

The Corporation of the City of Kawartha Lakes

Council Report

Report Number PUR2017-014

Date: March 7, 2017
Time: 2:00 p.m.
Place: Council Chambers

Ward Community Identifier: 9, 10, 11 and 12

Subject: Tenders for the Supply and Delivery of Chemicals for the Lindsay Water Treatment Plant and Thornhill Road Reservoir

- Tender 2017-16-OT – Magnafloc
- Tender 2017-18-OT – Sodium Hydroxide
- Tender 2017-19-OT – Sodium Hypochlorite

Author/Title: Debbie Ball, Buyer

Signature:



Co-Author/Title: Amber Hayter,
Supervisor Water / Wastewater Operations

Signature:



Recommendation(s):

RESOLVED THAT Council Report PUR2017-014 for the Supply and Delivery of Chemicals for the Lindsay Water Treatment Plant and Thornhill Road Reservoir, under three tenders being:

- Tender 2017-16-OT – Magnafloc
- Tender 2017-18-OT – Sodium Hydroxide
- Tender 2017-19-OT – Sodium Hypochlorite

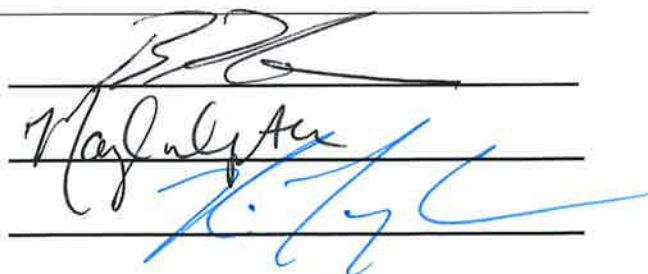
be received;

THAT Northland Chemical Inc. of Mississauga be selected for the award of Tender 2017-16-OT for the Supply and Delivery of Magnafloc to the Lindsay Water Treatment Plant at the tender price of \$6.95 plus HST per dry kilogram;

Department Head:

Corporate Services Director / Other:

Chief Administrative Officer:



THAT PVS Benson of Freelon be selected for the award of Tender 2017-18-OT for the Supply and Delivery of Sodium Hydroxide to the Lindsay Water Treatment Plant at the tender price of \$0.444 plus HST per liquid kilogram;

THAT Dutch Products Inc. of Toronto be selected for the award of Tender 2017-19-OT Supply and Delivery of Sodium Hypochlorite to the Lindsay Water Treatment Plant and Thornhill Road Reservoir for the tender price of \$0.235 plus HST per litre;

THAT subject to receipt of the required documents, a purchase order be created to award Tenders 2017-16-OT, 2017-18-OT and 2017-19-OT to the respective companies; and

THAT under the same terms and conditions, the Purchasing Division may issue an annual purchase order to each company (Northland Chemical Inc., PVS Benson, and Dutch Products Inc.), for each of the two remaining years provided any increase in unit cost does not exceed posted market CPI rate.

Background:

The Lindsay Water Treatment Plant and Thornhill Reservoir utilize a number of chemicals as part of the treatment processes. Magnafloc is used at the Lindsay Water Treatment Plant as a coagulant aid prior to the filtration process. Sodium Hydroxide is also used at the plant for pH adjustment. Sodium Hypochlorite is used for effective disinfection both at the water treatment plant and Thornhill Reservoir.

Magnafloc is delivered on average around 8 times per year with each delivery consisting of ten 25 kg bags. The polymer is a dry material and is mixed on site by staff prior to being injected into the treatment process.

Sodium Hydroxide utilized for pH adjustment is delivered on average 7 times per year with deliveries ranging from 5,000 liquid kilograms to 13,700 liquid kilograms.

Sodium Hypochlorite, used for disinfection, is delivered in bulk to both the Lindsay Water Treatment Plant and Thornhill Reservoir on average 11 times per year. Quantities range from 600 L at Thornhill Reservoir to 13,800 L at the water treatment plant.

Tenders 2017-16-OT, 2017-18-OT and 2017-19-OT were prepared and advertised in accordance with the Purchasing Policy.

All three tenders closed on Thursday February 9, 2017 and were opened in public by Mayor Andy Letham and Debbie Ball, Buyer.

Results at Opening for Tender 2017-16-OT - Supply and Delivery of Magnafloc to the LWTP

Tender Received From	Total Tender Amount Per Dry Kilogram (not including HST) As Read at the Public Opening
Northland Chemicals Inc. Mississauga	\$6.95

An irregular result occurred since fewer than three tenders were received. Three companies took out the tender document.

