

# **Amendment to Blanket Contract 47024197 with Lystek International Corporation and Blanket Contract 47024222 with Terratec Environmental Ltd. for the Biosolids Haulage and Beneficial Use at Ashbridges Bay Wastewater Treatment Plant for Toronto Water**

**Date:** October 4, 2024

**To:** General Government Committee

**From:** General Manager, Toronto Water and Chief Procurement Officer

**Wards:** 14 (Toronto-Danforth)

## **SUMMARY**

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The purpose of this report is to request authority to amend Blanket Contract 47024197 issued to Lystek International Corporation in the amount of \$1,361,863 net of all applicable taxes and charges (\$1,385,832 net of HST recoveries) and Blanket Contract Number 47024222 with Terratec Environmental Ltd., in the amount of \$2,367,895 net of all taxes and charges (\$2,409,570 net of HST recoveries).

Both contracts have been awarded under Request for Proposal Doc 2959888829 for the removal, haulage, and Beneficial Use of Biosolids from the Ashbridges Bay Wastewater Treatment Plant (ABTP). The increases are required to cover higher haulage volumes of biosolids resulting from both scheduled and unscheduled maintenance shutdowns of the pelletizer at ABTP. These shutdowns lead to increased biosolids haulage. This amendment will ensure coverage of increased haulage volume services, if required, for the current contract period and option year renewal periods.

The amendments requested include an increase to the current contract target value and two (2) option year periods for both contracts. The total amount being requested is \$3,729,758 net of all applicable taxes (\$3,795,402 net of HST recoveries), increasing the total contract target values from \$22,737,593 to \$26,467,351 net of all applicable taxes (\$29,908,106 including all taxes and charges, \$26,933,176 net of HST recoveries).

## **RECOMMENDATIONS**

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The General Manager, Toronto Water, and the Chief Procurement Officer recommend that:

1. The General Government Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law), grant authority to amend Blanket Contract Number 47024197 issued to Lystek International Corporation for increased haulage costs associated with the increased volumes of biosolids which cannot be processed at the pelletizer facility due to ongoing maintenance shutdowns by increasing the overall value by \$1,361,863 net of all applicable taxes (\$1,385,832 net of HST recoveries), from \$13,443,408 net of all taxes and charges (\$13,680,012 net of HST recoveries) to \$14,805,271 net of all applicable taxes (\$16,729,956 including all taxes and charges, \$15,065,844 net of HST recoveries).
2. The General Government Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law), grant authority to amend the legal agreement and increase Blanket Contract Number 47024222 issued to Terratec Environmental Ltd. for increased haulage costs associated with the increased volumes of biosolids which cannot be processed at the pelletizer facility due to ongoing maintenance shutdowns by increasing the overall value by \$2,367,895 net of all applicable taxes (\$2,409,570 net of HST recoveries), from \$9,294,185 net of all taxes and charges (\$9,457,763 net of HST recoveries) to \$11,662,080 net of all applicable taxes (\$13,178,150 including all taxes and charges, \$11,867,332 net of HST recoveries).
3. The General Government Committee authorize the General Manager, Toronto Water, to negotiate, enter into and execute an amending agreement to the City's agreement with Lystek International Corp. dated February 8, 2022 to give effect to the amendments to Blanket Contract Number 47024197, as hereby authorized by General Government Committee, on terms and conditions acceptable to the General Manager, Toronto Water, and in a form acceptable to the City Solicitor.
4. The General Government Committee authorize the General Manager, Toronto Water, to negotiate, enter into and execute an amending agreement to the City's agreement with Terratec Environmental Ltd. dated March 14, 2022 to give effect to the amendments to Blanket Contract Number 47024222, as hereby authorized by General Government Committee, on terms and conditions acceptable to the General Manager, Toronto Water, and in a form acceptable to the City Solicitor.

