



REQUEST FOR A DECISION

City Council – January 9, 2022

To: Her Worship Mayor Kate Rogers and Members of City Council

From: Trent Brewer, Manager of Utilities, Design and Construction

Date: January 04, 2022

Title: Award of Request for Proposal P22-53 Supply and Delivery of Chlorine

ISSUE:

Staff are seeking City Council approval and authorization to award Request for Proposal P22-53, For the Supply of Liquid Chlorine and the associated agreement between the supplier and the local government.

RECOMMENDATION(S):

A. Recommendation:

It is recommended that the following resolution be forwarded to City Council for consideration: BE IT RESOLVED THAT the Council of the City of Fredericton hereby authorizes and approves the award of Request for Proposal P22-53 For the Supply of Liquid Chlorine to Brenntag Canada Inc., the highest scored supplier meeting the requirements; and BE IT FURTHER RESOLVED THAT the Council of the City of Fredericton hereby approves and authorizes the agreement between the City of Fredericton and Brenntag Canada Inc. (the "Agreement") with respect to the supply and delivery of liquid chlorine for a one (1) year term commencing January 1, 2023 and expiring on December 31, 2023 with a renewal option at the sole discretion of the City of Fredericton for four (4) additional one (1) year terms, each a renewal term with fees to be negotiated between the parties, subject to the annual approved budget; AND THAT the Mayor and City Clerk be authorized to execute the Agreement on behalf of the local government and such further legal documents as may be required to facilitate the Agreement and this resolution.

B. Other options: (If applicable, only complete if there are multiple options)

1. City Council may choose not to authorize and approve the award of Request for Proposal P22-53, For the Supply and Delivery of Liquid Chlorine to the highest scored supplier meeting the requirements.
2. City Council may choose to provide other direction to staff.

SITUATION, BACKGROUND & DISCUSSION:

SITUATION:

Current (extant) Direction. Not applicable. This is a new 5 year agreement.

Alignment.

- a. Link to CAO goal or inflight. Does not apply.
- b. Why is this coming to Council and why now? Currently the City of Fredericton Water and Sewer Division as well as the Water Resource Recovery Center utilizes the services of Brenntag Canada Incorporated for the supply and delivery of chlorine gas. The previous Chlorine Supply contract expired December 31, 2022, and staff is seeking a new 5-year agreement, requiring City Council approval.

BACKGROUND.

Chlorine gas is used in both the production of potable water and the treatment of wastewater for the City of Fredericton.

DISCUSSION.

Brenntag Canada is the incumbent chlorine gas supplier. The current contract for chlorine supply and delivery expires December 31, 2022. Consideration is being requested for a new 5-year term, as a result of this RFP process, beginning January 1, 2023, and expiring December 31, 2027.

The City of Fredericton Water and Sewer Division operates on a *Certificate of Approval to Operate a Drinking Water System* as issued by the New Brunswick Department of Environment and Local Government. Part of this approval to operate is a requirement to maintain a chlorine residual throughout the potable water distribution system. This chlorine residual can only be achieved with the use of chlorine gas at both water treatment facilities. Chlorine gas is also required at the wastewater treatment facility on Barker Street (WRRF). Without chlorine gas wastewater treatment to meet required standards would not be possible.

Potable water production and legislated wastewater treatment parameters are not possible without the use of chlorine gas.

- **FINANCIAL:** 2023 budgets have been increased based on current information. However, chlorine suppliers are not in a position to be able to guarantee pricing for terms longer than 6 months however the supplier must notify the City of any price increases and demonstrate market conditions based on the Producer Price Index for Alkalies and Chlorine to justify any changes. It is also intended that the pricing of chlorine supply and delivery be reviewed every 6 months to ensure fair market costs. As prices are confirmed, budget implications will be brought forward to the Municipal Finance and Corporate Administration Committee.
- **LEGAL:** Staff from Utilities, Design and Construction, Purchasing and Payables and Legal Division have determined that the proposed agreement between the City of Fredericton and the Supplier contains standard contractual provisions which are acceptable for this matter. Select provisions to note: the agreement has a term of one year commencing January 1, 2023 and expiring December 31, 2023, with renewal options at the sole discretion of the City of Fredericton for four (4) additional one (1) year terms, each a renewal term with fees to be negotiated between the parties; the payment of fees and expansion of or continuation of services is contingent on our annual approved budget; the City has the right to expand or reduce the services; the municipality has the ability, at its sole discretion (at no cost) to terminate the agreement without cause at any time prior to the end of the term upon thirty days written notice. A copy of the draft agreement is attached for your review, consideration, and approval.
- **PURCHASING:** Procurement Policy and Procedures were followed to obtain competitive submissions in accordance with the Negotiated RFP format. Submissions for this opportunity closed on November 16, 2022 and one (1) compliant submission was received, resulting in the recommendation to award.
- **COMMUNICATIONS:** There is no public communication required from this decision. The City will communicate directly with the successful vendors who will carry out the work accordingly.
- **CLIMATE LENS:**

Does this proposal move the City of Fredericton closer to its greenhouse gas (GHG) emissions reduction targets of 50% reduction by 2030 and net-zero by 2050 in line with the City's Corporate Energy & Emissions Plan and/or Community Energy Emission Plan?

- ☐ Moves us towards GHG reduction targets
- ☒ No change in GHG emissions
- ☐ Moves us away from GHG targets but there are trade-offs with other Council or Municipal Plan priorities (*identify which priorities*)

Does this proposal improve the City of Fredericton's resilience to the impacts of climate change in line with our Climate Change Adaptation Plan?

- ☐ Moves us towards climate resilience
- ☒ No change in resilience
- ☐ Moves us away from climate resilience but there are trade-offs with other Council or Municipal Plan priorities (*identify which priorities*)

SPOKESPERSON: Trent Brewer, Manager of Utilities, Design and Construction

Prepared by: Trent Brewer, Manager of Utilities, Design and Construction

Approved by: Dylan Gamble, Director of Engineering and Public Works

/Attachments: (1) Agreement between the City of Fredericton and Brenntag Canada Inc.