



BID AWARD PANEL CONTRACT AWARD

Award of Ariba Document Number 3687223488 to Nachurs Alpine Solutions Corp., for the Non-Exclusive Supply and Delivery of Aqua Ammonia for the Toronto Water

Date: December 1, 2022
To: Bid Award Panel
From: Acting Chief Procurement Officer
Wards: All

RECOMMENDATIONS

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

Solicitation Number:

Request for Quotation, Ariba Document Number 3687223488

Description:

For the non-exclusive supply and delivery of Aqua Ammonia for the City of Toronto's Water Division from January 1, 2023 to September 30, 2023, with the option to renew the Contract for four (4) additional and separate one (1) year periods at the sole discretion of the City and subject to budget approval.

Should the option periods be exercised, then the General Manager, Toronto Water Division will request the Acting Chief Procurement Officer to process the renewals under the same terms and conditions.

Recommended Supplier:

Nachurs Alpine Solutions Corp.

Contract Award Value:

\$639,700 net of all applicable taxes and charges
\$722,861 including HST and all applicable charges
\$650,959 net of HST recoveries

The contract is expected to start on January 1, 2023 and end on September 30, 2023.

Option Year 1 - October 1, 2023 to September 30, 2024
\$895,335 net of all applicable taxes and charges
\$1,011,729 including HST and all applicable charges
\$911,093 net of HST recoveries.

Option Year 2 - October 1, 2024 to September 30, 2025
\$940,102 net of all applicable taxes and charges
\$1,062,315 including HST and all applicable charges
\$956,648 net of HST recoveries

Option Year 3 - October 1, 2025 to September 30, 2026
\$987,107 net of all applicable taxes and charges
\$1,115,431 including HST and all applicable charges
\$1,004,480 net of HST recoveries

Option Year 4 - October 1, 2026 to September 30, 2027
\$1,036,462 net of all applicable taxes and charges
\$1,171,202 including HST and all applicable charges
\$1,054,704 net of HST recoveries

The total potential award including all option years is \$5,083,538 including all applicable taxes and charges and \$4,498,706 net of all applicable taxes and charges. **The total potential Cost to the City including all option years is \$4,577,883 net of HST recoveries.**

The above cost calculations for the Option Periods reflect an estimated annual five (5) percent increase based on the Green Markets Price Index for Ammonia (Tampa Region).

FINANCIAL IMPACT

The total potential award identified in this report including the option years is \$4,498,706 net of all applicable taxes and charges, \$5,083,538 including all applicable taxes and charges. The total potential cost to the City including the option years is \$4,577,883 net of HST recoveries.

Sufficient funding has been included in the 2023 Operating Budget Submission for Toronto Water.

Should the City of Toronto choose to exercise its options to renew for an additional four (4) separate one (1) year periods, then appropriate additional funding, if needed, will be included in the 2024-2027 annual Operating Budget Submissions for Toronto Water Division. Funding details are provided in the table below:

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

G/L Account / Cost Centre	From January 1, 2023 to September 30, 2023	Option Year 1 October 1, 2023 to September 30, 2024	Option Year 2 October 1, 2024 to September 30, 2025	Option Year 3 October 1, 2025 to September 30, 2026	Option Year 4 October 1, 2026 to September 30, 2027	Total
Cost Element 2430, 2440, 2460						
Cost Centres: TW7015 TW7030 TW7045 TW7060	\$650,959	\$911,093 (including \$227,773 in '23)	\$956,648	\$1,004,480	\$1,054,704	\$4,577,883
Total (net of HST Recoveries)						\$4,577,883

The Chief Financial Officer and Treasurer has been provided the financial impacts associated with the program for review as part of the 2023 budget process

SOLICITATION SUMMARY

Solicitation Issued: October 6, 2022 **Solicitation Closed:** November 10, 2022

Number of Addenda Issued: One (1)

Number of Bids: Two (2)

Table 2: Summary of Bids Received including bid price

Supplier	Bid Price (excluding H.S.T.)
Nachurs Alpine Solutions Corp.	\$639,700
Anco Chemicals Inc.	\$756,700

DIVISION CONTACTS

Marie Reid, Manager, Purchasing Client Services, Infrastructure and Development Services, Purchasing and Materials Management, 416-397-5187, Marie.Reid@toronto.ca

Lou Di Gironimo, General Manager, Toronto Water, Infrastructure and Development Services, 416-392-8200, Lou.DiGironimo@toronto.ca

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. the Solicitation document was advertised on the City's internet website and bids or proposals were submitted electronically in Ariba; and

e. 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

Sandra Lisi
Acting Chief Procurement Officer