



REPORT FOR ACTION

Contract Award for Request for Quotation Call No. 6619-19-0010 for the supply and delivery of bulk rock salt treated for various districts within the City of Toronto

Date: June 13, 2019
To: Infrastructure and Environment Committee
From: General Manager, Transportation Services and Chief Purchasing Officer
Wards: All

SUMMARY

The purpose of this report is to advise of the results of the cooperative Request for Quotation (RFQ) Call No. 6619-19-0010, for the supply, delivery and unloading of bulk, crushed, coarse, common rock salt treated with non-caking agent as and when required during the 2019 to 2022 winter seasons for various divisions, by district, within the City of Toronto as well as for Exhibition Place, TTC, Toronto Zoo, York University, and the University of Toronto, and request authority to award contracts to K&S Windsor Salt Ltd., in the total amount of \$24,389,444 net of all applicable taxes and charges (\$24,818,698 net of HST recoveries) from the date of award to April 15, 2022.

RECOMMENDATIONS

The General Manager of Transportation Services and the Chief Purchasing Officer recommend that:

1. The Infrastructure and Environment Committee, in accordance with Section 195-8.4A of the Toronto Municipal Code Chapter 195 (Purchasing By-Law), grant authority to award RFQ Call No. 6619-19-0010, for the supply, delivery and unloading of bulk, crushed, coarse, common rock salt treated with non-caking agent as and when required during the 2019-2020, 2020-2021 and 2021-2022 winter seasons for various districts within the City of Toronto, in the amount of \$24,389,444 net of all taxes (\$24,818,698 net of HST recoveries) to K&S Windsor Salt Ltd., having submitted the lowest compliant bid meeting all specifications in the RFQ for the Toronto and East York District and the North York District.

FINANCIAL IMPACT

The total cost to the City of Toronto for the contract award for the three (3) winter seasons (2019-2020 to 2021-2022) is \$24,389,444 net of all applicable taxes and charges, and \$27,560,072 including all taxes and charges. The total cost to the City is \$24,818,698 net of HST recoveries.

Funding is available in the 2019 Operating Budgets of Transportation Services, Solid Waste Management Services, Parks, Forestry & Recreation, Toronto Water and Exhibition Place. Additional funding will be requested in their 2020-2022 Operating Budget Submissions. Funding details are provided in Table 1 and 2 below (all values are net of HST recoveries):

Table 1. Financial Impact for Appendix C1 - Price Form (Toronto and East York District)

Division	G/L Acct & Cost Centre	Year 1 October 15, 2019 to December 31, 2019 (net of HST recoveries)	Year 2 January 1, 2020 to December 31, 2020 (net of HST recoveries)	Year 3 January 1, 2021 to December 31, 2021 (net of HST recoveries)	Year 4 January 1, 2022 to April 15, 2022 (net of HST recoveries)	Total (net of HST recoveries)
Transportation Services	TP0108, TP0333/ 2410, 4492	\$1,635,389	\$3,972,634	\$4,088,068	\$2,424,441	\$12,120,532
Solid Waste Management Services	SW0835 / 4467	\$3,540	\$8,602	\$8,858	\$5,256	\$26,256
Parks, Forestry and Recreation	PR-PKS / CE2410	\$67,260	\$163,437	\$168,311	\$99,859	\$498,866
Toronto Water	TW2055 TW4022 TW4036 TW4060 TW4085 TW4100 TW4105 TW2040 TW5030 / 2410; 2499	\$30,090	\$73,117	\$75,297	\$44,674	\$223,177
Exhibition Place	EX0200 / 4995	\$24,780	\$60,214	\$62,009	\$36,790	\$183,793
Grand Total Cost						\$13,052,624

Table 2. Financial Impact for Appendix C2 – Price Form (North York District)

