

Amendment to Blanket Contract Numbers 47022995 and 47023001 with Acklands-Grainger Inc. for Various Industrial Supplies, Equipment and Services

Date: April 4, 2023

To: General Government Committee

From: General Manager, Solid Waste Management Services, Executive Director,
Corporate Real Estate Management and Chief Procurement Officer, Purchasing and
Materials Management

Wards: All

SUMMARY

The purpose of this report is to request authority to amend Blanket Contracts 47022995 for Solid Waste Management Services (SWMS) and 47023001 for Corporate Real Estate Management (CREM) with Acklands-Grainger Inc. for the Supply and Delivery of Various Industrial Supplies, Equipment and Services awarded under Request for Proposal (RFP) Ariba Document Number 2056216916. This amendment to the Blanket Contracts is required for SWMS to address an increase in its operational needs, enable critical replacement of mechanical equipment at SWMS facilities, and support future capital and operational needs. The amendment is needed for CREM to address unplanned purchases to outfit its Fire Life Safety unit, and an increase in its operational needs.

Solid Waste Management Services total amendment required for Blanket Contract number 47022995 is \$685,000 net of all taxes and charges (\$697,056 net of HST recoveries), revising the current Blanket Contract value from \$376,565 to \$1,061,565 net of all taxes and charges (\$1,080,249 net of HST recoveries).

Corporate Real Estate Management total amendment required for Blanket Contract Number 47023001 is \$216,940 net of all taxes and charges (\$220,758 net of HST recoveries), revising the current blanket contract value from \$619,300 to \$836,240 net of all taxes and charges (\$850,958 net of HST recoveries).

With the requested authority to further amend SWMS Blanket Contract Number 47022995 and CREM Blanket Contract Number 47023001 the total accumulative amendment value for this Request for Proposal has reached \$1,395,702 net of all taxes and charges, the total Blanket Contracts value for this Request for Proposal Ariba Document Number 2056216916 would increase from \$12,575,213 to \$13,477,153 net of all taxes and charges (\$13,714,351 net of HST recoveries).

General Government Committee approval is required in accordance with the Toronto Municipal Code, Chapter 71, Financial Control, Section 71-11.1, where the current request exceeds the threshold of \$500,000 net of all taxes and charges.

RECOMMENDATIONS

The General Manager, Solid Waste Management Services , Executive Director, Corporate Real Estate Management and the Chief Procurement Officer, Purchasing and Materials Management recommends:

1. The General Government Committee to grant authority to the General Manager, Solid Waste Management Services to amend Blanket Contract Number 47022995 by increasing the total Blanket Contract value by \$685,000 net of all taxes and charges (\$697,056 net of HST recoveries) revising the blanket contract value from \$376,565 (\$383,193 net of HST recoveries) to \$1,061,565 net of all applicable taxes and charges (\$1,080,249 net of HST recoveries).
2. The General Government Committee to grant authority to the Executive Director, Corporate Real Estate Management to amend Blanket Contract Number 47023001 by increasing the total Blanket Contract value by of \$216,940 net of all taxes and charges (\$220,758 net of HST recoveries) revising the Blanket Contract value from \$619,300 (\$630,199 net of HST recoveries) to \$836,240 net of all applicable taxes and charges (\$850,958 net of HST recoveries).

FINANCIAL IMPACT

The total estimated value of both Blanket Contract amendments identified in this report is \$901,940 net of all taxes and charges, (\$917,814 net of HST recoveries).

Funding for increase was available in the 2022 Approved Capital and Operating Budgets for Solid Waste Management Services and the 2023-2032 Approved Capital Budget and Plan for Solid Waste Management Services. Funding is also available in the 2023 Approved Operating Budget for Solid Waste Management Services and additional funding will be included in the 2024-2025 Operating Budget Submissions for Solid

Waste Management Services. Funding is also available in the 2023 Approved Operating Budget for Corporate Real Estate Management and additional funding will be included in the 2024-2025 Operating Budget Submissions for Corporate Real Estate Management. Additional funding details follow in Table 1.

Table 1: Financial Impact Summary

Division	Blanket Contract	Account Information Cost Centre/ Cost Element	2022	2023	2024	2025	\$ Amount net of HST Recoveries
SWMS	47022995	Capital Budget					
		CSW900-08-26	\$60,105	\$254,400	\$50,880	\$0	\$365,385
		CSW900-04-01	\$0	\$33,920	\$33,920	\$33,920	\$101,760
		CSW900-01-15	\$0	\$33,920	\$33,920	\$33,920	\$101,760
		Operation Budget					
		SW0011-GL2120					
CREM	47023001		\$24,981	\$34,390	\$34,390	\$34,390	\$128,151
CREM	47023001	Operation Budget					
		FA 100-30/2530	\$0	\$36,793	\$36,793	\$36,793	\$110,379
		FA 100-30/4424	\$0	\$36,793	\$36,793	\$36,793	\$110,379
Total Cost							\$917,814

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

DECISION HISTORY

At its meeting of April 22, 2020, the Bid Award Panel adopted Item BA77.1 granting authority to award Request for Proposal (RFP) Ariba Document Number 2056216916 to Acklands-Grainger Inc. for the provision of industrial supplies, equipment and services, for the various City of Toronto's Water Division, Toronto Paramedic Services, Toronto Fire Services, Fleet Services Division, Solid Waste Management Division, Parks, Forestry and Recreation Division, Corporate Real Estate Management Division and Purchasing and Materials Management Division. The Bid Award Panel decision can be found at:

