



## STAFF REPORT INFORMATION ONLY

### **Amendment to Purchase Order No. 6019396 Contract 06SC-01RD, Tender Call 24-2006 Ellesmere Road Widening, Scarborough District Kennedy Road to Warden Avenue**

<b>Date:</b>	October 16, 2008
<b>To:</b>	Public Works and Infrastructure Committee
<b>From:</b>	Executive Director, Technical Services Acting Director, Purchasing and Materials Management
<b>Wards:</b>	Ward 37, Scarborough Centre Ward 40, Scarborough Agincourt
<b>Reference Number:</b>	P:/2008/Internal Services/pmmd/pw08021pmmd (AFS 8580)

### **SUMMARY**

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The purpose of this report is to advise on the over expenditure of Purchase Order No. 6019396 for the Ellesmere Road Widening Project from Kennedy Road to Warden Avenue, in the Scarborough District, by \$615,366.71 net of GST, which represents a 7.54% increase of the current contract value of \$8,160,499.60 net of GST. This increase is a result of extra work required to complete the Ellesmere Road Widening Project.

### **Financial Impact**

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The Contract increase identified in this report is \$652,288.71 including all applicable taxes and charges. The cost to the City, net of GST is \$615,366.71. Funding is available in the Transportation Services Capital Budget accounts CTP306-04-56 and CTP122-01-51 in the amounts of \$271,749.16 and \$343,617.55 respectively.

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

## **DECISION HISTORY**

At its meeting on March 7, 2006, Works Committee awarded Contract No. 06SC-01RD, Tender Call No. 24-2006 for the Ellesmere Road Widening Project from Kennedy Road to Warden Avenue in the Scarborough District to Sanscon Construction Limited, being the lowest Tender meeting specification in conformance with the Tender requirements.

<http://www.toronto.ca/legdocs/2006/minutes/committees/wks/wks060307.pdf>

## **ISSUE BACKGROUND**

Purchase Order 6019396 was issued to Sanscon Construction Limited for Contract 06SC-01RD, Tender Call 24-2006 on April 27, 2006 for the Ellesmere Road Widening Project between Kennedy Road and Warden Avenue.

The original Purchase Order was issued for \$8,248,559.60 net of GST. The following four Purchase Order Amendments were previously issued:

- 1) On Sept. 18, 2006 the Purchase Order was decreased by \$350,000.00 net of GST due to the deletion of work from the contract for resurfacing and for the Toronto District School Board;
- 2) On December 27, 2006 the Purchase Order was increased by \$160,000.00 net of GST to include reconstruction of the Ellesmere Rd./Kennedy Rd. intersection;
- 3) On October 26, 2007 the Purchase Order was increased by \$35,000.00 net of GST to include sidewalk and sub-drain repairs on Warden Av. immediately north of Ellesmere Rd. and;
- 4) On October 27, 2007 the Purchase Order was increased by \$66,940.00 net of GST to include the installation of Permanent Zebra Cross-Walk Pavement Markings at the six signalized intersections on Ellesmere Road within the Project Limits.

The net amendment resulted in the Purchase Order being reduced by \$88,060.00 from \$8,248,559.60 to \$8,160,499.60 net of GST.

## **COMMENTS**

Construction activity for the Ellesmere Road Widening Project, from Kennedy Road to Warden Avenue, was completed on October 31, 2007. During construction, the contractor was requested to perform the following additional and extra work:

(1) Limit of Construction on Side Street's Extended

The original project scope did not include work beyond the side street curb returns. During construction the City determined the condition of the following side streets; Kennedy Road (north, south & east legs), Wye Valley Road, Gladside Road and Birchmount Road (south leg), had deteriorated substantially and instructed the Contractor to extend the limits. This resulted in additional costs of \$223,460.77 based on negotiated and contract unit rates.

(2) Pay Duty Officer

The contract included an estimated 500 hours for pay duty police for work at intersections. A total of 869 hours was required for pay duty police. This resulted in extra costs of \$24,354.00 based on contract unit rates.

(3) Concrete Roadbase

The contract quantities were underestimated and did not include concrete roadbase under median traffic islands and at all side street roadway aprons. This resulted in additional costs of \$121,160.00 based on contract unit rates.

(4) Electrical

a) Traffic Control Signals

Electrical changes were required during construction for traffic signals due to field conditions, utility conflicts and extra work to install new handwells, conduit, wiring, signal heads, poles and pole bases. This resulted in extra costs of \$54,219.15 based on time & materials, negotiated and contract unit rates.

b) Streetlighting

Electrical changes for streetlighting were required following tender close due to changes resulting from the streetlighting transition from the City of Toronto to Toronto Hydro Street Lighting Inc.. Additional changes were also required during construction due to field conditions and utility conflicts. This resulted in extra costs of \$22,332.01 based on time & materials, negotiated and contract unit rates.

(5) Tack Coat

The contract included one coating of tack coat between the concrete roadbase and base asphalt at the City's request. A second tack coat was required between the base asphalt and top asphalt as the base asphalt surface did not remain clean due to the required duration of time for construction and traffic staging between the base and top asphalt placement. This resulted in extra costs of \$19,313.00 based on contract unit rates.

(6) Hot Mix HL1 Asphalt

The contract limits for surface asphalt resurfacing were extended. The limits on Ellesmere were extended west to Dewey Dr., in order to repair poor surface asphalt as a result of obliterated and temporary pavement markings. The limits were extended south on Dalecliff Cres., due to minor grade adjustments required and to repair poor

surface asphalt. This resulted in additional costs of \$20,100.00 based on contract unit rates.

(7) Oil/Grit Stormwater Treatment Units

The three oil/grit stormwater treatment units required additional modifications as incorrect loading requirements were specified in the contract. This resulted in extra costs of \$25,604.73 based on a negotiated sum.

(8) Premium Cost for High Early Concrete

High early strength concrete was not specified in the contract for roadbase, sidewalk and curb & gutter at or near driveway entrances. In order to minimize inconvenience to several businesses located within the project limits, the Contractor was requested to use high early concrete. This resulted in extra costs of \$24,307.00 based on a negotiated rate.

(9) Underground

a) Fire Hydrants

Changes to a number of fire hydrants were required during construction due to unexpected field conditions, utility conflicts and night work. This resulted in extra costs of \$26,269.92 based on time and materials.

b) Catchbasins

Changes to a number of catchbasins were required during construction due to unexpected field conditions and utility conflicts. Additional time was also spent investigating existing catchbasin leads to determine drainage. The contractor was instructed to install catchbasin lead risers at deep connections as they were not included in the contract. This resulted in extra costs of \$54,246.13 based on negotiated rates, time and materials.

As a result of these activities, the volume of work involved and in an effort to meet the tight timeframe to complete this project, so that there would be minimum inconvenience to the public and to several businesses located within the project limits, City Staff authorized the contractor to complete the work identified above.

Due to the additional work undertaken during construction, the Purchase Order amount has been exceeded. The cost of this additional work is \$615,366.71 net of G.S.T. All work under this contract has been completed. The amendment is now required to document final payment for work conducted under this Purchase Order

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## SIGNATURE

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