M&C No.	2019-142
Report Date	June 03, 2019
Meeting Date	June 17, 2019
Service Area	Saint John Water

His Worship Mayor Don Darling and Members of Common Council

SUBJECT: Tenders for Sodium Hypochlorite NaOCl - 2019-681003T

OPEN OR CLOSED SESSION

This matter is to be discussed in open session of Common Council.

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	City Manager
James Margaris *Kendall Mason*	*Brent McGovern*	*John Collin*

RECOMMENDATION

It is recommended that the tender for the establishment of a supply agreement for 12% Sodium Hypochlorite chemical used to treat the City's potable water supply be awarded to the lowest bidder, Lavo Inc.

EXECUTIVE SUMMARY

The purpose of this report is to seek Council's approval for the award of the supply of Sodium Hypochlorite needed for the disinfection of the City's water supply. Over the years the City has had supply agreements with various chemical suppliers for the procurement of this vital chemical. Having these agreements in place guarantees pricing for budget purposes and enhances the efficiency of the procurement process when materials need to be purchased.

Public tender calls for the supply of Sodium Hypochlorite were issued on May 9, 2019. The Tender for Sodium Hypochlorite closed on 2:30 PM Atlantic Standard Time, Tuesday, May 28, 2019. Results indicate that Lavo Inc. had the lowest compliant bid for Sodium Hypochlorite.

PREVIOUS RESOLUTION

N/A

STRATEGIC ALIGNMENT

This report demonstrates the City's commitment to **Fical Responsibility** while providing for effective and efficient service delivery and supporting the City's commitment to providing safe, clean drinking water.

REPORT

Sodium Hypochlorite is used for chlorination in the Water Treatment process. Chlorination is a method of water disinfection to allow for the safe consumption as drinking water. Its purpose is to prevent the spread of waterborne diseases by killing or inactivating any pathogens that may be present in the water supply or distribution system. Sodium Hypochlorite is used at the South Bay Wellfield Water Treatment Facility, Harborview Subdivision Wells and at various storage tanks and pumping stations around the city.

Staff evaluated the bids on the basis of cost for each concentration (cost/kg/weight % of NaOCl). It was confirmed that the lowest compliant bid was offered by Lavo Inc. as indicated on the summary below. It is recommended that the 12% product concentration be purchased through Lavo Inc.

SERVICE AND FINANCIAL OUTCOMES

It is estimated, based on the past 12 months consumption and the unit price bid, that the City will spend approximately $18,000 to purchase bulk Sodium Hypochlorite.

For comparison purposes, the unit price for bulk Sodium Hypochlorite has gone up by 7.24 % from 2018. However, water consumption has declined slightly over the past year so eventhough the unit price has risen in 2019 the City will spend a similar amount as as was spent in 2018.

This is a planned expenditure and as such funds are provided in the annual Utility Operating Budget.

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

MATERIALS MANAGEMENT:

Public tender calls for the supply of Sodium Hypochlorite was issued on Monday, May 9, 2019 and closed at 2:30 PM Atlantic Standard time, Tuesday, May 28, 2019.

Two (2) companies responded to the tender call of Sodium Hypochlorite by submitting bids. The results are as follows (excluding HST):

	UBA INC.		LAVO INC.	
12% PRODUCT CONCENTRATION IN BULK SHIPMENTS OF UP TO 30 TONNES (25,000 L) PLEASE INDICATE SPECIFIC GRAVITY	$ 0.3055/kg 1.175 S.G	$ 0.3590/L 1.175 S.G.	$ 0.278/kg 1.175 S.G.	$ 0.326/L 1.175 S.G.

Exclusive of HST

Staff of Materials Management have reviewed both of these tenders and have found them to be complete and formal in every regard. Staff believes that the low tenderer, Lavo Inc. for Sodium Hypochlorite have the necessary resources and expertise to supply the product, and recommend acceptance of their tender.

The above process is in accordance with the City's Procurement Policy and Materials Management support the recommendation being put forth.

ATTACHMENTS

N/A