

October 29, 2010

To: The Board of Governors of Exhibition Place

ACTION REQUIRED

From: Dianne Young
Chief Executive Officer

Subject: **Agreement for All-Inclusive HVAC Chemical Treatment Program**

Purpose:

To submit for approval the terms and conditions for an agreement with Rochester Midland Ltd (“Rochester”) for the provision of an All-Inclusive Heating, Ventilation and Air Conditioning (HVAC) Chemical Treatment Program to Exhibition Place. This award is to the low bidder response to the a request for quotation (RFQ) issued to the industry through the City of Toronto Purchasing Department.

Recommendation:

It is recommended that the Board enter into agreement with Rochester for provision of all-inclusive HVAC chemical treatment services to Exhibition Place on such terms and conditions as contained in this report, the Request for Quotations or as required by the Chief Executive Officer and the City Solicitor.

Financial Implications:

The projected annual expenditure for chemical treatment services to various HVAC systems on the grounds is \$35,000 and provided for in the 2010 Operating Budget.

Decision History:

In September 2007, a RFQ was awarded by the Board to Quatic Industries Inc. to provide a comprehensive HVAC chemical treatment program for a three-year term from November 1, 2007 to October 31, 2010.

Issue Background

With the expiry of the existing agreement with Quatic Industries Inc. Exhibition Place proceeded with a public tendering process to contract with another supplier as required for the operation of our HVAC equipment.

Comments:

On July 29, 2010, the Board, through the Purchasing and Materials Management Division (PMMD) of the City of Toronto’s Finance Department, issued a RFQ for the provision of all-inclusive HVAC chemical treatment services. The call was structured in a manner that required bidders to submit prices on an annual price complete per location basis for all chemicals and related services

necessary to treat the water in steam generators, chillers and hot water heaters and related equipment throughout the grounds in accordance with operating requirements and manufacturers' standards. Performance bonding equal to 100% of the price quoted was included in the RFQ. Firm prices were quoted for each of the three years.

The RFQ closed on August 18, 2010, with four responses. The evaluated three year totals (less HST) were as follows:

Rochester Midland ltd.	\$ 58,399.86
Chem-Aqua	\$ 82,209.99
Direct Energy Business	\$ 84,999.99
Ashland Canada Corp.	\$136,437.00

Rochester Midland Corporation is an international company based in Rochester N.Y. with a Canadian Head Quarters in Oakville Ontario. Rochester Midland Inc. has been in business since 1888 in the chemical treatment services business. References include Mount St. Marys University, City of Mississauga and City of Toronto Facilities Department. The City of Toronto Fair Wage and Labour Trades Office confirms that Quatic is in compliance with the Fair Wage and Labour Trades requirements for this work.

The substantial terms of the agreement will be as follows:

- (a) Term: Three years commencing upon award until October 31, 2013.
- (b) Fees: Fees will be paid by the Board as set out under the terms and conditions contained in the request for quotations
- (c) Union Agreements: Rochester shall comply with all agreements in force between the Board and any union or association with respect to Exhibition Place.
- (d) Assignment: The agreement between the Board and Rochester shall not be assigned by Rochester without the consent of the Board.
- (e) Bonding: Rochester shall provide a performance bond for the due and proper performance of the contract work, including guaranteed maintenance for a period of one year after final completion of work in the amount of 100% of the quoted price.
- (f) Insurance/Indemnity: Rochester shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board and the City of Toronto as additional insured with a cross liability/severability of interest clause of standard wording. Insurance shall be primary before any insurance held by the additional insured and the Board shall be entitled to thirty days notice of any intention to cancel or not to renew the policy. Rochester shall indemnify the Board and the City of Toronto with respect to any and all liability arising from any damage or injury as a result of the negligent acts or omissions of Green, or its employees or any other person for whom it is in law responsible, in the supply and quality of the equipment.
- (g) Other Terms: Such other terms and conditions as contained in the Request for Quotations or as required by the Chief Executive Officer and the City Solicitor.

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Submitted by:

Dianne Young

Chief Executive Officer