The tender received from Northland Chemicals was compliant to the requirements of the tender. Northland Chemical Inc. is currently the supplier for Magnafloc.

Tender 2017-18-OT - Supply and Delivery of Sodium Hydroxide to the Lindsay Water Treatment Plant

Tender Received From	Total Tender Amount Per Liquid Kilogram (not including HST) As Read at the Public Opening
Fanchem Ltd. o/a PVS Benson Freelton	\$0.444
Sodrox Chemicals Ltd. Guelph	\$0.447
UBA Inc. Mississauga	\$0.475
Flowchem Guelph	\$0.493
Brenntag Canada Inc. Rexdale./	\$0.950

The low tender received from PVS Benson of Freelton was compliant to the requirements of the tender. Five companies took out the tender document.

PVS Benson has been the City's supplier since 2012 for sodium hydroxide.

Results of Opening for Tender 2017-19-OT - Supply and Delivery of Sodium Hypochlorite to the Lindsay Water Treatment Plant and Thornhill Road Reservoir

Tender Received From	Total Tender Amount Per Litre (not including HST) As Read at the Public Opening
Dutch Products Inc. Toronto	\$0.235
UBA Inc. Mississauga	\$0.250

The low tender received from Dutch Products of Toronto is compliant to the requirements of the tender. Four companies took out the tender document. Dutch Products Inc. is currently the City's supplier of sodium hypochlorite since 2013.

Rationale:

Staff recommends the award to the lowest, compliant tenders received for the supply and delivery of chemicals for the Lindsay Water Treatment Plant and Thornhill Road Reservoir, as follows:

Northland Chemical Inc. of Mississauga be selected for the award of Tender 2017-16-OT for the Supply and Delivery of Magnafloc to the Lindsay Water Treatment Plant at the tender price of \$6.95 plus HST per dry kilogram;

PVS Benson of Freelon be selected for the award of Tender 2017-18-OT for the Supply and Delivery of Sodium Hydroxide to the Lindsay Water Treatment Plant at the tender price of \$0.444 plus HST per liquid kilogram; and

Dutch Products Inc. of Toronto be selected for the award of Tender 2017-19-OT Supply and Delivery of Sodium Hypochlorite to the Lindsay Water Treatment Plant and Thornhill Road Reservoir for the tender price of \$0.235 plus HST per litre.

Other Alternatives Considered:

No other alternative is being considered for any of the tenders based on the fact that an open procurement process was followed and the lowest tenders are being recommended for award.

Financial Considerations:

Funding for the supply and delivery of the chemicals is through the operating budget. Adequate funding has been provided in the 2017 water and wastewater operating budget and will continue to be budgeted for in subsequent years.

Pricing for the supply and delivery of each chemical is for a three year term to December 31, 2019, with prices being held firm for the first year of the contract. Any requested price change for the remaining two year terms shall be no more than the most current, posted CPI rate.

The open competitive process for the supply and delivery of Magnafloc, Tender 2017-16-OT has resulted in a savings of 0.08 cents per kilogram price or approximately \$160 per year, based on usage from 2016. The approximate annual cost of Magnafloc based on 2016 usage of 2,000 kilograms is \$13,900.

The open competitive process for the supply and delivery of sodium hydroxide, Tender 2017-18-OT has resulted in a savings of 0.02 cents per liquid kilogram price or approximately \$2,700 per year, based on usage from 2016. The approximate annual cost of sodium hydroxide based on 2016 usage of 133,625 liquid kilograms is \$59,330.

The open competitive process for the supply and delivery of sodium hypochlorite, Tender 2017-19-OT has resulted in a price increase of 0.09 cents per litre or approximately \$11,700 per year, based on usage from 2016. The approximate annual cost of sodium hypochlorite based on 2016 usage of 130,410 litres is \$30,646.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

Tenders 2017-16-OT, 2017-18-OT and 2017-19-OT for the supply and delivery of chemicals for the Lindsay Water Treatment Plant and Thornhill Road Reservoir aligns with the Corporate Strategic Goal of "A Healthy Environment" by ensuring that we protect and enhance water quality.

Review of Accessibility Implications of Any Development or Policy:

Not applicable.

Servicing Comments:

Not applicable.

Consultations:

Not applicable.

Attachments:

Not applicable.

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Department Head: Bryan Robinson, Director of Public Works

Department Files: Tenders: 2017-16-OT, 2017-18-OT and 2017-19-OT