



BID AWARD PANEL CONTRACT AWARD

Award of Ariba Document Number 3532662443 to Mister Chemical Ltd for the Non-Exclusive Supply and Delivery of Garbage Bags for Purchasing and Materials Management (Stores)

Date: February 9, 2023
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, Ariba Document Number 3532662443

Description:

For the non-exclusive supply and delivery of Garbage Bags for the City of Toronto (Stores) from the date of award to December 31, 2023, with the option to renew the Contract for additional four (4) years period at the sole discretion of the City and subject to budget approval(s).

Prior to the renewal of the contract, Purchasing and Material Management Division will perform a market analysis to verify the current market conditions as compared to the proposed increase by the Supplier and that the Purchasing and Material Management Division will monitor Supplier performance during the first term of the contract.

Should the option(s) be exercised, then the Manager of Materials Management and Stores will request the Chief Procurement Officer to process the renewals under the same terms and conditions.

Recommended Supplier:

Mister Chemical Ltd

Contract Award Value:

\$1,327,695 net of all applicable taxes and charges (including 25% for miscellaneous)
\$1,500,295 including HST and all applicable charges
\$1,351,062 net of HST recoveries

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

Option Year 1 (January 1, 2024 to December 31, 2024)

\$1,367,525 net of all applicable taxes and charges (including 25% for miscellaneous)

\$1,545,304 including HST and all applicable charges

\$1,391,594 net of HST recoveries

Option Year 2 (January 1, 2025 to December 31, 2025)

\$1,408,551 net of all applicable taxes and charges (including 25% for miscellaneous)

\$1,591,663 including HST and all applicable charges

\$1,433,342 net of HST recoveries

Option Year 3 (January 1, 2026 to December 31, 2026)

\$1,450,808 net of all applicable taxes and charges (including 25% for miscellaneous)

\$1,639,413 including HST and all applicable charges

\$1,476,342 net of HST recoveries

Option Year 4 (January 1, 2027 to December 31, 2027)

\$1,494,332 net of all applicable taxes and charges (including 25% for miscellaneous)

\$1,688,595 including HST and all applicable charges

\$1,520,632 net of HST recoveries

The total potential contract award including all option years is \$7,965,269 including HST and all applicable charges and \$7,048,911 net of all applicable taxes and charges. **The total potential cost to the City including all option years is \$7,172,972 net of HST recoveries.**

The above cost calculations reflect a 3% CPI adjustment applied annually to the yearly cost after the initial year term.

FINANCIAL IMPACT

The total potential contract award identified in this report including option years is \$7,048,911 net of all applicable taxes and charges. The total potential cost to the City including option years is \$7,172,972 net of HST recoveries.

The materials on this contract will be purchased for Purchasing and Material Management Division - Stores inventory purposes. The material value will be held in inventory holding Balance Sheet accounts (160004, 160026, 160049, 160067, 160068, 160082, 160083, 160085, 160171) until City Divisions require the material to support their work programs at which time the material value is charged to the appropriate Divisions' approved operating budgets.

Funding is included in the appropriate Divisions' 2023 Tabled Operating Budgets and should all the option years be exercised, if required, appropriate additional funding, will be requested in the 2024-2027 Operating Budget Submissions. Funding details follow in Table 1.

Table 1: Financial Impact Summary of Recommended Contract

Period	Cost Centre 160004, 160026, 160049, 160067, 160068, 160082, 160083, 160085,160171	Total (net of HST Recoveries)
Date of Award to December 31, 2023	\$1,351,062	
Total: Contract Period	\$1,351,062	
Total: 2023 Budget Year	\$1,351,062	
January 1, 2024 to December 31, 2024	\$1,391,594	
Total: Option Year 1	\$1,391,594	
Total: 2024 Budget Year	\$1,391,594	
January 1, 2025 to December 31, 2025	\$1,433,342	
Total: Option Year 2	\$1,433,342	
Total: 2025 Budget Year	\$1,433,342	
January 1, 2026 to December 31, 2026	\$1,476,342	
Total: Option Year 3	\$1,476,342	
Total: 2026 Budget Year	\$1,476,342	
January 1, 2027 to December 31, 2027	\$1,520,632	
Total: Option Year 4	\$1,520,632	
Total: 2027 Budget Year	\$1,520,632	
Grand Total	\$7,172,971.58	

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

SOLICITATION SUMMARY

Solicitation Issued: June 27, 2022 **Solicitation Closed:** July 12, 2022
Number of Addenda Issued: One (1)
Number of Bids: Two (2)

Table 2: Summary of Bids Received including bid price

[Supplier Name]	Bid Price (excluding H.S.T.)
MCL Mister Chemical LTD	\$1,062,155.65
Lunar Contracting*	\$3,563,046.30

* Supplier was found non-compliant with mandatory requirements.

DIVISION CONTACTS

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COMMENTS

[If any other comments about the award are necessary you can explain it here.]

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

Geneviève Sharkey
Chief Procurement Officer