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Section I – Items for Board of Directors Action

TO: Chair and Members of the Board of Directors
Friday, February 25, 2022 Meeting

FROM: Anil Wijesooriya, Director, Restoration and Infrastructure

RE: **REQUEST FOR QUOTATION FOR SEEDLING SUPPLY, LIMITED TENDER, SOMERVILLE NURSERIES INC.**
RFQ No. 10037209

KEY ISSUE

Award of Request for Quotation (RFQ) No. 10037209 as a limited tender contract with Somerville Nurseries Inc. to supply seedlings for Toronto and Region Conservation Authority's (TRCA) planting programs.

RECOMMENDATION

WHEREAS TRCA is engaged in projects that require supply of reforestation seedlings;

WHEREAS TRCA requires an adequate supply of seedlings to achieve shared TRCA and partner restoration and planting objectives;

AND WHEREAS Somerville Nurseries Inc. was previously approved by the Board as TRCA's primary supplier of seedlings and has a long history of supplying conservation authorities' quality reforestation seedlings;

AND WHEREAS Somerville Nurseries Inc. is the most conveniently located supplier of seedlings, making it the most feasible and cost effective option;

AND WHEREAS staff recommend Somerville Nurseries Inc. as the preferred service provider for supply of reforestation seedlings for the 2022-2026 planting program years;

THEREFORE THE BOARD OF DIRECTORS RECOMMENDS THAT Request for Quotation (RFQ) No. 10037209 for Supply of Seedlings for 2022-2026 Planting Programs be awarded as a limited tender to Somerville Nurseries Inc. at a total cost not to exceed \$750,000 plus applicable taxes, to be expended as authorized by Toronto and Region Conservation Authority (TRCA) staff;

THAT TRCA staff be authorized to approve additional expenditures to a maximum of \$75,000 (approximately 10% of the project cost), plus applicable taxes, in excess of the contract cost as a contingency allowance if deemed necessary;

AND FURTHER THAT authorized TRCA officials be directed to take whatever action may be required to implement the contract, including the obtaining of necessary approvals and the signing and execution of any documents.

BACKGROUND

TRCA has a long history of tree planting and reforestation programs, and on average, since 2001, plants 116 hectares of land per year. To accomplish this, TRCA utilizes a variety of plant

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material, including bare root whip stock, potted container stock, as well as reforestation seedlings. This plant material comes from both the TRCA's Native Plant Nursery and the open market. Most of this material is made up of reforestation seedlings and on average totals about 128,365 seedlings a year.

Somerville Nurseries Inc. has been the largest and most reliable supplier of seedling stock in southern Ontario. For more than 15 years it has been TRCA's primary supplier of seedling stock, with some additional seedlings being procured from other smaller growers throughout Ontario. Somerville Nurseries Inc. is also the main supplier of seedlings to TRCA's major project partners including Forests Ontario and neighbouring conservation authorities.

TRCA, in partnership with other Greater Toronto Area conservation authorities (Credit Valley, Nottawasaga Valley, Lake Simcoe Region and Halton Region) has been coordinating the purchase of reforestation seedlings as a means of supplying individual program requirements. While each conservation authority forecasts its own requirements independently, orders are coordinated to ensure that Somerville Nurseries Inc. offers equivalent unit pricing (below market list) to the conservation authorities, providing each the benefit of combined purchase pricing.

At Authority meeting #7/17, held on September 22, 2017 Resolution #A160/17 was approved, in part, as follows:

... THAT the contract for the supply of reforestation seedlings for the 2017 – 2021 program years be awarded to Somerville Nurseries Inc. on a preferred source basis, at a total cost not to exceed \$150,000 plus applicable taxes, per program year, it being the supplier that can provide the product which best meets Toronto and Region Conservation Authority (TRCA) specifications at an acceptable price;...

RATIONALE

Somerville Nurseries Inc. has a long history of supplying conservation authorities' requirements for consistent quality reforestation stock in the south and central Ontario regions. For more than 15 years it has been TRCA's primary supplier for seedling stock, with some additional seedlings being procured from other smaller growers further afield, when necessary. The only other potential supplier of these seedlings is located in Kemptville Ontario, over four hours away. During planting season, seedlings are often picked up twice daily making this other supplier much less feasible, especially considering the higher pricing. Somerville Nurseries Inc. is conveniently located less than 60 minutes away from the TRCA's Restoration Services Centre and the Native Plant Nursery.

Tree seedling production usually requires a four-year commitment from both the supplier and buyers, due to the time required to collect and sow seed and grow the seedlings to the required sizes. TRCA would like to reaffirm its commitment with Somerville Nurseries Inc. through 2022 – 2026 to ensure an uninterrupted supply of tree seedlings to meet TRCA's projected demands for programs and projects.

Tree seedling purchases from Somerville Nurseries Inc. for program years 2017 to 2021 averaged \$150,000, annually, before taxes. Indications are that the demand in 2022 to 2026 will be similar.

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Somerville Nurseries Inc. continues to offer TRCA the best combination of:

- consistent seedling quality;
- seed zone and genetic source control;
- locally collected native seed, locally grown seedlings;
- excellent unit pricing;
- ability to provide for identified stock - species, size, type, age-class;
- flexibility to meet last minute demand for additional stock;
- convenience as the most local supplier; and
- willingness to work with conservation authorities to achieve seedling target demand.

Staff recommend awarding the seedling supply agreement for a further five years to ensure that there is not a shortfall in seedling inventories which would negatively affect TRCA's future reforestation planting commitments. Failure to take such action may result in scheduling delays and/or cancellation of orders for reforestation stock. The net result could mean a reduction in planting effort and the inability to meet funding received from partners, particularly from Forest Ontario.

Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan

This report supports the following strategic priority set forth in the TRCA 2013-2022 Strategic Plan:

Strategy 2 – Manage our regional water resources for current and future generations

Strategy 3 – Rethink greenspace to maximize its value

Strategy 7 – Build partnerships and new business models

FINANCIAL DETAILS

All costs associated with the procurement of reforestation stock are recovered from the end user program or project, in the year in which the seedlings are purchased and delivered. Funds have been allocated in individual project/program budgets.

Somerville Nurseries Inc. requires a 25% deposit (standard terms) to confirm the spring seedling order by December 31st of the previous year.

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