TO: Chair and Members
   Public Works Committee

WARD(S) AFFECTED: CITY WIDE

COMMITTEE DATE: March 22, 2010

SUBJECT/REPORT NO:
Cold Patch Standardization and Assignment to Coco Paving Inc.
(PW08137a) - (City Wide)

SUBMITTED BY:
Gerry Davis, CMA
General Manager
Public Works Department

PREPARED BY:
Bryan Towers
(905) 546-2424, Extension 7644

SIGNATURE:

RECOMMENDATION:

(a) That the City of Hamilton consent to the assignment of the single source purchase of the standardized QPR cold mix asphalt product from Lafarge Canada Inc. to Coco Paving Inc. until the end of 2012;

(b) That General Manager of Public Works be authorized to negotiate pricing for the supply of the QPR cold mix asphalt product during the time period that the QPR is a standardized product for the City of Hamilton;

(c) That the General Manager of Public Works be authorized and directed to execute, on behalf of the City of Hamilton, all necessary documents to implement subsections (a) and (b), in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

The standardization of the supply of QPR cold mix asphalt product for the City of Hamilton’s former Operations and Maintenance and Water & Wastewater Divisions (now part of the Operations & Waste Management and Environment & Sustainable Infrastructure Divisions respectfully) was adopted and approved by Council on November 26, 2008 {PW08137} for the time period of 2008-2012. This product is used routinely in road surface maintenance and in surface restoration related to subsurface infrastructure repairs and the QPR cold mix asphalt product has been found to deliver
subject performance in both durability and stability over all other alternative products currently available in the marketplace.

The manufacturer of QPR cold mix asphalt product at that time was Lafarge Canada Inc. ("Lafarge") and Council also authorized the single sourcing of the purchase of the QPR produce from Lafarge.

Since that time, the asphalt and paving business assets of Lafarge have been purchased by Coco Paving Inc. ("Coco Paving"). This purchase by Coco Paving included all rights to manufacture and distribute QPR cold patch asphalt product on a Canada wide basis.

Therefore the purpose of this report is to obtain the approval of Council to purchase this standardized product from the new owner, namely Coco Paving. As with all other standardized products, City staff will continue to monitor both the pricing and the suitability of the product to ensure that it remains appropriate to standardize and single source this product.

**Alternatives for Consideration - See Page 3**

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS**

**Financial:** As was the case with Lafarge, City staff will continue to negotiate the pricing for the supply of the QPR cold mix asphalt product with Coco Paving.

**Staffing:** There are no staffing implications associated with the recommendations contained in this report.

**Legal:** Given that the rights to manufacture and distribute the QPR cold mix asphalt product are now owned by a new company, it is recommended that Council authorize the single sourcing of this standardized product to that new company, Coco Paving Inc. The General Manager of Public Works will have the authority and direction to execute all necessary documentation, in a form satisfactory to the City Solicitor.

**HISTORICAL BACKGROUND**

Refer to Executive Summary

**POLICY IMPLICATIONS**

The QPR cold mix asphalt product was approved as a standardized product by Council in accordance with the requirements of Purchasing Policy #14 - Policy for Standardization. The recommendations contained in this report do not change the standardized product, but rather only the single source supplier of that product due to the original supplier’s sale of its asphalt and paving business assets.
Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

Values: Honesty, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork

RELEVANT CONSULTATION

Corporate Services - Legal Services Division and Purchasing Section

ANALYSIS / RATIONALE FOR RECOMMENDATION

Coco Paving has purchased all rights to manufacture and distribute the QPR cold patch mix asphalt product on a Canada wide basis and is therefore the appropriate company for the City to deal with on its future purchases of this product.

ALTERNATIVES FOR CONSIDERATION:

Should the recommendations contained in this report not be approved, the only alternative would be to discontinue the City standardization of the QPR cold mix asphalt product as the only supplier of it is Coco Paving Inc., an alternative which is not recommended.

CORPORATE STRATEGIC PLAN


Skilled, Innovative & Respectful Organization

• Opportunity for employee input in management decision making

Financial Sustainability

• Address infrastructure deficiencies and unfunded liabilities

Growing Our Economy

• An improved customer service

APPENDICES / SCHEDULES

None