

**MEETING DATE:** SEPTEMBER 17, 2003

**SUBJECT:** Procurement Authorization - Supply Of Rock Salt For The 2003 - 2005 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, 2003 to April 30, 2005 in the total upset limit of \$510,000.00.

### **FUNDING**

Sufficient funds have been included in the 2003 TTC Operating Budget and will be included in future budgets as required.

### **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**

On May 20, 2003, the City of Toronto called for Tenders for the supply of rock salt during the period of October 15, 2003 to April 30, 2005 which included the Commission's requirements of an estimated 8,000 tonnes. The tenders are summarized in Appendix 'A'. The Commission has been advised by the City of Toronto that the Canadian Salt Company was the only company to submit pricing for Districts 1 and 3 and subsequently, the contract for the 2003-2005 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 Council at its meetings on July 22<sup>nd</sup>, 23<sup>rd</sup> and 24<sup>th</sup>, 2003.

The total per tonne prices for stockpiling and additional shipments are 7% higher than the previous contract for the 2001-2003 winter season which can be attributed to rising production and transportation costs.

The recommended upset limit includes an allowance of 4% for variation in usage over the contract period.

At its meeting of August 29, 2001, the Commission requested staff to report back with an evaluation on the use and storage of rock salt on TTC property, having noted the changes made by the City of Toronto's Transportation Department. Staff reported back to the November 28, 2001 Commission Meeting on the action plan which included modifying the TTC's Winter Operations Manual to include the TAC Code of Practice, revising TTC Design Standards for salt storage facilities, co-ordinating TTC and City procedures and designs as the City's Salt Management Plan is completed and preparing a design and cost estimate to upgrade the TTC's existing salt domes to meet the new guidelines for inclusion in the 2003 to 2008 Capital Budget submission.

While there is currently no substitute for Rock Salt, the City of Toronto, Transportation Services Division of Works and Emergency services advised that they are currently reviewing alternate de-icing products such as by-products from the corn and sugar beet industry. The City is also using a salt brine (road salt mixed with water) to pre-wet the salt to enable a faster melting action of snow and ice. Last winter, trials were done pre-wetting salt and also spraying a roadway prior to a storm (anti-icing) with positive results. The Commission is in the process of purchasing seven new spreaders for the 2003-2004 winter season, which will electronically distribute the salt and regulate and monitor the road salt used by the Commission to minimize the environmental impact.

## **JUSTIFICATION**

The projected quantity of 8,000 tonnes of common course rock salt is required to ensure an adequate supply for the 2003-2005 winter season.

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September 2, 2003

9-118-86

Attachment 'A'

## **APPENDIX 'A'**

### **SUPPLY OF ROCK SALT**

### **FOR 2003 - 2005**

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<b>TOTAL TENDERED PRICE</b>		
<b>YEAR</b>	<b>CANADIAN SALT COMPANY *</b>	
	<b>DISTRICT 1</b>	<b>DISTRICT 3</b>
2003 - 2004	\$162,716.95	\$78,392.05
2004 – 2005	\$166,753.45	\$80,335.55
<b>TOTAL TENDERED PRICE</b>	<b>\$488,198.00</b>	

**\*Recommended for Award**