



BID AWARD PANEL CONTRACT AWARD

Award of Doc3516672057 to RHI Canada Inc. for Refractory Maintenance for Incinerators at the Highland Creek Treatment Plant for Toronto Water

Date: November 30, 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, Doc3516672057

Description:
For refractory maintenance for incinerators at the Highland Creek Treatment Plant for the City of Toronto's Water Division. The term of the Contract is to be for a period of two (2) years from the date of award, with an option in favour of the City to extend the agreement on the same terms and conditions for an additional term of up to three (3) additional separate one (1) year periods at the sole discretion of the City and subject to budget approval.

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

Recommended Supplier:
RHI Canada Inc.

Contract Award Value:
\$456,273 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
\$515,588 including HST and all applicable charges
\$464,303 net of HST recoveries

Contract is expected to start on date of award and end on November 30, 2025

Option Year 1 (December 1, 2025 to November 30, 2026)
\$234,981 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
\$265,529 including HST and all applicable charges
\$239,117 net of HST recoveries

Option Year 2 (December 1, 2026 to November 30, 2027)
\$242,030 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
\$273,494 including HST and all applicable charges
\$246,290 net of HST recoveries

Option Year 3 (December 1, 2027 to November 30, 2028)
\$249,291 net of all applicable taxes and charges (including 20 percent for miscellaneous items)
\$281,699 including HST and all applicable charges
\$253,679 net of HST recoveries

The total potential contract award identified in this report including option years is \$1,182,575 net of all applicable taxes and charges and \$1,336,310 including HST and all applicable taxes and charges. **The total potential cost to the City including option years is \$1,203,389 net of HST recoveries.**

The above cost calculations reflect an estimated three (3) percent Consumer Price Index adjustment applied annually to the yearly cost after the initial two (2) year period.

FINANCIAL IMPACT

The total contract award identified in this report is \$1,336,310 including all applicable taxes and charges. The total to the City is \$1,203,389 net of HST recoveries.

Funding is available in the 2023 Approved Operating Budget and additional funding for the remainder of the initial contract term will be included in the 2024 and 2025 Operating Budget Submissions for Toronto Water. Should the City exercise the three (3) separate one (1) year periods, funding will be included in the Operating Budget Submissions for 2025 - 2028 for Toronto Water. Additional funding details are summarized in Table 1.

Table 1: Financial Impact Summary of Recommended Contract

G/L Acct / Cost Centre	Initial Term			Option Year 1	Option Year 2	Option Year 3	Total Contract Term (net of HST recoveries)
	Date of Award to December 31, 2023	January 1, 2024 to December 31, 2024	January 1, 2025 to November 30, 2025	December 1, 2025 to November 30, 2026	December 1, 2026 to November 30, 2027	December 1, 2027 to November 30, 2028	
GL 4403 TW4095 TW4100 TW4102 TW4105 TW4110	\$19,345	\$232,152	\$212,806	\$239,117	\$246,290	\$253,679	\$1,203,389

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

SOLICITATION SUMMARY

Solicitation Issued: July 28, 2023 **Solicitation Closed:** September 6, 2023

Number of Addenda Issued: Three (3)

Number of Bids: Three (3)

Table 2: Summary of Bids Received including bid price

Supplier Name	Bid Price (net of HST recoveries)
Ganeshas Lime and Minerals*	\$101,474.00
RHI Canada Inc.	\$190,113.75
Reftech International Inc.	\$280,103.60

*Supplier was found non-compliant with mandatory requirements

DIVISION CONTACTS

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William Fernandes, Director, Infrastructure and Development Services, Wastewater Treatment, Toronto Water Division; Telephone: 416-392-8220, Email: William.Fernandes@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

Geneviève Sharkey,
Chief Procurement Officer