



BID AWARD PANEL CONTRACT AWARD

Award of Ariba Doc No. 2650299375 to Kemira Water Solutions Canada Inc. for the supply and delivery of Iron Salts for Toronto Water Division

Date: December 17, 2020
To: Bid Award Panel
From: Chief Procurement Officer
Wards: All

RECOMMENDATIONS

The Chief Procurement Officer recommends that the Bid Award Panel grant authority to award the following contract:

Solicitation Number:
Request for Quotation (RFQ) No. DOC2650299375

Description:
The supply and delivery of Iron Salts for the City of Toronto's Toronto Water Division, for a period of two (2) years from date of award with an option to renew the contract by two (2) additional separate one (1) year periods, all in accordance with the provisions and specifications contained in the Request for Quotation.

Note: Should the option(s) be exercised, then the Client Division Head, the General Manager, Toronto Water Division, will request the Chief Procurement Officer to process the renewals under the same terms and conditions.

Recommended Supplier:
Group 1: Kemira Water Solutions Canada Inc.
Group 2: Kemira Water Solutions Canada Inc.

Contract Award Value:
Group 1: Kemira Water Solutions Canada Inc.
From January 1, 2021 to December 31, 2022

\$5,523,321 net of all applicable taxes and charges
\$6,241,353 including HST and all applicable charges
\$5,620,532 net of HST recoveries

Option Year 1 - January 1, 2023 to December 31, 2023
\$2,844,510 net of all applicable taxes and charges
\$3,214,297 including HST and all applicable charges

\$2,894,574 net of HST recoveries

Option Year 2 - January 1, 2024 to December 31, 2024

\$2,929,846 of all applicable taxes and charges

\$3,310,726 including all applicable taxes and charges

\$2,981,411 net of HST recoveries

The total potential cost for Group 1 including all optional years is \$11,496,517 net of HST recoveries. The total potential contract award is \$11,297,678 net of all applicable taxes and charges, and \$12,766,376 including all applicable taxes and charges.

Group 2: Kemira Water Solutions Canada Inc.

From January 1, 2021 to December 31, 2022

\$3,219,175 net of all applicable taxes and charges

\$3,637,668 including HST and all applicable charges

\$3,275,832 net of HST recoveries

Option Year 1 - January 1, 2023 to December 31, 2023

\$1,657,875 net of all applicable taxes and charges

\$1,873,399 including HST and all applicable charges

\$1,687,054 net of HST recoveries

Option Year 2 - January 1, 2024 to December 31, 2024

\$1,707,611 of all applicable taxes and charges

\$1,929,601 including all applicable taxes and charges

\$1,737,665 net of HST recoveries

The total potential cost for Group 2 including all optional years is \$6,700,552 net of HST recoveries. The total potential contract award is \$6,584,662 net of all applicable taxes and charges, and \$7,440,668 including all applicable taxes and charges.

The total potential cost to the City including all optional years for both Groups is \$18,197,068 net of HST recoveries. The total potential contract award is \$17,882,339 net of all applicable taxes and charges, and \$20,207,043 including all applicable taxes and charges.

Contract is expected to start on January 1, 2021 and end on December 31, 2022 with the option to renew the Contract for two (2) additional separate one (1) year period.

The above cost calculations for the Option Year Periods reflects an estimated annual 3% increase as per the Consumer Price Index (CPI)

FINANCIAL IMPACT

The total potential contract award identified in this report is \$20,207,043 including all applicable taxes and charges. The total potential cost to the City is \$18,197,068 net of HST recoveries.

The engineering estimate for this project is \$14,103,085 net of all taxes and charges.

Funding for 2021 is available in the 2021 Approved Operating Budget for Toronto Water. Additional funding for the balance of the contract will be requested in the 2022 Operating Budget Submission for Toronto Water.

Should the optional periods be exercised, appropriate additional funding will be request in the 2023-2024 Operating Budget Submissions for Toronto Water. Funding details are summarized in Table 1 as follows:

Table 1: Financial Impact Summary of Recommended Contract (Net of HST Recoveries)

Cost Centre/ Cost Element	Initial Term		Optional Period 1 (January 1, 2023 - December 31, 2023)	Optional Period 2 (January 1, 2024 - December 31, 2024)	Total Award (net of HST Recoveries)
	January 1, 2021 to Dec. 31, 2021	January 1, 2022 to Dec. 31, 2022			
TW4100 TW4080 TW4060 TW4022 C/Es 2420, 2215	\$4,448,182	\$4,448,182	\$4,581,628	\$4,719,076	\$18,197,068
Total (net of HST Recoveries)		\$18,197,068			

SOLICITATION SUMMARY

Solicitation Issued: October 8, 2020

Solicitation Closed: November 6, 2020

Number of Addenda Issued: Five (5)

Number of Bids: Two [2]

Table 2: Summary of Bids Received for Ariba Doc No. 2650299375 including bid price

Supplier	Group 1 - Bid Price (including H.S.T.)	Group 2 - Bid Price (including H.S.T.)
KEMIRA WATER SOLUTIONS CANADA INC..	\$6,241,353.10	\$3,637,677.75
Rikaz International LLC	No bid	\$450,348,945,003.92

DIVISION CONTACTS

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Frank Quarisa, Director Wastewater Treatment, 416-392-8230,
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COMMENTS

For the recommended contract award, the following requirements have been met:

a. The firm recommended for award is the lowest Supplier meeting specifications or to the highest scoring Supplier based on the evaluation criteria included in the Solicitation and meeting the requirements of the solicitation;

b. the appropriate Division has reviewed submissions and found the price to be reasonable, within available budget and concurs with the recommendation;

c. the total contract value is less than \$20 million dollars (excluding applicable taxes) and the contract term is:

1. for a contract funded by the operating budget, 5 years or less including any option years; or

2. for a contract funded by the capital budget, within the projected term of the capital funding for the project as set out in the capital budget,

being within the authority of the Bid Award Panel;

d. there are no material written objections to the award;

e. the Solicitation document was advertised on the City's internet website and bids or proposals were opened publicly; and

f. the Fair Wage Office confirms the recommended firm understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Additional details and information for the above Solicitations are on the file in the Purchasing and Materials Management Division.

SIGNATURE

Michael Pacholok, JD
Chief Procurement Officer
Purchasing and Materials Management Division