



STAFF REPORT ACTION REQUIRED

Contract 07FS-49WP, Tender Call No. 136-2007 Highland Creek Treatment Plant – Replacement of Aeration System in Tank No. 12 Amend Purchase Order No. 6022903

Date:	September 17, 2007
To:	Public Works & Infrastructure Committee
From:	Executive Director, Technical Services Director, Purchasing and Materials Management Division
Wards:	Ward 44 – (Scarborough East)
Reference Number:	P:\2007\Internal Services\pmmd\pw07033pmmd (AFS #5918)

SUMMARY

The purpose of this report is to request authority to amend Purchase Order No. 6022903 related to the contract for the Replacement of Aeration System in Tank No. 12 at the Highland Creek Treatment Plant.

RECOMMENDATIONS

The Executive Director, Technical Services and the Director, Purchasing and Materials Management recommend that:

1. Authority be granted to amend Purchase Order No. 6022903 for construction services with W.A. Stephenson Mechanical Contractors Limited for the construction related to the Replacement of Aeration System in Tank No. 12 at the Highland Creek Treatment Plant, by an additional amount of \$759,072.16 net of GST, which includes a contingency allowance of \$66,037.75 net of GST, if necessary and authorized by the Executive Director, Technical Services, for a revised total of \$1,511,902.35 net of GST.
2. The appropriate officials be authorized and directed to take the necessary actions to give effect thereto.

FINANCIAL IMPACT

The total purchase order amendment for Contract 07FS-49WP, Tender Call 136-2007, identified in this report, is \$804,616.49 including all applicable taxes, charges, and contingencies. The cost to the City, net of GST, is \$759,072.16. Funding is available in the approved 2007 Toronto Water Capital Budget, WBS Element CWW036-06 – Immediate Projects from Facility Forecast. The cash flow requirements for this project are \$380,000.00 net of GST in 2007 and \$379,072.16 net of GST in 2008.

ISSUE BACKGROUND

Contract 07FS-49WP, Tender Call 136-2007, for the Highland Creek Treatment Plant – Replacement of Aeration System in Tank No. 12 was awarded to W.A. Stephenson Mechanical Contractors Limited (WAS) by Bid Committee at its meeting held on Wednesday, June 27, 2007.

The project scope was for the replacement of the aeration system in Tank No. 12 at the Highland Creek Treatment Plant. After the contract was executed, the aeration system in Tank No. 9 experienced catastrophic failure and is now also out of service. In order to avoid potential non-compliance of the Certificate of Approval for Sewage Works related to the treatment of sewage in accordance with provincial regulations, the repairs of both tanks are required immediately.

COMMENTS

The additional work required for the replacement of the aeration system for Tank No. 9 is required immediately. The consequences of not doing this work could result in non-compliance with the plant's Certificate of Approval for Sewage Works.

Technical Services staff has reviewed the additional cost for the replacement of the aeration system in Tank No. 9 as submitted by the contractor and found the price of the work to be reasonable and within the budget available.

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