



# Report Purchasing Services

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<b>Report To:</b>	PS Reports - CAO Approve Only
<b>Report Number:</b>	Purchasing Services-010-21
<b>Report Date:</b>	August 11, 2021
<b>Submitted By:</b>	David Ferguson, Purchasing Manager
<b>Reviewed By:</b>	Andrew C. Allison, CAO
<b>File Number:</b>	CL2021-21
<b>Report Subject:</b>	<b>Supply and Deliver Liquid Magnesium Chloride with Rust Inhibitor Summer Recess Procedure (Purchasing By-Law 2015-022 S.73)</b>

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## Recommendations:

It is respectfully recommended to the Chief Administrative Officer the following:

1. That Innovative Surface Solutions Canada with an estimated total bid amount of \$284,000 (Net HST Rebate) for the initial three-year term, being the lowest compliant bidder meeting all terms, conditions and specifications of CL2021-21 be awarded the contract for the Supply and Delivery of Liquid Magnesium Chloride with Rust Inhibitor as required by the Public Works Department;
2. That pending satisfactory performance, the Purchasing Manager, in consultation with the Director of Public Works, be given the authority to extend the contract for this service for up to two additional one-year terms; and
3. The estimated funding required for the initial three-year terms is \$284,000 (Net HST Rebate). The estimated funding required for the first-year term is \$94,700 (Net HST Rebate) and is in the 2021 approved budget allocation as provided. The estimated funding required for the second and third-year terms will be included in future budget accounts. The funding required for the initial one-year term will be funded from the following account:

Description	Account Number	Amount
Winter Maintenance – Misc. Op Expense	100-36-383-10300-7112	\$94,700

## 1. Background

- 1.1 Tender specifications for the Supply and Delivery of Liquid Magnesium Chloride with Rust Inhibitor was prepared by the Public Works Department and provided to the Purchasing Services Division. Liquid Magnesium Chloride with Rust Inhibitor is mixed with sand and salt at all three Public Works depots and used for road de-icing operations as required for the winter season.
- 1.2 Tender CL2021-21 was issued by the Purchasing Services Division and advertised electronically on the Municipality's website. Notification of the availability of the document was also posted on the Ontario Public Buyer's Association website.
- 1.3 In view of the Summer Council Recess, authorization is requested to award the above contract in accordance with Purchasing By-Law #2015-022, Part 2 Section 73, Council Recess Procedures.

## 2. Analysis

- 2.1 The tender closed on July 15, 2021.
- 2.2 Four plan takers downloaded the tender document. Two submissions were received by the stipulated closing time.
- 2.3 One company who downloaded the tender document but chose not to submit a bid was a construction association and the second company did supply material that met tender specifications.
- 2.4 The bids were reviewed and tabulated by the Purchasing Services Division (see Attachment 1) and all bids were deemed compliant. The results were forwarded to the Public Works Department for their review and consideration.
- 2.5 After review and analysis by the Public Works Department and the Purchasing Services Division, it was mutually agreed that the low compliant bidder, Innovative Surface Solutions Canada be recommended for the award of tender CL2021-21.
- 2.6 Innovative Surface Solutions Canada has satisfactorily provided service to the Municipality of Clarington in the past and references did not need to be checked.

## 3. Financial

- 3.1 The estimated funding required for the initial three-year term is \$284,000 (Net HST Rebate). The estimated funding required for the first-year term is \$94,700(Net HST Rebate) and is in the 2021 approved budget allocation as provided. The estimated

funding required for the second and third-year terms will be included in future budget accounts. The funding required for the initial one-year term will be funded from the following account:

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- 3.2 Unit pricing submitted for the Supply and Delivery of Liquid Magnesium Chloride with Rust Inhibitor is to remain firm for the first year of the contract. The annual quantity is an estimated requirement only and payment is based on the actual goods received. As the contract is extended for additional years, the unit prices would be adjusted on the anniversary date of the contract award by the annual percentage change in the most recent issuance of the Consumer Price Index (CPI), All Items, Ontario as published by Statistics Canada and the pricing will remain firm for the contract year.
- 3.3 The total estimated contract for three years plus two optional years is approximately \$473,500 (Net HST Rebate).

#### **4. Concurrence**

This report has been reviewed by the Director of Public Works who concurs with the recommendations.

#### **5. Conclusion**

It is respectfully recommended that Innovative Surface Solutions Canada being the lowest compliant bidder be awarded the contract for the supply and delivery of liquid magnesium chloride per the terms and conditions of CL2021-21.

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Staff Contact: David Ferguson, Purchasing Manager, 905-623-3379 ext. 2209 or [dferguson@clarington.net](mailto:dferguson@clarington.net).

Attachments:

Attachment 1 – Bid Summary

Attachment 1

# Municipality of Clarington

## Summary of Bid Results

### Tender CL2021-21

#### Supply and Delivery of Liquid Magnesium Chloride with Rust Inhibitor

<b>Bidder</b>	<b>Three-Year Total Bid (Net HST Rebate)</b>	<b>Potential Five-Year Total Bid (Net HST Rebate)</b>
Innovative Surface Solutions Canada	\$283,986.72	\$473,311.20
Miller Paving Limited	311,640.51	519,400.85