

Award of Negotiated Request for Proposals Doc5163445632 to Berlie Technologies Inc., for Prepurchase of the Pelletizer Equipment System for the Ashbridges Bay Treatment Plant

Date: April 23, 2026

To: General Government Committee

From: Chief Engineer and Executive Director, Engineering and Construction Services,
and the Chief Procurement Officer, Purchasing and Materials Management

Wards: 14 (Toronto Danforth)

SUMMARY

The purpose of this report is to advise on the results of the Negotiated Request for Proposals Doc5163445632, Contract Number RFP-25ECS-MI-01AB, for the Prepurchase of the Pelletizer Equipment System for the Ashbridges Bay Treatment Plant, and to request the authority to enter into an agreement with Berlie Technologies Inc. (Berlie) for a period of eight (8) years from the date of award in the amount of \$84,949,000 net of all applicable taxes and charges (\$86,444,102 net of Harmonized Sales Tax recoveries).

RECOMMENDATIONS

The Chief Engineer and Executive Director, Engineering and Construction Services, and the Chief Procurement Officer, Purchasing and Materials Management, recommend that:

1. The General Government Committee, in accordance with Section 195-8.4 of Toronto Municipal Code Chapter 195 (Procurement By-Law), grant authority to the Chief Engineer and Executive Director, Engineering and Construction Services to enter into an agreement with Berlie Technologies Inc. for the Prepurchase of the Pelletizer Equipment System for the Ashbridges Bay Treatment Plant, for a period of eight (8) years from the date of award, all in accordance with the terms and conditions of the Negotiated Request for Proposal documents and in a form satisfactory to the City Solicitor, in the amount of \$84,949,000 net of all applicable taxes and charges (\$86,444,102 net of Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

The total value of the contract award is \$84,949,000 net of all applicable taxes and charges (\$86,444,102 net of Harmonized Sales Tax recoveries).

Funding for this contract is available in Toronto Water's 2026 Capital Budget and 2027-2035 Capital Plan. Funding details with forecasted expenditures (net of Harmonized Sales Tax recoveries) are summarized in Table 1:

Table 1: Financial Impact Summary of Recommended Contract Award

WBS Element	2026	2027	2028	2029
CWW043-08	\$13,767,000	\$5,507,000	\$0	\$20,521,000

2030	2031	2032	2033	2034	Total (Net of Harmonized Sales Tax Recoveries)
\$22,715,000	\$0	\$5,506,000	\$4,819,000	\$13,609,102	\$86,444,102

Table 1 includes the base contract scope of work, provisional allowances, as well as a Contingency allowance, all net of applicable taxes and charges. The Contingency allowance will be allocated and added into the contract as and when required to address any future unforeseen changes which may arise during the construction stage of the project.

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

DECISION HISTORY

At its meeting on March 23, 2021, Infrastructure and Environment Committee granted authority to enter into an agreement with CH2M Hill Canada Limited through a competitive selection process, for the provision of Professional Engineering Services for the Design, Contract Administration and Post Construction Services for a New Biosolids Pelletizer Facility at the Ashbridges Bay Treatment Plant in the amount of \$27,708,606 net of all applicable taxes and charges (\$28,196,277 net of Harmonized Sales Tax recoveries). The total award value was made up of three (3) Purchase Orders: one for design, one for services during construction and one for post-construction services.

The Infrastructure and Environment Committee Decision Document can be found at:

<https://secure.toronto.ca/council/agenda-item.do?item=2021.IE20.4>

Award of Doc5163445632 Negotiated Request for Proposals for Pelletizer Equipment System

COMMENTS

Background

The Ashbridges Bay Treatment Plant produces digested sludge at the end of the treatment process, which is then followed by biosolids management. A portion of the biosolids generated at Ashbridges Bay Treatment Plant is pumped to an onsite existing Pelletizer Facility for further processing for eventual offsite management as a fertilizer product. The remaining biosolids are pumped to Ashbridges Bay Treatment Plant's biosolids Truck Loading Facility to be hauled offsite for beneficial land application. The existing Pelletizer Facility is operated by a third-party operator, Veolia Water Inc., Canada.

The Pelletizer Facility undergoes ongoing maintenance to ensure its continuous operation however it is nearing the end of its useful life. Due to the aging infrastructure of the system, construction of a New Pelletizer Facility is required and a major component is the Pelletizer Equipment System which will be housed in the facility.

As part of the project, prepurchase of the Pelletizer Equipment System is required to determine the equipment needs and connections to existing plant utilities. This will enable completion of the detailed design and accommodate the long lead time required to design and manufacture the Pelletizer Equipment System.

