THE CORPORATION OF THE MUNICIPALITY OF KINCARDINE

Subject: Dust Control Contract Extension

Report Number: Public Works-2020-03

Meeting Date: Monday, January 13, 2020

Recommendation: THAT Council grant approval for the extension of the Calcium Chloride contract with Holland Transport for the period of one year (2020).

Date to be considered by Council: Monday, January 13, 2020

Report Summary: This report seeks Council authority to extend the term of the current contract for supply and placement of Calcium Chloride with Holland Transport for the 2020 season.

Origin: 2020 Operating Budget

Existing Policy: GG.2.17 Purchasing and Procurement

Background/Analysis: The Municipality has contracted Holland Transport to supply Calcium Chloride (dust control) for a number of years aside from 2018 (as they missed the tender submission date). Holland's has done an excellent job throughout the years and have been very accommodating as they are in close proximity to us for ease of delivery or fitting in an additional truck when needed.

A 4-year summary of the Calcium Chloride tender cost is as follows:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SUPPLIER</th>
<th>UNITS PURCHASED</th>
<th>COST Per Tonne</th>
<th>TOTAL (Inc. applicable tax)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>Holland Transport</td>
<td>200</td>
<td>$221.00</td>
<td>$44,977.92</td>
</tr>
<tr>
<td>2017</td>
<td>Holland Transport</td>
<td>200</td>
<td>$261.00</td>
<td>$53,118.72</td>
</tr>
<tr>
<td>2018</td>
<td>Da-Lee Dust Control</td>
<td>200</td>
<td>$358.22</td>
<td>$72,904.93</td>
</tr>
<tr>
<td>2019</td>
<td>Holland Transport</td>
<td>200</td>
<td>$262.00</td>
<td>$53,322.24</td>
</tr>
</tbody>
</table>
The 2020 requested budget amount is $55,000. Holland Transport has offered to honor the 2019 pricing of $262/t with an extension of the current contract for the 2020 season, which is significantly lower than competitors. Staff feels that going out for a tender we could expect an increase in the contracted amount due to fuel costs and increased operating expenses. Should contract amounts come in at a higher amount the result would be an overage in spending or a reduced level of service to meet the target budget.

Council is being asked to allow Staff an exemption from the tendering process in 2020 and exercise item 17.5 “When the extension of an existing contract would prove more cost effective or beneficial” of the Purchasing and Procurement Policy and extend the existing contract with Holland Transport at this secured price.

**Community Plan and Integrated Community Sustainability Plan (ICSP) Considerations:** Municipal Operations and Community Leadership - Assure responsible and sustainable management of municipal infrastructure and financial resources

**Financial Implications:** Proposed 2020 budget is $55,000.

**Attachments:** N/A