<https://secure.toronto.ca/council/agenda-item.do?item=2020.BA77.1>

COMMENTS

Background

A Request for Proposal (RFP) Ariba Document Number 2056216916 was issued October 7, 2019 for the provision of the non-exclusive supply and delivery of industrial supplies, equipment and services for various City of Toronto Divisions from the date of award to April 30, 2021, with the option to renew the Contract for four (4) additional separate one (1) year periods at the sole discretion of the City and subject to budget approval(s), which resulted in an award to Acklands Grainger Inc. and the issuance of total eight (8) Blanket Contracts with a total combined amount of \$12,081,451 net of all applicable taxes and charges (\$12,294,085 net of HST recoveries)

Since the contracts have been put in place, an additional two divisions have issued piggyback blanket contracts with Acklands-Grainger Inc. under the RFP for an additional \$50,000 net of all taxes and charges (\$50,880 net of HST recoveries). Thus far, Toronto Paramedic Services and CREM have amended their blanket contracts with Acklands-Grainger Inc., by \$150,000 net of all taxes and charges (\$152,640 net of HST recoveries) and by \$293,762 net of all taxes and charges (\$298,932 net of HST recoveries), respectively.

The accumulated amendment amount, as of March 30, 2023, for this corporate call has reached \$493,762 in total, this has brought the current total value of the contracts from \$12,081,451 net of all applicable taxes and charges to \$12,575,213 net of all applicable taxes.

Increased Use

The initial term of RFP Ariba Document Number 2056216916 was June 15, 2020 to April 30, 2021, with the option to renew the RFP for four (4) additional separate one (1) year periods, with the end date of April 30, 2025, totalling 5 years.

1. Amendment of Solid Waste Management Service's Blanket Contract Number 47022995

Solid Waste Management Services requires a total Blanket Contract Number 47022995 amendment of \$685,000 net of all taxes and charges (\$697,056 net of HST recoveries), revising the current blanket contract value from \$376,565 to \$1,061,565 net of all taxes and charges (\$1,080,249 net of HST recoveries). The Blanket Contract amendment is required to cover the costs as shown in the table below. In 2021, an assessment of SWMS's facility equipment identified several pieces of equipment were at the end of their service life and required immediate replacement. A delay in replacing the equipment identified at the SWMS facilities will result in equipment failure, lower performance and a higher cost to maintain. Some examples of the equipment requiring replacement are, compressors, welding equipment, tool room forming machine, and fixtures located throughout 7 SWMS transfer stations and 3 SWMS collection yards.

The critical replacement of equipment and increased operational needs resulted in an overspent contract which must be addressed before the upcoming option year renewal. The SWMS General Manager has the authority to approve amendments up to \$500,000 (net of all taxes and charges) to address the overspending, however with the need for future work the total contract increase requested requires approval from General Government Committee. Additional room is required to account for future capital and operational purchases until the RFP expires on April 30, 2025, as shown in the table below.

Project CSW900-08-26: ALL TS & YD Replacement of Mechanical Equipment	\$359,065 net of all taxes and charges
Increased operational needs	\$125,935 net of all taxes and charges
Additional funds for future capital projects	\$200,000 net of all taxes and charges
Total Blanket Contract Amendment Value for SWMS	\$685,000 net of all taxes and charges

2. Amendment of Corporate Real Estate Management's Blanket Contract Number 47023001

Corporate Real Estate Management requires a total Blanket Contract amendment of \$216,940 net of all taxes and charges (\$220,758 net of HST recoveries), revising the current blanket contract value from \$619,300 to \$836,240 net of all taxes and charges (\$850,958 net of HST recoveries). The Blanket Contract amendment is required to cover the current overspend driven by increased operational demands, and anticipated additional costs shown in the table below. CREM's spend under the RFP is greater than anticipated due to the need to purchase tools, equipment, and supplies needed to outfit the CREM - Fire Life Safety Unit as needed to ensure the unit is able to appropriately carry out its fire and life safety services at City properties, gaining and maintaining compliance with the Fire Code. This unit and these needs were not fully established or determined at the time of the award of this contract. The amendment will also cover ongoing incremental operational needs not accounted for in the initial award for the remainder of the RFP timeframe, until April 30, 2025.

Overspent amount to-date	\$46,940 net of all taxes and charges
Anticipated Additional Funds for CREM Fire Life Safety and Facility Management	\$170,000 net of all taxes and charges
Total Blanket Contract Amendment Value for CREM	\$216,940 net of all taxes and charges

This report is requesting an amendment for an additional combined amount of \$901,940 net of all applicable taxes and charges (\$917,814 net of HST recoveries) for Solid Waste Management Services and Corporate Real Estate Management divisions.

CONTACT

Nadine Kerr, Director, Solid Waste Management Services, Transfer Stations & Landfill Operations, Telephone: (416) 392-24476, Email: Nadine.Kerr@toronto.ca

Marco Cuoco, Director, Business Performance Management, Corporate Real Estate Management, 416-397-7338
Marco.Cuoco@toronto.ca

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

SIGNATURE

Matt Keliher,
General Manager,
Solid Waste Management Services

Patrick Matozzo,
Executive Director,
Corporate Real Estate Management

Geneviève Sharkey
Chief Procurement Officer
Purchasing and Materials Management