salt for the 2001/2002 winter season at the estimated total price of salt is \$8,584,602.80 (including GST & PST),
- c. for the purchase of coarse crushed rock salt for the 2002/2003 winter season at the estimated total price of salt is \$8,752,957.05 (including GST & PST).

DOCUMENTATION

1. Environment and Transportation Commissioner's report dated 01 May 00 is immediately attached.
2. Extract of Draft Corporate Services and Economic Development Committee Minute, 01 Aug 00 immediately follows the report and includes a record of the vote.

REGION OF OTTAWA CARLETON
REGION D'OTTAWA CARLETON

REPORT
RAPPORT

Our File/N/Réf. **50 50-00-1014**
 Your File/V/Réf.

DATE 01 May 2000

TO/DEST. A/Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Environment and Transportation Commissioner

SUBJECT/OBJET **SUPPLY OF COARSE CRUSHED ROCK SALT**
TENDER 01300-77545-T01

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee and Council approve the award of Tender 01300-77545-T-01 to the Canadian Salt Company Ltd., Pointe-Claire, Quebec for:

- a. the purchase of coarse crushed rock salt for the 2000/2001 winter season at the estimated total price of salt is \$8,416,248.55 (including GST & PST); and,
- b. the purchase of coarse crushed rock salt for the 2001/2002 winter season at the estimated total price of salt is \$8,584,602.80 (including GST & PST),
- c. the purchase of coarse crushed rock salt for the 2002/2003 winter season at the estimated total price of salt is \$8,752,957.05 (including GST & PST).

BACKGROUND

Annually, the Region of Ottawa-Carleton enters into a joint tendering process with ten (10) area municipalities and with Carleton University to purchase coarse crushed rock salt used in winter snow and ice control operations. The tendering process is managed by the Supply Management Division and has resulted in savings due to economies of scale.

DISCUSSION

The Request for Co-operative Tender 01300-77545-T01 for the supply of coarse crushed rock salt closed 05 April 2000 and three (3) bids were received. The total tendered requirement for the eleven (11) participating municipalities for three (3) winter seasons beginning the winter of 2000/2001 was 127,300 metric tonnes per year, for a total of 381,900 metric tonnes. (Carleton University's total tendered requirement for three years was 1,575 metric tonnes.)

The Tender contained two Price Schedules "A" and "B" with Price Schedule "B" asking for prices for Pre-Season Delivery of twenty (20) percent of the total estimated annual requirement. Price Schedule "B" did not result in sufficient savings to warrant consideration in the recommendation of award. Canadian Content was used to evaluate bids and was not a determining factor of the lowest responsive bid.

Prices were received from three (3) firms:

Bidder	Total Price (includes taxes)
Cargill Salt, Mississauga, Ontario	No Bid
Sifto Canada Inc., Mississauga, Ontario	\$27,018,370.25
The Canadian Salt Company Limited, Point-Claire, Quebec	\$25,860,020.10
The Detroit Salt Company, Detroit, Michigan	\$26,201,057.20

All bidding firms had demonstrated the ability to provide crushed rock salt as specified. The low bidder of the three (3) firms is The Canadian Salt Company Limited, Point-Claire, Quebec. The price includes the delivery of salt to any location in Ottawa-Carleton as directed by the contract administrator.

PUBLIC CONSULTATION

The award of contracts are not subject to public consultation requirements.

EXPENDITURE JUSTIFICATION

In order to effectively manage winter operations, the Region of Ottawa-Carleton and ten (10) participating municipalities purchase approximately one hundred twenty seven thousand, three hundred (127,300) metric tonnes of crushed rock salt annually. Crushed rock salt is the main component in Snow and Ice Control operations, and without the use of salt in winter maintenance operations a dramatic reduction in the winter quality standards would be unavoidable and would result in increased operational costs and reduces roadway safety during inclement weather.

The total estimated expenditure for each municipality for the three year contract is as follows:

Region of Ottawa-Carleton	\$10,216,554.00
City of Ottawa	\$9,002,706.00
City of Cumberland	\$910,386.00
City of Gloucester	\$1,618,464.00
Township of Goulbourn	\$242,276.60
City of Kanata	\$708,078.00
City of Nepean	\$1,234,078.80
Township of Rideau	\$323,692.80
City of Vanier	\$323,692.80
Township of West Carleton	\$566,462.40
Township of Osgoode	\$606,924.00
TOTAL ESTIMATED COST including Taxes	<u>\$25,753,315.40</u>

FINANCIAL STATEMENT

Funds are available in Internal Order 700001 for the purchase of winter salt. As materials are utilized for winter operations, costs will be charged to the Winter Maintenance Cost Centre - 138111.

*Approved by N. Schepers, P.Eng.
on behalf of M.J.E. Sheflin, P Eng.*

MA/RGA

SUPPLY MANAGEMENT DIVISION

I concur,

*G. Ford on behalf of the
Finance Commissioner*

Extract of Draft Minute
Corporate Services and
Economic Development Committee
01 August 2000

SUPPLY OF COARSE CRUSHED ROCK SALT

TENDER 01300-77545-T01

- Environment and Transportation Commissioner's report
dated 01 May 00

Councillor R. van den Ham expressed concern that a multi million dollar contract is being awarded to a firm from Quebec, instead of an Ontario company. He added that he had anticipated that there might have been a reduction in the requirement for rock salt due to amalgamation of all road clearing operations.

Councillor van den Ham inquired what the price per tonne for road salt is this year compared to last year. Mr. J. Byrne, Manager, Purchasing, replied that although it is against policy to publicly release the unit price, the rate for the upcoming winter season is approximately a 2% increase over the rate paid last year. Mr. Byrne clarified that the price is all-inclusive.

Councillor van den Ham inquired where the provincial sales taxes are paid. In reply, Mr. Byrne noted that sales taxes are submitted in the province in which the goods are delivered. The Councillor requested confirmation of which province the sales tax will be paid in, prior to the 9 August 2000 meeting of Council, adding that there is potentially \$2 million in taxes.

In response to a question from Councillor van den Ham, Mr. Byrne noted that the tender was advertised on the MERCS system, and that one Ontario firm identified by the Councillor did not submit a bid as they were at a disadvantage in that some of the salt that they provide comes from the U.S. and the tender had a Canadian content policy.

Councillor van den Ham noted that a bid was received from the Detroit Salt Company in Michigan. Evidently they felt it was worthwhile going through the process. He inquired whether Mr. Byrne could estimate the number of truck loads required to deliver the 127,300 metric tonnes of crushed rock salt annually. Mr. Byrne replied in the negative. Councillor van den Ham speculated that it could approximate 27,000 thousand truck trips into the Region a year. He suggested that it be a condition of the contract that if the supplier is coming from Quebec, that they not travel through downtown Ottawa.

Councillor van den Ham commented that he would like some information from Legal Services on the awarding of the contract, and would prefer to see taxes that were collected in Ontario stay in Ontario.

Extract of Draft Minute
Corporate Services and
Economic Development Committee
01 August 2000

In reply to a question from Regional Chair Chiarelli, Mr. Byrne confirmed that the terms of the contract outline that the Region is only obligated to purchase the amount of product required, not the complete amount specified in the tender. Mr. Byrne clarified that once the contract is approved, the option is not available to purchase product from another supplier.

That the Corporate Services and Economic Development Committee and Council approve the award of Tender 01300-77545-T-01 to the Canadian Salt Company Ltd., Pointe-Claire, Quebec:

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CARRIED