



BID AWARD PANEL CONTRACT AWARD

Award of Ariba Doc No. 2695924353 to SNF Canada Ltd and Brenntag Canada Inc. for the non-exclusive Supply and Delivery of Water Soluble Polyelectrolyte (Dry) and Water Soluble Polyelectrolyte (Emulsion) for Sludge Dewatering at the Highland Creek Wastewater Treatment Plant

Date: July 8, 2021
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), Ariba Doc No. 2695924353

Description:

For the non-exclusive supply and delivery of Water Soluble Polyelectrolyte (Dry) for Sludge Dewatering (DEW) and Water Soluble Polyelectrolyte (Emulsion) for Sludge Dewatering (DEW) for the City of Toronto's Highland Creek Wastewater Treatment Plant for a period of two (2) years from the date of award to March 31, 2023, with the option in favour of the City to extend the agreement for up to three (3) additional separate one (1) year periods.

The RFQ is structured to award contracts to the lowest supplier meeting specification and performance requirements outlined in the RFQ and providing the lowest cost of as delivered polymer applied per metric dry tonne of dewatered sludge cake produced based on the results from the full scale performance evaluation for Part A - Base Scope (Dry Polymer) and Part B - Base Scope (Emulsion Polymer).

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

Recommended Suppliers:

Part A - Base Scope (Dry Polymer): SNF Canada Ltd.

Part B - Base Scope (Emulsion Polymer): Brenntag Canada Inc.

Contract Award Value:
Part A – Base Scope (Dry Polymer)
SNF Canada Ltd.

\$ 1,968,800 net of all applicable taxes and charges
\$ 2,224,744 including HST and all applicable charges
\$ 2,003,451 net of HST recoveries

Contract is expected to start on date of award and end on March 31, 2023

Option Year 1 - April 1, 2023 - March 31, 2024
\$ 1,013,932 net of all applicable taxes and charges
\$ 1,145,743 including all applicable taxes and charges
\$ 1,031,777 net of HST recoveries

Option Year 2- April 1, 2024 - March 31, 2025
\$ 1,044,350 net of all applicable taxes and charges
\$ 1,180,115 including all applicable taxes and charges
\$ 1,062,731 net of HST recoveries

Option Year 3- April 1, 2025 - March 30, 2026
\$ 1,075,680 net of all applicable taxes and charges
\$ 1,215,519 including all applicable taxes and charges
\$ 1,094,612 net of HST recoveries

The total potential contract award is \$ 5,102,762.00 net of all applicable taxes and charges, and \$ 5,766,122.00 including all applicable taxes and charges. **The total potential cost to the City including all optional years is \$ 5,192,571.00 net of HST recoveries.**

Part B - Base Scope (Emulsion Polymer)
Brenntag Canada Inc.

\$ 3,806,760 net of all applicable taxes and charges
\$ 4,301,639 including HST and all applicable charges
\$ 3,873,759 net of HST recoveries

Contract is expected to start on date of award and end on March 31, 2023

Option Year 1 - April 1, 2023 - March 31, 2024
\$ 1,960,481 net of all applicable taxes and charges
\$ 2,215,344 including all applicable taxes and charges
\$ 1,994,986 net of HST recoveries

Option Year 2- April 1, 2024 - March 31, 2025
\$ 2,019,296 net of all applicable taxes and charges
\$ 2,281,804 including all applicable taxes and charges
\$ 2,054,835 net of HST recoveries

Option Year 3- April 1, 2025 - March 30, 2026
 \$ 2,079,875 net of all applicable taxes and charges
 \$ 2,350,258 including all applicable taxes and charges
 \$ 2,116,481 net of HST recoveries

The total potential contract award is \$9,866,412 net of all applicable taxes and charges, and \$11,149,046 including all applicable taxes and charges. **The total potential cost to the City including all optional years is \$10,040,061 net of HST recoveries.**

The combined total potential contract award is \$14,969,174 net of all applicable taxes and charges, and \$16,915,167 including all applicable taxes and charges. **The combined total potential contract award identified in this report for the initial contract term and all optional years is \$15,232,632 net of HST recoveries.**

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

FINANCIAL IMPACT

The combined total potential contract award identified in this report for the initial contract term and all option years is \$14,969,174 net of all applicable taxes and charges, \$16,915,167 including all applicable taxes and charges. **The combined total potential cost to the City is \$15,232,632 net of HST recoveries.**

Funding is available in the 2021 Approved Operating Budget for Toronto Water. Additional funding will be included in Toronto Water's 2022-2023 Operating Budget Submissions.

Should the City of Toronto choose to exercise its option(s) to renew for an additional three (3) separate one (1) year periods, then appropriate additional funding, if needed, will be included in the 2023-2026 Operating Budget Submissions for Toronto Water.

Table 1: Financial Impact Summary of Recommended Contract (net of HST recoveries)

	Contract Period Base Year			Option Year 1	Option Year 2	Option Year 3	
Cost Centre/Cost Element	Jul 1, 2021 - Dec 31, 2021	Jan 1, 2022 - Dec 31, 2022	Jan 1, 2023 - Mar 31, 2023	Apr 1, 2023 - Mar 31, 2024	Apr 1, 2024 - Mar 31, 2025	Apr 1, 2025 - Mar 30, 2026	Total
TW4095-2430 TW4100-2215	\$1,469,303	\$2,938,605	\$1,469,302	\$3,026,763	\$3,117,566	\$3,211,093	\$15,232,632

The Chief Financial Officer and Treasurer has reviewed this report and agrees with information included in the Financial Impact section.

SOLICITATION SUMMARY

Solicitation Issued: Nov. 4, 2020
Number of Addenda Issued: Four (4)
Number of Bids: Four (4)

Solicitation Closed: Jan. 12, 2021

In accordance with the award criteria of the RFQ, the award for Part A - Base Scope (Dry Polymer) and Part B – Base Scope (Emulsion Polymer) are awarded to one or more Supplier(s) whose product had met the performance requirements outlined in the RFQ and has demonstrated that their product provides the lowest cost of as delivered polymer applied per metric dry tonne of dewatered sludge cake produced.

Table 2a: Summary of Bids Received for RFQ Ariba Doc No. 2695924353, Part A – Base Scope (Dry Polymer) including bid price.

Supplier Name	Bid Price (including H.S.T.)
SNF Canada Ltd.	\$2,224,744.00
Brenntag Canada Inc.	\$2,641,431.50
Northland Chemical Inc.	\$2,775,732.00
REDA Oilfield Canada Ltd.*	\$2,339.10

* Bid response declared non-compliant

Table 3b: Summary of Bids Received for RFQ Ariba Doc No. 2695924353, Part B – Base Scope (Emulsion Polymer) including bid price.

Supplier Name	Bid Price (including H.S.T.)
Brenntag Canada Inc.	\$4,301,639.00
SNF Canada Ltd.	\$4,338,070.00
Northland Chemical Inc.*	\$4,673,680.00
REDA Oilfield Canada Ltd.*	\$4,226.20

* Bid response declared non-compliant.

DIVISION CONTACTS

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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
Chief Procurement Officer