

Amendment to Various Blanket Contracts for Biosolids Haulage and Beneficial Use and the Supply of Polymer for Toronto Water

Date: July 6, 2026

To: General Government Committee

From: General Manager, Toronto Water and Chief Procurement Officer

Wards: 14 (Toronto-Danforth), 25 (Scarborough-Rouge Park)

SUMMARY

The purpose of this report is to request authority to amend three (3) blanket contracts 47024197 issued to Lystek International Corporation (Lystek), 47024222 issued to Terratec Environmental Ltd. (Terratec) and 47025850 issued to SNF Canada Ltd. (SNF Canada).

Amendments to the Lystek and Terratec blanket contracts are required due to increased 2025 haulage volumes resulting from planned and unplanned pelletizer maintenance at the Ashbridges Bay Treatment Plant, to ensure sufficient funding for the remainder of the final contract period. An amendment to the SNF Canada blanket contract is required to support polymer supply at the Highland Creek Treatment Plant (HCTP), which was excluded from the original solicitation because a separate polymer contract for that plant remained in effect until the second quarter of 2026. The proposed amendment would expand the contract to include HCTP requirements for the balance of the current contract term and option year renewal periods.

The total amount of amendment being requested is \$7,116,696 net of all applicable taxes (\$7,241,950 Net of HST Recoveries), increasing the total contract target values from \$46,125,371 (\$46,937,178 Net of HST Recoveries) to \$53,242,067 net of all applicable taxes (\$54,179,127 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 47024197 and execute an amending agreement to the City's agreement 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 \$225,000 net of all applicable taxes (\$228,960 Net of HST Recoveries), from \$14,740,374 net of all taxes and charges to \$14,965,374 net of all applicable taxes (\$15,228,765 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 47024222 and execute an amending agreement to the City's agreement 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 \$1,200,000 net of all applicable taxes (\$1,221,120 Net of HST Recoveries), from \$11,645,789 net of all taxes and charges to \$12,845,789 net of all applicable taxes (\$13,071,875 Net of HST Recoveries).
3. 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 47025850 and execute an amending agreement to the City's agreement to SNF Canada Ltd. to add the supply of polymer for Highland Creek Treatment Plant by increasing the overall value by \$5,691,696 net of all applicable taxes (\$5,791,870 Net of HST Recoveries), from \$19,739,208 net of all taxes and charges to \$25,430,904 net of all applicable taxes (\$25,878,488 Net of HST Recoveries).

FINANCIAL IMPACT

Amendment of Contract 47024197, issued to Lystek International Corporation (Lystek), for the final contract period, by an additional \$225,000 net of all taxes and charges (\$228,960 Net of HST Recoveries) will increase the contract value from \$14,740,374 net of HST to \$14,965,374 net of HST (\$15,228,765 Net of HST Recoveries).

Amendment of Contract 47024222, issued to Terratec Environmental Ltd (Terratec), for the final contract period, by an additional \$1,200,000 net of all taxes and charges (\$1,221,120 Net of HST Recoveries) will increase the contract value from \$11,645,789 net of HST to \$12,845,789 net of HST (\$13,071,875 Net of HST Recoveries).

Amendment of Contract 47025850, issued to SNF Canada Ltd. for the current contract period, including all option years by an additional \$5,691,696 net of all taxes and charges (\$5,791,870 Net of HST Recoveries) will increase the contract value from \$19,739,208 net of HST to \$25,430,904 net of HST (\$25,878,488 Net of HST Recoveries)

Funding for 2026 is included in the Toronto Water 2026 Operating Budget. Funding for future years will be included in Toronto Water's 2027-2029 Operating Budget Submissions. Additional details follow in Table 1 and Table 2.

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

Cost Centre TW4036, GL 5020093	Final Contract Period	Total
Contracts	2026	Total
Lystek	\$228,960	\$228,960
Terratec	\$1,221,120	\$1,221,120
Total		\$1,450,080

Table 2: Financial Impact Summary Polymer Contract (Net of HST Recoveries)

Cost Centre	Cost Element	Year	Initial Contract Period	Option Year Periods	Total
TW4036	5020093	2026	\$1,221,120		\$1,221,120
		2027		\$1,478,776	\$1,478,776
		2028		\$1,523,140	\$1,523,140
		2029		\$1,568,834	\$1,568,834
Total					\$5,791,870

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

DECISION HISTORY

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 Amendment to Various Blanket Contracts for Biosolids Haulage and Beneficial Use and the Supply of Polymer for Toronto Water Division

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, Doc2959888829 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>

At its meeting on October 16, 2024, General Government Committee granted authority to Amend 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

[Agenda Item History - 2024.GG17.5](#)

At its meeting on November 20, 2024, the Bid Award Panel granted authority to award Request for Proposal, Doc4619018927 to Quadra Chemicals Ltd. and SNF Canada Ltd. for the Supply and Delivery of Water-Soluble Polyelectrolyte for Sludge Thickening and Sludge Dewatering for Toronto Water

[Agenda Item History - 2024.BA107.1](#)

COMMENTS

Biosolid Hauler Contracts

The City manages biosolids generated at the Ashbridges Bay Treatment Plant (ABTP) through its Biosolids Beneficial Use Program, which was approved by Council in December 2009. Biosolids are the solids that have come through the final stage of wastewater treatment. Under this program, all biosolids are diverted from landfill and beneficially reused (e.g. land application for agricultural uses, pelletization to create fertilizer). Typically, approximately fifty percent (50%) of biosolids are hauled for external beneficial use, while the remaining fifty percent (50%) are processed on-site through the pelletizer.

In 2025, sixty-three percent (63%) of biosolids required off-site haulage - an increase driven by both planned and unplanned maintenance of the pelletizer. These shutdowns are part of efforts to extend the pelletizer's operational life. The cost associated with this increased haulage is being accommodated within the existing funding allocation; therefore, no additional funding is required.

As a result of increased haulage requirements, amendments to the existing blanket contracts with Lystek and Terratec are required to ensure sufficient capacity through to the end of the contract term. Both firms are among the six vendors awarded under Request for Proposal (RFP) Doc2959888829, which includes five full-time service providers and one seasonal supplier. Lystek and Terratec continue to be among the lowest-cost providers within this group.

Polymer Contract

Toronto Water uses water-soluble polyelectrolytes (polymers) to enhance solids removal from wastewater, which is essential for maximizing process efficiency and effectiveness at large wastewater treatment facilities. At the Highland Creek Wastewater Treatment Plant (HCTP), polymers are used in both the thickening and dewatering processes. In thickening, polymers bind fine particles together into larger, heavier clumps that settle more easily, increasing the concentration of solids. In dewatering, these larger and stronger clumps allow water to be released more effectively under mechanical pressure, resulting in improved processing efficiency and a drier biosolids product.

HCTP was excluded from the original contract award because it had a contract in place until the second quarter of 2026. HCTP is currently undergoing upgrades and cannot begin a new procurement process. The polymer solicitation process involves product testing to confirm performance and suitability, and a shut down of a line is required to do that testing. The ABTP contract specifies the same polymer used at Highland Creek, and was competitively procured in accordance with the City's procurement policies, including provisions for polymer testing. No additional funding is required, as the necessary budget has already been approved through the 2026 budget process.

This contract amendment will ensure a continuous supply of polymer during the upgrade period while leveraging the results of the previous competitive procurement process. It maintains compliance with procurement requirements and avoids the need for a separate solicitation where operational constraints limit the ability to conduct a full procurement process.

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SIGNATURE

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