## **FINANCIAL IMPACT**

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Amendment of Contract Number 47024197, issued to Lystek International Corporation (Lystek), for the current contract period, including all option years by an additional \$1,361,863 net of all taxes and charges (\$1,385,832 net of HST Recoveries) will increase the contract value from \$13,443,408 net of HST to \$14,805,271 net of HST (\$15,065,844 net of HST Recoveries).

Amendment of Contract Number 47024222, issued to Terratec Environmental Ltd (Terratec), for the current contract period, including all option years by an additional \$2,367,895 net of all taxes and charges \$2,409,570 net of HST Recoveries) will increase the contract value from \$9,294,185 net of HST to \$11,662,080 net of HST (\$11,867,332 net of HST Recoveries).

Funding for 2024 is included in the Toronto Water 2024 Operating Budget. Funding for future years will be included in the 2025-2027 Operating Budget Submissions for Toronto Water. Additional details follow in Table 1.

**Table 1: Financial Impact Summary (Net of HST Recoveries)**

Cost Centre TW4036, GL 4416	Increase Current Contract Period		Option 1		Option 2		Total
	2024	2025	2025	2026	2026	2027	Total
Lystek	\$442,656	\$35,616	\$391,776	\$36,684.48	\$403,529.28	\$75,570	\$1,385,832
Terratec	\$646,176	\$160,060	\$608,228	\$164,861.80	\$626,474.84	\$203,769	\$2,409,570
<b>Total</b>	<b>\$1,088,832</b>	<b>\$195,676</b>	<b>\$1,000,004</b>	<b>\$201,546.28</b>	<b>\$1,030,004.12</b>	<b>\$279,339</b>	<b>\$3,795,402</b>

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

## **DECISION HISTORY**

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At its meeting on November 30, December 1, 2, 4 and 7, 2009, City Council approved and directed staff to implement the Biosolids Master Plan Update for each of the City's four wastewater treatment plants including a 100% beneficial use biosolids management strategy for the Ashbridges Bay Treatment Plant. The following is the link to City Council approval:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.PW28.5>

At its meeting on December 8, 2021, the Bid Award Panel granted authority to award Request for Proposal, Ariba Document Number 2959888829 to Multiple Successful Suppliers for the Biosolids Haulage and Beneficial Use Ashbridges Bay Wastewater Treatment Plant for Toronto Water.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.BA167.1>

## COMMENTS

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The City utilizes a Beneficial Use program in the management of the biosolids at the ABTP, all in accordance with the Biosolids Master Plan Update approved by City Council at its meeting on November 30, December 1, 2, 4 and 7, 2009 (the "City's Biosolids Beneficial Use Program").

One hundred percent (100%) of the biosolids managed at ABTP are used for beneficial use and not sent to landfill. Fifty percent (50%) of the biosolids managed are hauled for beneficial use, and the other fifty percent (50%) are processed through the pelletizer at ABTP. In 2022 and 2023 the percentage of haulage volume increased to fifty-five percent (55%) due to scheduled and unscheduled maintenance of the pelletizer at ABTP.

The amendment to blanket contracts and agreements for Lystek and Terratec resulted from increased haulage volume. These amendments will also ensure any future haulage volume increases that impact the biosolids managed at ABTP are used for beneficial use per the Biosolids Master Plans.

There are a total of six contract awards from the Request for Proposal Doc 2959888829, five full-time haulers, and one seasonal supplier for the land application season. Lystek and Terratec are two of the lowest-cost service providers.

## CONTACT

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William Fernandes, Deputy General Manager, Toronto Water, Telephone: 416-392-8220, Email: [William.Fernandes@toronto.ca](mailto:William.Fernandes@toronto.ca)

Marie Reid, Manager, Infrastructure and Development Services, Purchasing Client Services, Purchasing and Material Management, Telephone: 416-397-5187, Email: [Marie.Reid@toronto.ca](mailto:Marie.Reid@toronto.ca)

## SIGNATURE

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Lou Di Gironimo  
General Manager, Toronto Water

Geneviève Sharkey  
Chief Procurement Officer