

Amendment to UBA Inc. Blanket Contract 47025391 for the Supply and Delivery of Sodium Hypochlorite for Toronto Water

Date: November 4, 2024

To: General Government Committee

From: General Manager, Toronto Water and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request authority to amend Blanket Contract 47025391 issued to UBA Inc. (UBA) as a result of Request for Quotation (RFQ) Doc4230041922 for the non-exclusive supply and delivery of sodium hypochlorite, in the amount of \$4,005,000 net of all applicable taxes and charges (\$4,075,488 net of HST recoveries).

The amendment is being requested due to an increase in sodium hypochlorite usage due to significant rain events causing higher than usual wastewater flows. Furthermore, the estimated quantities used for the above mentioned solicitation were based on previous order history and an anticipated decrease in usage at the Ashbridges Bay Treatment Plant (ABTP). However, due to delays in the operation of the new Trojan UV disinfection system, this anticipated decrease did not occur. To ensure a continuous supply of sodium hypochlorite, an increase in the contract value is required.

The amendment requested includes an increase to the current contract target value and the four (4) option year periods. The total amount being requested is \$4,005,000 net of all applicable taxes (\$4,075,488 net of HST recoveries), increasing the total potential contract target value from \$24,638,608 to \$28,643,608 net of all applicable taxes (\$32,367,277 including all taxes and charges, \$29,147,736 net of HST recoveries).

RECOMMENDATIONS

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 47025391 issued to UBA Inc. for the non-exclusive supply and delivery of Sodium Hypochlorite for Toronto Water by increasing the overall value by \$4,005,000 net of all applicable taxes (\$4,075,488 net of HST recoveries), from

\$24,638,608 net of all taxes and charges (\$25,072,248 net of HST recoveries) to \$28,643,608 net of all applicable taxes (\$32,367,277 including all taxes and charges, \$29,147,736 net of HST recoveries).

FINANCIAL IMPACT

Amendment of Contract Number 47025391, issued to UBA Inc. (UBA), for the current contract period, including all option years by an additional \$4,005,000 net of all taxes and charges (\$4,075,488 net of HST Recoveries) will increase the contract value from \$24,638,608 net of HST to \$28,643,608 net of HST (\$29,147,736 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 2025-2028 Operating Budget Submissions for Toronto Water. Additional details follow in Table 1

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

	First Term of Contract	Option Year 1	Option Year 2	Option Year 3	Option Year 4	
WBS Element & Account Name	01 January 2024 to 31 December 2024	01 January 2025 to 31 December 2025	01 January 2026 to 31 December 2026	01 January 2027 to 31 December 2027	01 January 2028 to 31 December 2028	Total Award (net of HST Recoveries)
GL 2480						
TW4022	\$1,348,320	\$1,368,672	\$452,832	\$452,832	\$452,832	\$4,075,488
TW4060						
TW4080						
TW4100						
	Total (net of HST Recoveries)					\$4,075,488

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

DECISION HISTORY

At its meeting held on January 8, 2024 the General Government Committee granted authority to award Request for Quotation Doc2959888829 to UBA Inc. for the non-exclusive supply and delivery of sodium hypochlorite for Toronto Water.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.GG9.8>

COMMENTS

Sodium hypochlorite is used to disinfect wastewater at all City of Toronto wastewater treatment plants. As sodium hypochlorite consumption is directly correlated to wastewater flows, the higher the flow, the greater the consumption of sodium

hypochlorite. In 2024, the City of Toronto had the wettest summer on record and as a result experience a significant increase in sodium hypochlorite consumption. The treatment of wastewater is a regulatory compliance requirement under the Ministry of the Environment, Conservation and Parks.

Blanket Contract 47025391 was awarded to UBA in response to Request for Quotation (RFQ) Doc4230041922 for the non-exclusive supply and delivery of sodium hypochlorite for Toronto Water. The current usage on this contract is greater than the estimated quantities in the RFQ. The estimated quantities were based on the previous ordering volume and the decrease in usage for the Ashbridges Bay Treatment Plant (ABTP) due to the operation of a new Trojan UV disinfection system (UV system) in 2024. There has been a delay in the operation of the UV system until the end of 2025 and this amendment will ensure the continued supply of sodium hypochlorite for the current contract period and option year renewal periods.

This amendment for the blanket contract for UBA resulted from higher consumption of sodium hypochlorite due to the lower estimated quantities in the RFQ assuming that the Ultraviolet disinfection would be in place by mid 2024 which did not happen and the increased wastewater flows. This amendment will also ensure that there are enough funds to cover the supply of sodium hypochlorite requirements for our wastewater treatment plants.

CONTACT

William Fernandes, Deputy General Manager, Toronto Water, 416-392-8220,
William.Fernandes@toronto.ca

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

SIGNATURE

Lou Di Gironimo
General Manager, Toronto Water

Geneviève Sharkey
Chief Procurement Officer