



**STAFF REPORT
ACTION REQUIRED**

Amendment of Purchase Order 6019297 for Additional Professional Engineering Services during Construction for the F.J. Horgan Water Treatment Plant Capacity Expansion to 800 ML/d

Date:	March 3, 2009
To:	Public Works and Infrastructure Committee
From:	General Manager, Toronto Water Acting Director, Purchasing and Materials Management Division
Wards:	Ward 44 – Scarborough East
Reference Number:	P:/2009/Internal Services/pmmd/pw09004pmmd (AFS 9589)

SUMMARY

The purpose of this report is to request the increase of funds for additional professional engineering services during construction for the F.J. Horgan Water Treatment Plant capacity expansion (the “Project”). The additional engineering services are required for increased site and inspection services during construction and are considered necessary for the effective administration of this Project in a timely manner to meet the water demands anticipated by the continued growth in both the City and the Region of York.

According to the Financial Control Bylaw, Chapter 71 Section 71.11.1.C, any amendment to a commitment which requires expenditures in excess of \$500,000.00 requires approval of Standing Committee prior to making payment. Since the increase exceeds \$500,000.00, Standing Committee approval is required.

RECOMMENDATIONS

The General Manager of Toronto Water and the Acting Director of Purchasing and Materials Management Division recommend that Public Work and Infrastructure Committee grant authority to:

1. Amend the purchase order (P.O. 6019297) for professional services with CH2M HILL Canada Limited for services during construction by an additional amount of \$2,000,000.00, net of GST, for a revised total of \$8,092,151.23, net of GST

Financial Impact

There is no financial impact beyond what has already been approved in the 2009 to 2012 budget Purchase order 6019297 to CH2M Hill Canada Limited is funded from the approved 2009 Toronto Water Capital Budget in WBS Element CPW002 – F.J. Horgan Water Treatment Plant Capacity Expansion.

DECISION HISTORY

The award of the tender for professional services was approved at the March 1, 2006 Works Committee meetings. An amendment to the purchase order for additional professional services related to additional design work was approved at the November 12, 2008 Public Works and Infrastructure Committee meeting.

<http://www.toronto.ca/legdocs/2006/agendas/committees/wks/wks060111/wksdd.pdf>
<http://www.toronto.ca/legdocs/mmis/2008/pw/decisions/2008-11-12-pw20-dd.pdf>

ISSUE BACKGROUND

The expansion is required to meet the demand forecasts of both the City of Toronto and York Region identified in the York/Toronto Water Agreement approved by City Council at its meeting of May 17, 18 & 19, 2005. The Region of York is funding 31.99% of the Project cost.

As part of this agreement, the City is required to supply 501 ML/d to York Region by 2011. The completion of the Horgan Water Treatment Plant expansion by 2011 is critical in order for the City to meet its contractual obligations with York Region.

COMMENTS

The Request for Proposal for professional engineering services for the Project, issued in 2005, identified an estimated construction duration of 40 months. Due to subsequent design changes to the Project, a more aggressive construction period of 30 months became necessary to maintain the City's schedule for completion of the Project, to meet its contractual obligations contained in the York Agreement and to meet the future water demands of the City of Toronto.

As a result of the changes to the Project, additional site services including inspection resources are necessary to maintain the critical path and effective quality assurance and cost controls for this Project.

With the shorter construction period, the additional site and inspection resources will facilitate the timely review of construction administrative matters such as approvals, payment certification, requests for change orders, etc. and, in turn, keep the Project moving in a timely manner. The additional inspection resources will also assist in maintaining an effective level of quality assurance for this Project. Effective quality assurance measures are key to a successful Project to ensure that the quality of the work meets specification and that the work is installed and functioning properly.

CONTACT

Alex Vukosavljevic
Project Manager
Toronto Water
Telephone: (416) 392-2917
e-mail: avukos@toronto.ca

Liza Ballantyne
Senior Engineer, P.Eng.
Toronto Water
Telephone: (416) 392-2571
e-mail: lballan@toronto.ca

SIGNATURE

Lou Di Gironimo
General Manager
Toronto Water

Victor Tryl, P.Eng.
Acting Director
Purchasing and Materials Management