The design, manufacturing, delivery and commissioning of the system will be managed through a comprehensive and systematic approach to ensure that the new equipment is seamlessly integrated into the New Pelletizer Facility. The predesign phase has already been completed and the detailed design phase was initiated in the First Quarter of 2026.

The City intends to tender one (1) General Contract for the construction of the Ashbridges Bay Treatment Plant – New Pelletizer Facility (General Contract). The City intends to novate the Pelletizer Equipment System Prepurchase Contract to the General Contractor through a novation agreement.

Procurement Process

A Negotiated Request for Proposals Doc5163445632 was developed for the scope of work to be delivered as set out in the solicitation which included design, manufacturing, delivery, commissioning and warranty of the Pelletizer Equipment System, consisting of two (2) rotary drum dryer systems, two (2) pellet storage and loadout systems, applicable sub-systems and all other necessary accessories. The Negotiated Request for Proposals for the Prepurchase of the Pelletizer Equipment System for the Ashbridges Bay Treatment Plant was issued by Purchasing and Materials Management Division and was advertised on both the City and Ariba Discovery websites on June 17, 2025 with a closing date of September 19, 2025 and an issuance of seven (7) addenda.

This resulted in a total of two (2) submissions received from the following Suppliers:

1. ANDRITZ Separation Limited
2. Berlie Technologies Inc.

Evaluation of Supplier Proposal Submissions

A formal Evaluation Committee consisting of Engineering and Construction Services, Toronto Water and Jacobs (Consultant) were responsible for reviewing the responses received from the two (2) suppliers. Under the supervision of Purchasing and Materials Management and the Fairness Monitor, the proposals were evaluated in accordance with the evaluation process described in the Negotiated Request for Proposals. This process consisted of four (4) stages:

- Stage 1: Mandatory Submission Requirements
- Stage 2: Rated Criteria Evaluation (Technical Evaluation)
- Stage 3: Pricing Evaluation
- Stage 4: Contract Negotiations

Stage 1: Mandatory Submission Requirements

In Stage 1, each supplier was required to submit responses to a list of mandatory requirements. Suppliers that did not satisfy the mandatory submission requirements were issued a rectification notice which identified the deficiencies and provided an opportunity to rectify the shortcoming(s) by a specified date. As a result of this compliance review, both suppliers met the mandatory submission requirements and advanced to Stage 2: Rated Criteria Evaluation (Technical Evaluation).

Stage 2: Rated Criteria Evaluation (Technical Evaluation)

In Stage 2, each supplier's technical proposal submission was evaluated against non-price related criteria, including past experience, operational capabilities, and engineering competencies. The proposals were scored out of 70 points and required a minimum 74 percent (52 out of 70) in order to pass. Both suppliers successfully exceeded the scoring thresholds and moved on to the Stage 3: Pricing Evaluation.

Stage 3: Pricing Evaluation

In Stage 3: Pricing Evaluation, the pricing submission for each supplier was evaluated and analyzed. The proposal with the lowest cost received the highest score allocated for this stage and all other Supplier's Proposals received a pro-rated score against the lowest priced supplier's proposal accordingly. As a result, Berlie Technologies Inc. was identified as the highest-ranked supplier and was invited to Stage 4: Contract Negotiations.

Stage 4: Contract Negotiations

The City entered into direct contract negotiations with Berlie Technologies Inc. The first negotiation meeting was held on November 12, 2025. Negotiations focused on various topics, including, but not limited to:

- Price Escalation
- Warranty obligations
- Novation Agreement amendments
- Liquidated Damages
- Liabilities
- Use of City Utilities during construction.
- Performance Guarantees of the Pelletizer Equipment System.
- Technical deviations and clarifications.

Following successful negotiations, key terms were agreed upon and Legal teams from both parties finalized the proposed agreement including revised detailed legal terms.

The proposal from Berlie Technologies Inc. was the highest-ranking proposal, meeting the technical requirements alongside a negotiated financial proposal deemed satisfactory to the City.

Fair Wage Office Review

At the conclusion of the procurement process, the Fair Wage Office has confirmed that the recommended Supplier has indicated it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully with both.

Fairness Monitor Report

The City retained the services of a Fairness Monitor to ensure that the entire bidding process provided equal opportunities to all suppliers. The Fairness Monitor provided their report confirming that the procurement process undertaken for the City's nRFP has been conducted in a fair, open, and transparent manner. The Report is included in Attachment 1).

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1 - Fairness Monitor Attestation Report