
Subject: Award of Contract 2024-T-2024 Biosolids and Residuals Management

Report to: Public Works Committee

Report date: Tuesday, November 5, 2024

Recommendations

1. That Contract 2024-T-207 - Biosolids and Residuals Management Program **BE AWARDED** to the lowest compliant prequalified bidder, 2386246 Ontario Inc. DBA Thomas Nutrient Solutions (Thomas Nutrient Solutions), at their bid price based on an estimated year one pricing of \$5,735,826 (including 13% HST) for a term of six (6) years, with one (1) optional extension term of one (1) year.

Key Facts

- This report seeks Council's approval to award Contract 2024-T-207 – Biosolids and Residuals Management Program to the lowest compliant prequalified bidder, Thomas Nutrients Solutions.
- A public pre-qualification process, Request for Supplier Qualification (RFSQ), resulted in a total of four (4) submissions, three (3) of which met all requirements for pre-qualification.
- A subsequent Invitational Tender (RFT) process was issued to the three (3) pre-qualified vendors. One vendor submitted a Notice of No-Bid and a total of two (2) bids were received by the submission deadline of October 16, 2024. Both submissions were fully compliant to all requirements.
- The RFT was evaluated on price and Thomas Nutrients Solutions is the lowest compliant pre-qualified bidder at the bid price of \$5,075,952 (excluding taxes) for a six (6) year initial term, with one (1) optional, one year extension term. This represents an estimated decrease of \$1.7 million in comparison to current rates.
- The Purchasing By-Law 02-2016, as amended, in accordance with Schedule B, requires that Council approve tender awards greater than \$5,000,000.
- Niagara Region retained the Services of an independent third-party Fairness Commissioner to ensure the procurement process was conducted in a procedurally fair, open and transparent manner in alignment with the requirements of applicable legislation, policies, and trade agreements. The Fairness Commissioner certifies that the winning Bidder was identified through a rigorous and well-documented evaluation process.

Financial Considerations

The estimated year one price starting January 1, 2025 is \$5,165,289 (including non-recoverable tax) based on estimated haulage volumes provided in the tender. This cost will be accommodated in the proposed 2025 Water and Wastewater Operating Budget.

- Using the tender volumes, the total bid price results in an estimated \$1.7 million decrease in comparison to 2024 rates.
- The estimated value over the six-year term of the contract is \$33.8 million using the same volumes as in the tender document.
- The total annual cost of the biosolids and residuals management contract agreement is influenced by the annual liquid volume of biosolids material managed by the service provider which can vary from year to year. Weather, tourism, operations and equipment performance, and population growth are the main contributors to biosolids generation and program costs as noted in the Biosolids Master Plan.

The service rates are variable and fluctuate annually based on year-over-year changes in the Consumer Price Index (CPI) and diesel fuel pricing over the contract term which will be accommodated in future Water and Wastewater Operating Budgets.

Analysis

The contracted services for the Biosolids and Residuals Management Program is essential to the overall Niagara Region Biosolids Management Program.

As identified in the recent Biosolids Master Plan Update (PW 31-2024), having a contractor provide the Biosolids and Residuals Management is a necessary component of the overall Biosolids Management Program. The contractor is responsible for:

- Providing a complement of drivers, tankers and trucks to transportation material;
- Transporting liquid biosolids by tanker and truck from Wastewater Treatment Plants and three Water Treatment Plants to the Garner Road Biosolids Facility;
- Coordinating the transfer of materials from the tankers to the storage lagoons and tanks at the Garner Road Biosolids Facility;
- Managing the liquid levels in the lagoons at the Garner Road Biosolids Facility;
- Maintaining a “land bank” of agricultural sites where biosolids can be land applied;
- Managing land applications events by providing trucks and tankers to deliver biosolids to land; and
- Completing manifests for each transfer to and from sites.

The tender for the Biosolids and Residual Management Program incorporated and considered the recommendations from the 2024 Biosolids Master Plan. The existing contracted services will conclude at the end of 2024.

The Fairness Commissioner has attested that the entire procurement process was conducted in a procedurally fair, open and transparent manner and in alignment with the requirements of applicable legislation, policies, trade agreements culminating in the proposed award of Contract 2024-T-207 Biosolids and Residuals Management Program to Thomas Nutrients Solutions. The Fairness Commissioner certifies that the winning Bidder was identified through a rigorous and well-documented evaluation process that it oversaw from beginning to end.

The Fairness Commissioner is an independent third party whose role is to observe and/or monitor all aspects of the procurement with respect to fairness, and to report as to the fairness of the procurement process observed. Niagara Region retained the Services of Robinson Global Management to act as the independent third-party Fairness Commissioner to observe and/or monitor all aspects of both procurements with respect to fairness, and to report as to the fairness of the procurement process observed.

A public pre-qualification process resulted in a total of four (4) submissions, three (3) of which met all requirements for pre-qualification. A subsequent invitational tender process was initiated through Procurement and issued to the three (3) pre-qualified vendors. One vendor submitted a Notice of No-Bid and a total of two (2) bids were received by the Submission Deadline for the RFT. Both submissions were fully compliant to all mandatory submission requirements. The RFT was evaluated on price only and Thomas Nutrients Solutions is the lowest compliant pre-qualified bidder at the bid price of \$5,075,952 (excluding taxes) for a six (6) year initial term, with one (1) optional one year extension term. This cost will be accommodated in the proposed 2025 Water and Wastewater Operating Budget. Subject to approval of this report, a purchase order will be issued to the successful bidder.

Alternatives Reviewed

Council could decline to approve this report; however, that is not recommended noting it is essential to have a Biosolids and Residuals Management Program Contractor, and the fact that the recommended award is the result of an open competitive procurement

process conducted in compliance with the Procurement By-law and supported by a Fairness Commissioner.

Relationship to Council Strategic Priorities

Effective Region – The Niagara Region Biosolids Management Program requires a Biosolids and Effective Region – The Niagara Region Biosolids Management Program requires a Biosolids and Residuals Management Program Contractor to deliver essential Water and Wastewater services. This award is consistent with the 2024 Biosolids Master Plan and delivers fiscally responsible and sustainable core services.

Green and Resilient Region – Sewage biosolids are the waste organic material that remains after wastewater is treated. Although a waste product, biosolids are nutrient rich due to their high nitrogen and phosphorus content making them suitable for reuse in agriculture. Through this contract, the Region has been able to directly apply liquid biosolids to agricultural land and avoid the need to dispose of biosolids in landfills thereby conserving landfill space.

Other Pertinent Reports

[PW 31-2024 Biosolids Master Plan Update](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=77ac7964-106e-48d5-83e6-dd2f3bfcfcecb&Agenda=Agenda&lang=English&Item=13&Tab=attachments>)

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