



**STAFF REPORT
INFORMATION ONLY**

**Sole-Sourced Essential Goods and Services Required
By Toronto Water**

Date:	April 17, 2007
To:	Public Works and Infrastructure Committee
From:	Lou Di Gironimo
Wards:	All
Reference Number:	P:\2007\Cluster B\TW\pw07014r) (AFS# 3051)

SUMMARY

The purpose of this report is to inform Council of the annual expenditures made against four specific sole source blanket contracts. In April 2006, Council approved the issuance of these blanket contracts as they are required by Toronto Water to maintain and repair certain process equipment at various wastewater treatment plants.

FINANCIAL IMPACT

A summary of the total expenditures for the aforementioned sole source blanket contracts is set out in the table below.

Contract Number	Vendor	Original Contract Amount	Expenditures (April 1, 2006 – March 31, 2007)
47011731	Pro Aqua & Shadrack	\$345,000	\$155,654.39
47011724	Alfa Laval	\$599,200	\$258,830.57
47011910	Westfalia	\$200,000	\$176,856.19
47011837	Andritz Bird	\$30,000	\$0

ISSUE BACKGROUND

At the City Council meeting of April 25, 26 and 27, 2006, authority to award sole source blanket contracts was approved for four specific companies. Council also instructed the General Manager of Toronto Water to report back in the following year on the total expenditures made against each contract for the preceding fiscal year (time period April 1, 2006 to March 31, 2007). As the need continues to exist for parts and repair service

for certain process equipment used at its various wastewater treatment facilities, the sole source blanket contracts have been renewed for another year.

COMMENTS

Such maintenance and repairs are critical to ensuring wastewater is processed in a safe and efficient manner while ensuring compliance with each facility's Ministry of Environment Certificates of Approval. The purchase of these goods and services are an essential and unavoidable prerequisite for the delivery of service by Toronto Water.

- **Pro Aqua & Shadrack Inc.**

At the Ashbridges Bay Treatment Plant, Schwing America pumps are used to pump dewatered biosolids. Pro Aqua & Shadrack Inc. is the sole authorized dealer for Schwing America parts, service and repairs.

- **Alfa Laval Inc.**

Also at Ashbridges Bay and the Highland Creek Treatment Plant, Alfa Laval Sharples centrifuges are used to dewater biosolids. Alfa Laval is the sole authorized dealer for Alfa Laval Sharples parts, service and repairs. In addition, Alfa Laval Sharples centrifuges are also installed at the Humber Treatment Plant (for sludge thickening). In the future, additional Alfa Laval Sharples centrifuges will be installed at Humber as well as at two water treatment plants for residue management.

- **Westfalia Separator Canada Inc.**

At Highland Creek, Westfalia centrifuges are also used for dewatering biosolids. GEA-Westfalia Inc. is the sole authorized dealer for Westfalia centrifuge parts, service and repairs.

- **Andritz Bird, a Division of Andritz Ltd.**

The Highland Creek Treatment Plant also uses a Humboldt centrifuge for dewatering biosolids. Andritz Bird, a Division of Andritz Ltd. is the sole authorized dealer for Humboldt centrifuge parts, service and repairs.

While Toronto Water initiates competitive calls for general work and generic parts, these vendors remain the only manufacturer-authorized dealers in the Toronto area who can provide repairs that require specialized parts, service and knowledge for proprietary equipment unique to Toronto Water.

In accordance with the authority delegated by Council on April 25, 26 and 27, 2006, the option to renew the blanket contract for the period April 1, 2007 to March 31, 2008 was reviewed by City staff. Since the vendors continue to meet the City's requirements and are the only known authorized source for their respective parts and service, the General Manager of Toronto Water instructed the Purchasing and Materials Management Division to process the necessary Purchase Orders for the annual maximum amounts set out as follows:

Vendor	Estimated Contract Value (Apr. 1, 2007 to Mar. 31, 2008)
Pro Aqua & Shadrack	\$ 355,000
Alfa Laval	\$ 967,000
Westfalia	\$ 206,000
Andritz Bird	\$ 31,000
Annual Total	\$1,559,000

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SIGNATURE

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