

**MEETING DATE:** AUGUST 29, 2001

**SUBJECT:** Procurement Authorization - Supply Of Rock Salt For The 2001-2003 Winter Seasons

### **RECOMMENDATION**

It is recommended that the Commission approve the issuance of a purchase order to the Canadian Salt Company Limited, for the supply of rock salt for the period of October 15, 2001 to April 30, 2003 in the total upset limit of \$475,000.00.

### **FUNDING**

Funds have been allocated in the 2001 Operating Budget for the costs applicable to 2001 requirements. Funds for the remaining balance will be included in the 2002 and 2003 Operating Budgets.

### **BACKGROUND**

The Commission at its meeting of September 12, 1972, instructed that future requirements for rock salt be included in a joint arrangement negotiated by the City of Toronto.

### **DISCUSSION**

In June 2001, the City of Toronto called for Tenders for the supply of rock salt during the period of October 15, 2001 to April 30, 2003 which included the Commission's requirements of an estimated 7,800 tonnes. The tenders are summarized in Appendix 'A'. The Commission has been advised by the City of Toronto that the contract for the 2001-2003 supply of rock salt for Districts 1 (Hillcrest, Greenwood) and District 3 (Wilson) by the Canadian Salt Company was approved by the City of Toronto Executive at its meeting on August 25, 2001.

The total per tonne prices for stockpiling and additional shipments are 5% higher than the previous contract for the 2000-2001 winter season which can be attributed to rising production and transportation costs.

The recommended upset limit includes an allowance of 3% for variation in usage over the contract period.

The October 18, 2000 Commission Meeting Minutes requested staff to review possible alternatives to the use of Rock Salt for the 2001 tender. Staff contacted the City of Toronto, Transportation Services Division of Works and Emergency Services who replied that there is currently no alternative to Rock Salt as a road de-icer. There are certain techniques such as pre-wetting/anti-icing that are being reviewed by Works and Emergency Services to possibly reduce the amount of salt being used, however these techniques are for special applications and are not a replacement for Rock Salt.

**JUSTIFICATION**

The projected quantity of 7,800 tonnes of common course rock salt is required to ensure an adequate supply for the 2001-2003 winter season.

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July 27, 2001

9-118-52

Attachment 'A'

**APPENDIX 'A'**  
**SUPPLY OF ROCK SALT**  
**FOR 2001-2003**

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	<b>2001-2002 (Total tendered price per metric tonne)</b>	
	<b>DISTRICT 1 (Hillcrest/Greenwood)</b>	<b>DISTRICT 3 (Wilson)</b>
<b>Canadian Salt Company *</b>		
a. Initial Stockpiling	\$27,651.75	\$11,118.20
b) Additional Shipments	\$123,565.20	\$62,098.85
<b>Cargill Salt</b>		
a. Initial Stockpiling	\$29,767.75	\$11,907.10
b. Additional Shipments	\$132,597.30	\$66,298.65
<b>Sifto Canada Inc.</b>		
a. Initial Stockpiling	\$30,394.50	\$13,248.00
b. Additional Shipments	\$136,265.80	\$74,129.00

**\*Recommended for Award**

	<b>2002-2003 (Total tendered price per metric tonne)</b>	
	<b>DISTRICT 1 (Hillcrest/Greenwood)</b>	<b>DISTRICT 3 (Wilson)</b>
<b>Canadian Salt Company *</b>		
a. Initial Stockpiling	\$29,060.50	\$11,681.70
b) Additional Shipments	\$129,763.,70	\$65,198.10

<b>Cargill Salt</b>		
a. Initial Stockpiling	\$30,768.25	\$12,307.30
b. Additional Shipments	\$137,024.80	\$68,512.40
<b>Sifto Canada Inc.</b>		
a. Initial Stockpiling	\$31,326.00	\$13,652.80
b. Additional Shipments	\$140,364.40	\$76,355.40

**\*Recommended for Award**