

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: October 23, 2008

SUBJECT: PROCUREMENT AUTHORIZATION – SUPPLY OF ROCK SALT
FOR A THREE YEAR PERIOD

ACTION ITEM: X

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, 2008 to April 30, 2011 in the total upset limit of \$1,100,000.

FUNDING

Funds have been allocated in the 2008 Operating Budget for the costs applicable to 2008 requirements. Funds for the remaining balance will be included in the 2009, 2010 and 2011 Operating Budgets.

BACKGROUND

The Commission uses the rock salt for snow and ice removal at all its surface and subway locations including roadways, walkways and emergency exits throughout the City of Toronto.

As part of an arrangement with the City of Toronto, the Commission's requirement for common rock salt is tendered as part of the City's requirements in their Request for Quotation (RFQ) for the various winter seasons.

While there is currently no direct substitute for rock salt, the City of Toronto's Transportation Services Division, have advised staff that they are currently using other methods and alternate de-icing products to reduce their dependence on rock salt. Those methods include using a salt brine solution (road salt mixed with water) to pre-wet the salt to enable a faster melting action of snow and ice as well as pre-wetting the salt and then spraying roadways prior to storms (anti-icing). Both have been used with positive results and they will continue to be used by the City of Toronto for upcoming winter seasons.

The Commission has over the last few years purchased new spreaders which electronically distribute the salt and regulate and monitor the road salt used by the Commission to minimize the environmental impact. These spreaders can also be retrofitted to include a brine tank to

allow the salt to be pre-wetted prior to being spread. The Commission also on occasions mixes the rock salt with sand (80/20) prior to it being spread on roadways to further reduce the amount of rock salt being used.

The City's RFQ specified that the bulk coarse crushed rock salt supplied by the companies include a non-caking agent which helps to prevent excessive salt build up on roadways.

DISCUSSION

On July 11, 2008, the City of Toronto called for quotations for the supply of rock salt during the winter seasons of 2008-2009, 2009-2010 and 2010-2011. The RFQ specified the estimated usage per tonne by district and included the Commission's requirements of an estimated 3,750 tonnes per year for supply to Hillcrest, Greenwood and Wilson yards.

City staff has advised that they received two responses to their RFQ and The Canadian Salt Company Limited was found to be the lowest compliant bidder for the two districts which included the Commission's requirements as summarized in Appendix 'A'.

On September 8, 2008, The City of Toronto's Public Works and Infrastructure Committee approved a report entitled 'Supply and Delivery of Bulk, Course, Crushed Rock Salt Treated with Non-Caking Agent for the 2008-2009, 2009-2010 and 2010-2011 Winter Season (3 years)' and awarded the contract to The Canadian Salt Company Limited for Toronto East York District (Hillcrest and Greenwood yard fall in this category) and the North York District (Wilson yard falls in this category).

The total per tonne price for rock salt for the 2008-2009 winter season is 15.8% higher than the previous contract for the 2007-2008 winter season. The total per tonne price for year two (2009-2010) is 6.9% higher than year one and the total tonne price for year three (2010-2011) is 6.4% higher than year two. This price increase is attributed to the rising cost of fuel for delivery and production and labour.

The recommended upset limit includes an allowance of approximately 15% for variation in usage over the three year contract term.

JUSTIFICATION

The supply of common course rock salt for the 2008-2011 winter seasons is required for snow and ice removal at all its surface and subway locations.

September 30, 2008
9-118-86
Attachment – Appendix 'A'

APPENDIX 'A'

SUPPLY OF ROCK SALT
FOR
2008 - 2011

TOTAL TENDERED PRICE				
	Canadian Salt Company *		Sifto Canada Corporation	
YEAR	Toronto East York District	North York District	Toronto East York District	North York District
2008 – 2009	\$199,021.25	\$100,499.38	\$231,650.00	\$115,825.00
2009 – 2010	\$212,863.75	\$107,420.63	\$245,351.25	\$122,675.63
2010 – 2011	\$226,706.25	\$113,918.13	\$259,900.00	\$129,950.00
TOTAL TENDERED PRICE	\$960,429.38		\$1,105,351.88	

* Recommended for Award