



**STAFF REPORT
ACTION REQUIRED**

Purchase Order Amendment to Motion Mechanical Contractors Ltd. P.O. 6020729: Centennial Park Conservatory

Date:	April 29, 2008
To:	Community Development and Recreation Committee
From:	General Manager, Parks Forestry and Recreation Director, Purchasing and Materials Management Division
Wards:	Ward 3, Etobicoke Centre
Reference Number:	

SUMMARY

The purpose of this report is to request authority to amend Purchase Order 6020729 issued to Motion Mechanical Contractors Ltd. for building improvements at Centennial Park Conservatory, 151 Elmcrest Road. The additional amount being requested is \$147,962.64 net of GST. This is the second amendment to this contract. The total increase in purchase order amendments to this contract is \$640,362.64, representing a 34% increase in the original commitment.

RECOMMENDATIONS

The General Manager, Parks Forestry and Recreation and the Director of Purchasing and Materials Managements Division recommend that:

1. Authority be granted to amend Purchase Order 6020729 to Motion Mechanical Contractors Ltd. by an additional amount of \$147,962.64 net of GST.

Financial Impact

The adjustment of \$147,962.64 net of GST is required to pay out the remaining value owed to the contractor for required change orders to the original purchase order. Funding is available in 2008 Parks, Forestry and Recreation Capital Budget in account CPR-126-37-02 (CAMP (SGR) SF Building & Structures FY07). The funding will not increase debt.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

The City of Toronto issued Request for Quotation 4305-06-5219 in 2006 for the construction project at Centennial Conservatory. Purchasing and Materials Management Division issued Purchase Order 6020729 to Motion Mechanical Contractors Ltd., in the amount of \$1,880,961.00 net of GST. In order to accommodate the approved cash flow in the Parks, Forestry & Recreation capital budget, the Bid Committee approved the recommendation that the purchase order be issued in two phases; Phase I totalling \$1,384,611.00 net of GST from the available 2006 Capital budget funds and Phase II totalling \$496,350.00 net of GST from the 2007 Parks, Forestry & Recreation Capital Budget.

To accommodate Phase I, Purchase Order 6020729 was issued to Motion Mechanical Contractors Ltd. in the amount of \$1,384,611.00 net of GST through authority granted by Bid Committee on October 18, 2006. On March 7, 2007, Parks, Forestry & Recreation Capital Budget was approved. The purchase order was then amended on March 19, 2007 to include Phase II in the amount of \$496,350.00, thereby increasing the entire purchase order total to \$1,880,961.00 net of GST.

On November 22, 2007, a Purchase Order Amendment in the amount of \$492,400.00 net of GST representing a 26% increase to the purchase order, was approved by the City Manager, General Manager – Parks, Forestry & Recreation and Director of Purchasing and Materials Management, in accordance with standard procedures for amendments to purchase orders. This amendment was within the limits delegated to staff as outlined in the Municipal Code, Chapter 71 – Financial Control. The entire revised total of the Purchase Order as of November 2007 was \$2,373,261.00 net of GST.

ISSUE BACKGROUND

The initial Purchase Order Amendment approved on November 22, 2007 and the current Purchase Order Amendment request are required to address the unforeseen changes in the scope of construction. These changes were the result of encountering adverse existing site conditions during construction activities that were either buried or previously unknown, as well as the replacement of existing infrastructure in conflict with proposed site improvements and non-compliance with current building codes.

The Purchase Order Amendment in November 2007, totalling \$492,400.00 net of GST comprised of the following changes in scope:

1. Action the Alternative Price in the Request for Quotation to Replace Greenhouse 4 and 5:

When the City of Toronto issued Request for Quotation 4305-06-5219 in 2006 for the building improvements at Centennial Conservatory, it also included a call for an

alternative price to demolish greenhouses 4 and 5 and provide one large replacement greenhouse. The low bidder, Motion Mechanical Contractors Ltd, also submitted the lowest bid of \$310,000.00 net of GST for the replacement of the greenhouses.

2. Removal of Environmental Contaminant:

During excavation and removal of the existing slab in greenhouses 1, 2 and 3, an existing underground fuel tank was encountered containing fuel oil. The material was tested and it was determined that the substance had to be removed in accordance with Ministry of Environment regulations and under the supervision of a qualified environmental consultant.

