



## BID AWARD PANEL CONTRACT AWARD

### **Award of Ariba Doc No. 2637656772 to FloChem Ltd for the supply and delivery of Phosphoric Acid for Toronto Water Division.**

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

#### **RECOMMENDATIONS**

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

**Solicitation Number:**  
Request for Quotation (RFQ) No. DOC2637656772

**Description:**  
The supply and delivery of Phosphoric Acid for the City of Toronto's Toronto Water Division, for a period of one (1) years and six (6) months 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:**  
FloChem Ltd

**Contract Award Value:**  
\$2,915,250 net of all applicable taxes and charges  
\$3,294,233 including HST and all applicable charges  
**\$2,966,559 net of HST recoveries**

**Contract is expected to start on January 1, 2021 and end on June 30, 2022.**

Option Year 1 - July 1, 2022 to June 30, 2023  
\$2,001,805 net of all applicable taxes and charges  
\$2,262,040 including HST and all applicable charges  
\$2,037,037 net of HST recoveries

Option Year 2 - July 1, 2023 to June 30, 2024  
 \$2,061,860 net of all applicable taxes and charges  
 \$2,329,901 including all applicable taxes and charges  
 \$2,098,148 net of HST recoveries

**The total potential cost to the City including all optional years is \$7,101,743 net of HST recoveries.** The total potential contract award is \$6,978,914 net of all applicable taxes and charges, and \$7,886,173 including all applicable taxes and charges.

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 \$7,886,173 including all applicable taxes and charges. The total potential cost to the City is \$7,101,743 net of HST recoveries.

The engineering estimate for this project is \$3,148,940 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 included in Toronto Waters' 2022 Operating Budget Submission. Should the optional periods be exercised, appropriate additional funding will be requested in Toronto Water's 2022-2024 Operating Budget Submissions. Funding details are summarized in Table 1 as follows:

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

| Cost Centre/<br>Cost<br>Element                                                     | Initial Term                        |                                          | Optional<br>Period 1<br>(July 1,<br>2022 to<br>June 30,<br>2023) | Optional<br>Period 2<br>(July 1,<br>2023 to<br>June 30,<br>2024) | Total Award<br>(net of HST<br>Recoveries) |
|-------------------------------------------------------------------------------------|-------------------------------------|------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------|
|                                                                                     | January 1<br>2021 - Dec<br>31, 2021 | January 1,<br>2022 to<br>Jun 30,<br>2022 |                                                                  |                                                                  |                                           |
| TW7030<br>TW7045<br>TW7015<br>TW7060<br>C/E 2463/<br>2430<br><br>TW4022<br>C/E 2430 | \$1,977,706                         | \$988,853                                | \$2,037,037                                                      | \$2,098,148                                                      | \$7,101,743                               |
| Total (net of HST Recoveries)                                                       |                                     |                                          |                                                                  |                                                                  | \$7,101,743                               |

## SOLICITATION SUMMARY

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**Solicitation Issued:** September 30, 2020

**Solicitation Closed:** October 28, 2020

**Number of Addenda Issued:** One (1)

**Number of Bids:** Three [3]

Table 2: Summary of Bids Received for Ariba Doc No. 2637656772 including bid price

| Bidder                                                | Bid Price (including H.S.T.) |
|-------------------------------------------------------|------------------------------|
| FloChem Ltd.                                          | \$3,294,232.50               |
| Appropriate Chemical International Ltd.<br>o/a Anchem | \$3,435,392.10               |
| Shannon Chemical Corporation                          | \$3,845,107.50               |

## DIVISION CONTACTS

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## COMMENTS

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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**

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