Division	G/L Acct & Cost Centre	Year 1 October 15, 2019 to December 31, 2019 (net of HST recoveries)	Year 2 January 1, 2020 to December 31, 2020 (net of HST recoveries)	Year 3 January 1, 2021 to December 31, 2021 (net of HST recoveries)	Year 4 January 1, 2022 to April 15, 2022 (net of HST recoveries)	Total (net of HST recoveries)
Transportation Services	TP0189 / 2410, 4491, 4492	\$1,529,190	\$3,714,576	\$3,822,314	\$2,266,769	\$11,332,848
Solid Waste Management Services	SW0800, SW0810, SW0820, SW0825 / 4467	\$12,390	\$30,107	\$31,004	\$18,395	\$91,896
Parks, Forestry and Recreation	PR-PKS / CE2410	\$38,940	\$94,621	\$97,443	\$57,813	\$288,817
Toronto Water	TW4105, TW2055, TW4060, TW6015, TW4022 / 2410	\$7,080	\$17,204	\$17,717	\$10,512	\$52,512
Grand Total Cost						\$11,766,074

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of August 26, 2015, Bid Committee adopted, without amendment, item BA44.17 from a Co-operative RFQ #6619-15-3078, awarding multiple bidders who met the specification requirements for each participating division for the period of October 12, 2015 – April 15, 2019. The report can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.BD44.17>

COMMENTS

A cooperative Request for Quotation (RFQ) for the for the supply, delivery and unloading of bulk, crushed, coarse, common rock salt treated with non-caking agent as and when required during the 2019-2022 winter seasons for various divisions, by district, within the City of Toronto including multiple City Agencies and broader public sector organizations including Exhibition Place, TTC, Toronto Zoo, York University, and the University of Toronto was issued on March 15, 2019. Two addenda's were issued and the RFQ closed on April 15, 2019. A total of three (3) bids were received.

The RFQ was structured to award contract(s) to the lowest bidder(s) per district and such that vendors could bid on more than one district. This RFQ has also been designed as a cooperative procurement solicitation to allow other City Agencies and other broader public sector organizations to participate and leverage the submitted prices for their own salt use needs. The City Agencies and other broader public sector organizations that participated in this RFQ will award their contracts under their own delegated authority.

The Scarborough and Etobicoke York Districts are within the dollar threshold to be recommended for award by the Bid Award Panel and have been recommended for award to two different bidders.

K&S Windsor Salt Ltd. is the lowest bidder meeting specifications for both the Toronto and East York District and the North York District. Because the total cost of the award to a single vendor is above \$20 million, this award has been directed to the Infrastructure and Environment Committee for consideration.

A summary of the bids received including bid prices are provided in table 3 below:

Table 3. Summary of Bids Received including Bid Prices by District

Bidder per District	Bid Price (excl. taxes)
Scarborough District (Appendix C – Price Form) *Cargill Salt, Road Safety, a Division of Cargill Limited K&S Windsor Salt Ltd. Compass Minerals Canada Corp. *recommended to be awarded at Bid Award Panel	\$13,165,210.80 \$15,486,280.00 \$15,899,200.00
Toronto and East York District (Appendix C1 – Price Form) K&S Windsor Salt Ltd. Compass Minerals Canada Corp. Cargill Salt, Road Safety, a Division of Cargill Limited	\$12,826,871.00 \$16,807,000.00 \$20,097,233.50
North York District (Appendix C2 – Price Form) K&S Windsor Salt Ltd. Compass Minerals Canada Corp. Cargill Salt, Road Safety, a Division of Cargill Limited	\$11,562,573.00 \$15,141,000.00 \$17,442,664.50
Etobicoke York District (Appendix C3 – Price Form) *Compass Minerals Canada Corp. Cargill Salt, Road Safety, a Division of Cargill Limited K&S Windsor Salt Ltd. *recommended to be awarded at Bid Award Panel	\$11,428,785.45 \$12,059,233.00 \$12,217,655.00

- Bid prices adjusted to exclude City of Toronto Agency's estimated quantities across of bidder's totals.
- + \$100,000.00 Contingency added for each term to all contracts for Transportation Services at the time of award

The Quotation documentation submitted by the recommended bidder has been reviewed by staff of Transportation Services and was found to be in conformance with the Request for Quotation requirements. Transportation Services staff have reviewed the unbalanced bid analysis and compared the low bid for each district to the estimated cost and found the prices of the recommended bidders to be reasonable and within the budget available.

The Fair Wage Office has reported that the recommended Bidder has indicated they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and the recommended Bidder has agreed to comply fully.

CONTACT

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SIGNATURE

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