



BID AWARD PANEL CONTRACT AWARD

Award of Document Number 4330342141 to Veolia Water Canada Inc. for Operations and Maintenance Services at the City of Toronto's Dufferin Organic Processing Facility

Date: August 15, 2024
To: Bid Award Panel
From: Chief Procurement Officer
Wards: All

RECOMMENDATIONS

The Chief Procurement Officer recommends that the Bid Award Panel, pursuant to Section 195-8.3.A(2) of the Municipal Code, Chapter 195, Purchasing, exercise the power of a Standing Committee to grant authority to award the following contract:

Solicitation Number:

Negotiated Request for Proposal, Ariba Document Number 4330342141

Description:

For the provision operations and maintenance services at the City of Toronto's Dufferin Organic Processing Facility (DOPF) for a period of three (3) years with an option to extend the contract for two (2) additional one (1) year period(s).

Recommended Supplier:

Veolia Water Canada Inc.

Contract Award Value:

\$44,548,872 net of all applicable taxes and charges
\$50,340,225 including HST and all applicable charges
\$45,332,932 net of HST recoveries

The contract is expected to start on October 1, 2024 and ends on September 30, 2027.

Option Year (October 1, 2027 to September 30, 2028)
\$14,567,981 net of all applicable taxes and charges
\$16,461,819 including HST and all applicable charges
\$14,824,378 net of HST recoveries

Option Year 2 (October 1, 2028 to September 30, 2029)
\$14,958,221 net of all applicable taxes and charges
\$16,902,789 including HST and all applicable charges
\$15,221,485 net of HST recoveries

The total potential contract award including the optional periods is \$74,075,074 net of all applicable taxes and charges and \$83,704,833 including HST and all applicable charges. **The total potential cost to the City including the optional periods is \$75,378,795 net of HST recoveries.**

The cost calculation includes an estimated three (3) percent Consumer Price Index applied annually to some but not all line items in the Contract, after the first year of the contract.

FINANCIAL IMPACT

The total potential award, including option years, is \$74,075,074 net of all applicable taxes and charges, \$83,704,833 including HST and applicable charges. The total potential cost to the City is \$75,378,795 net of HST recoveries.

Funding is available in the 2024 Operating and Capital Budget for Solid Waste Management Services Division. Additional funding will be included in the 2025-2027 Operating and Capital Budget Submissions. Should the option period be exercised, then additional funding will be included in the 2028-2029 Operating and Capital Budget Submissions.

The engineering estimate for this project is \$96,977,363.14 net of all taxes and charges.

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

	Operational	Capital		
Cost Centre/ WBS Element	SW0476, GL4440, GL4416	CSW920 (Capital Work)	CSW920 (Maintenance)	Total (net of H.S.T Recoveries)
Initial term-October 1, 2024 to December 31, 2024	\$2,763,673	\$50,880	\$305,280	\$3,119,833
Initial term-January 1, 2025 to December 31, 2025	\$11,589,638	\$203,520	\$1,221,120	\$13,014,278
Initial term-January 1, 2026 to December 31, 2026	\$13,360,558	\$1,170,240	\$1,221,120	\$15,751,918
Initial term-January 1, 2027 to September 30, 2027	\$10,394,103	\$2,136,960	\$915,840	\$13,446,903
Option Year 1-October 1, 2027 to December 31, 2028	\$3,400,814	\$0	\$305,280	\$3,706,094
Option Year 1-January 1, 2027 to September 30, 2028	\$10,202,443	\$0	\$915,840	\$11,118,283
Option Year 2-October 1, 2028 to December 31, 2028	\$3,500,091	\$0	\$305,280	\$3,805,371
Option Year 2-January 1, 2029 to September 30, 2029	\$10,500,274	\$0	\$915,840	\$11,416,114
Total (net of H.S.T Recoveries)	\$65,711,595	\$3,561,600	\$6,105,600	\$75,378,795

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

SOLICITATION SUMMARY

Solicitation Issued: February 13, 2024

Solicitation Closed: April 5, 2024

Number of Addenda Issued: Eight (8)

Number of Bids: Four (4)

Table 2: Summary of Proposals Received

Supplier Name
AIM Environmental Group Inc.*
CCI Bioenergy Inc.
Ontario Clean Water Agency
Veolia Water Canada Inc.

* Supplier was found non-compliant with mandatory submission requirements

DIVISION CONTACTS

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COMMENTS

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

- a. The firm recommended for award is 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 more than \$20 million dollars (excluding applicable taxes), being within the authority of the Bid Award Panel during the period when the City Council breaks for the summer recess and the first agenda closing deadline for the appropriate Standing Committee following the break; 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. there are no material written objections to the award;

e. the Solicitation document was advertised on the City's internet website and bids or proposals were opened publicly; and

f. the Fair Wage Office confirms the recommended firm understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

SIGNATURE

Genevieve Sharkey
Chief Procurement Officer