The change to the contract for the removal of the environmental contaminant amounted to \$66,225.85 net of GST.

3. Additional Mechanical Changes to Greenhouses 1,2 and 3:

The scope of work comprised of additional perimeter fin tube elements, trench drain and weeping tile and perimeter insulation amounting to \$30,783.00 net of GST.

4. Additional State of Good Repair Work:

The impact of the work uncovered deteriorated existing infrastructure and conditions that did not meet applicable codes. The type of work included: replacement of the existing ceiling tiles in the main corridor of the public washrooms, office area and ancillary spaces. The work also included repainting the existing greenhouse entrance, public washrooms and corridors. In addition, a client request was made to replace the existing deteriorated double poly plastic sheet roof which did not meet current Building Codes in greenhouse 1, 2 and 3. To avoid further disruption to the operation and since a speciality greenhouse contractor was already on site doing the work associated with greenhouse 4 and 5, a request was made to undertake this work under the existing contract.

The change to the contract for the above state of good repair scope changes amounted to \$85,391.15 net of GST.

Current Purchase Order Amendment

The current Purchase Order Amendment request totalling \$147,962.64 net of GST comprises of the following changes in scope:

1. New Concrete Slab:

New greenhouses 4 and 5 were to be built on the same site as the existing deteriorated greenhouse. The existing slab was to be modified and added to accommodate the new greenhouse. Adjustments to the positioning of the new greenhouse in order to avoid existing utilities and buried infrastructure necessitated the removal of the entire slab.

The change to the contract for this interference modification amounted to \$29,638.40 net of GST.

2. Electrical Safety Code Deficiencies:

During the progress of the project it was discovered that the existing electrical wiring, not being altered as part of the prime contract, was not in compliance with the Electrical Safety Code. In addition, scope changes to the controls and power distribution were required and an energy efficient dimming system for the main greenhouse needed to be installed.

The change to the contract for these modifications amounted to \$55,821.78 net of GST.

3. Provide Guards for Perimeter Elements Located in Public Areas and Greenhouses 4 & 5:

There was health and safety concern with respect to the exposed fin tube elements around the entire perimeter of the new greenhouse. Guards were provided to protect the public and staff in the event that they came into contact with the fin tubes which cycle 160° Celsius water through the system.

The change to the contract for the above health and safety initiative amounted to \$24,240.94 net of GST.

4. Revise Supply and Return Air Duct to Generator Exhaust Fan and Associated Pipe Insulation:

During installation of the exhaust and return air to the generator there was interference with the existing structure that necessitated this change. Interlocking fire dampers and fire proof insulation was required as part of this work.

The change to the contract for this interference modification amounted to \$21,359.68 net of GST.

5. Provide Sequencing and Emergency Power from the New Generator to the Boiler and Energy Management Controls:

This change allowed for the 3 new boilers to fire up in stages as opposed to starting at one time thereby improving boiler efficiencies. Furthermore, emergency power backup for the boilers was required so that in the event of a power failure the existing and new inventory of plants would not be adversely affected.

The change to the contract for the above energy efficiency initiative amounted to \$16,901.84 net of GST.

The total aggregate increase in the Purchase Order Amendments amounts to \$640,362.64 net of GST, representing a 34% increase in the original commitment. Committee approval of this final Purchase Order Amendment in the amount of \$147,962.64 net of GST is required because the total increase in Purchase Order Amendment value exceeds \$500,000.00 net of GST.

COMMENTS

The Community Development and Recreation Committee approval is required to amend Purchase Order 6020729 issued to Motion Mechanical Contractors Ltd by \$147,962.64 net of GST. Parks, Forestry & Recreation staff has reviewed the prices for the work performed and consider them fair and reasonable.

CONTACT

Mario Pecchia
Project Manager
Parks, Forestry and Recreation
Telephone: 416-395-7916
e-mail: mlpecchi@toronto.ca

David Ferguson
Manager, Construction Services
Purchasing and Materials Management
Telephone: 416-392-7323
e-mail: dfergus4@toronto.ca

SIGNATURE

Brenda Librecz
General Manager,
Parks, Forestry and Recreation

L.Pagano, P.Eng.
Director,
Purchasing and Materials Management Division