



REPORT FOR ACTION

Amendment of Contract No. 47017734 for the Supply and Delivery of Sodium Hypochlorite for Toronto Water, Wastewater Treatment Plants

Date: June 20, 2019

To: Infrastructure and Environment Committee

From: General Manager, Toronto Water and Chief Purchasing Officer

Wards: All

SUMMARY

The purpose of this report is to seek authority to amend an expired Contract No. 47017734 issued to UBA Inc. as a result of RFQ 6606-13-7147 for the supply and delivery of Sodium Hypochlorite, from January 1, 2014 to December 31, 2017 in the amount of 552,583.00 exclusive of all taxes (\$562,308.00 net of HST recoveries), revising the current value from \$3,312,675.66 net of all taxes (\$3,370,978.75 net of HST recoveries) to \$3,865,258.66 net of all taxes (\$3,933,287.21 net of HST recoveries). The amendment is being requested in order to bring the expired contract into compliance. There are no outstanding invoices and no further purchases will be processed against this contract. A new contract was awarded to UBA Inc. for the supply and delivery of Sodium Hypochlorite as a result of Request for Quotation 6612-17-7321 for the period of January 2018 to December 31, 2022.

RECOMMENDATIONS

The General Manager, Toronto Water and the Chief Purchasing Officer recommend that:

1. Infrastructure and Environment Committee, in accordance with section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control Bylaw), grant authority to amend Contract No. 47017734 with UBA Inc., by and additional amount of \$552,583.00 net of all taxes (\$562,308.46 net of HST recoveries).

FINANCIAL IMPACT

Amendment to expired Contract No. 47017734 by an additional amount of \$552,583.00 net of all taxes (562,308.46 net of HST recoveries), will increase the total value from \$3,312,675.66 net of all taxes (3,370,978.75 net of HST recoveries) to \$3,865,258.66 net of all taxes (\$3,933,287.21 net of HST recoveries). There are no outstanding invoices to be paid, the amendment is required to bring the expired contract into compliance.

Higher than anticipated usage of Sodium Hypochlorite that resulted in additional costs of 562,308.46 net of HST recoveries, was accommodated within the 2017 Approved Operating Budget for Toronto Water from underspent funding available in Cost Centres TW4055, TW4060, TW4080, TW4100, TW7075.

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

DECISION HISTORY

At its meeting on September 11, 2013, the Bid Committee granted authority to award RFQ 6606-13-7147 in accordance with the Contract Details set out in the report (August 17, 2013) from the Director, Purchasing and Materials Management. The following is the link the Bid Committee approval:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.BD141.2>

COMMENTS

Sodium hypochlorite is the chemical used at the City's wastewater plants to disinfect the treated final plant effluent prior to being released to the environment. Until 2017, the Ashbridges Bay Treatment Plant (ABTP) primarily used liquid chlorine and relied on Sodium Hypochlorite as a backup or when liquid chlorine deliveries were interrupted. Final disinfection is a regulatory requirement through the Environmental Compliance Approvals issued by the Province of Ontario for each facility.

The estimated quantities for the supply and delivery Sodium Hypochlorite was based on historical trends at the four (4) Wastewater Treatment plants prior to 2013. Between 2014 and the end of 2017, a variety of unanticipated circumstances arose resulting in higher consumption of Sodium Hypochlorite. This included increase usage of Sodium Hypochlorite instead of liquid chlorine during critical construction periods at the ABTP, construction and maintenance work on the rail spur line by Create TO that disrupted the delivery of liquid chlorine rail cars, and the 2015 Pan Am Games when the decision was made to discontinue rail deliveries for the duration of the games. This increased usage of Sodium Hypochlorite was partially offset by reduced liquid chlorine usage under now expired Contract #47017892 with Axiall Canada, resulting in offsetting savings of \$174,748.

In addition, during 2017, wastewater flows to the ABTP and the Humber Treatment Plant were notably higher than previous years due to high lake water levels and high wet weather flows. As sodium hypochlorite consumption is directly correlated to wastewater flows, higher sodium hypochlorite consumption was incurred during the summer and fall of 2017 which contributed to the over expenditure of the Contract No 47017734.

All invoices were paid and this report is to request the authority to amend the Contract No. 47017734 in the amount of \$552,583.00 exclusive of all taxes (\$562,308.00 net of HST recoveries) and bring the expired contract into compliance. Completion and submission of this report was delayed by uncertainty regarding rail spur line availability that could have allowed rail delivery of liquid chlorine to temporarily resume.

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SIGNATURE

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