



BID AWARD PANEL CONTRACT AWARD

Award of Ariba Document Number 3762762006 to G.K. Chemical Specialties Co. Inc. for the Non-Exclusive Supply and Delivery of Concentrated Chemicals for Purchasing and Materials Management (Stores)

Date: June 22, 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 contracts:

Solicitation Number:

Request for Quotation, Ariba Document Number 3762762006

Description:

For the non-exclusive supply and delivery of Concentrated Chemicals to various Purchasing and Materials Management (Stores) locations from the date of award to April 30, 2024, with the option to renew the Contract for four (4) additional one (1)-year periods at the sole discretion of the City and subject to budget approval(s).

The Request for Quotation is structured to award a contract to the lowest supplier meeting specifications and providing the lowest total bid price of the Pricing Form.

Prior to the renewal of the contract, PMMD will perform a market analysis to verify the current market conditions as compared to the proposed increase by the vendor and that the Stores Division will monitor vendor performance during the term of the contract.

Should the option year(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:

G.K. Chemical Specialties Co. Inc.

Contract Award Value:

\$335,351 net of all applicable taxes and charges (including 20% for miscellaneous items)

\$378,947 including HST and all applicable charges
\$341,253 net of HST recoveries

Contract is expected to start on date of award and end on April 30, 2024

Option Year 1 (May 1, 2024 to April 30, 2025)
\$345,411 net of all applicable taxes and charges (including 20% for miscellaneous items)
\$390,315 including all applicable taxes and charges
\$351,491 net of HST recoveries

Option Year 2 (May 1, 2025 to April 30, 2026)
\$355,774 net of all applicable taxes and charges (including 20% for miscellaneous items)
\$402,024 including all applicable taxes and charges
\$362,035 net of HST recoveries

Option Year 3 (May 1, 2026 to April 30, 2027)
\$366,447 net of all applicable taxes and charges (including 20% for miscellaneous items)
\$414,085 including all applicable taxes and charges
\$372,896 net of HST recoveries

Option Year 4 (May 1, 2027 to April 30, 2028)
\$377,440 net of all applicable taxes and charges (including 20% for miscellaneous items)
\$426,508 including all applicable taxes and charges
\$384,083 net of HST recoveries

The total potential combined contract award identified in this report including option years is \$1,780,423 net of all applicable taxes and charges, \$2,011,879 including all applicable taxes and charges. **The total potential combined cost to the City including option years is \$1,811,758 net of HST recoveries.**

The above cost calculations reflect a 3% Consumer Price Index adjustment applied annually to each year's cost after the initial one (1) year period.

FINANCIAL IMPACT

The total potential combined contract award identified in this report including option years is \$1,780,423 net of all applicable taxes and charges, \$2,011,879 including all applicable taxes and charges. The total potential combined cost to the City including option years is \$1,811,758 net of HST recoveries.

The materials on this contract will be purchased for PMMD 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 available in the appropriate Divisions' 2023 Approved Operating Budgets. Should the City exercise the optional periods, appropriate additional funding will be requested in the 2024-2027 Operating Budget Submissions. The details are as follows:

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 – December 31, 2023	\$227,502	
January 1, 2024 - April 30, 2024	\$113,751	
Total: Contract Period	\$341,253	\$341,253
Total: 2023 Budget Year	\$227,502	
May 1, 2024 to December 31, 2024	\$234,327	
January 1, 2025 - April 30, 2025	\$117,164	
Total: Option Year 1	\$351,491	\$351,491
Total: 2024 Budget Year	\$348,078	
May 1, 2025 to December 31, 2025	\$241,357	
January 1, 2026 - April 30, 2026	\$120,678	
Total: Option Year 2	\$362,035	\$362,035
Total: 2025 Budget Year	\$358,520	
May 1, 2026 to December 31, 2026	\$248,598	
January 1, 2027 - April 30, 2027	\$124,299	
Total: Option Year 3	\$372,896	\$372,896
Total: 2026 Budget Year	\$369,276	
May 1, 2027 to December 31, 2027	\$256,055	
January 1, 2028 - April 30, 2028	\$128,028	
Total: Option Year 4	\$384,083	\$384,083
Total: 2027 Budget Year	\$380,354	
Total: 2028 Budget Year	\$128,028	
Grand Total	\$1,811,758	\$1,811,758

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

SOLICITATION SUMMARY

Solicitation Issued: February 28, 2023

Solicitation Closed: April 5, 2023

Number of Addenda Issued: One (1)

Number of Bids: Three (3)

Table 2: Summary of Bids Received including bid price

Supplier Name	Bid Price (excluding H.S.T.)
G.K. Chemical Specialties Co. Inc.	\$279,459
New Dimensions Solutions Corp.	\$568,233
GT French Paper Limited	\$1,141,308

*Bid Price does not contain the 20% miscellaneous items

DIVISION CONTACTS

Clarman Yang, Acting Manager, Purchasing Client Services, Corporate Services and Finance and Treasury, Purchasing and Materials Management Division, 416-392-7316, Clarman.Yang@toronto.ca

Craig Mavin, Manager, Materials Management and Stores, Purchasing and Materials Management Division, 416-392-6764, Craig.Mavin@toronto.ca

COMMENTS

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

a. The firm recommended for award is the lowest Supplier meeting specifications per Part 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 opened publicly on 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