



STAFF REPORT ACTION REQUIRED

Amendment to Purchase Order 6023920 - Phase II Renovations at 519 Church Street Community Centre

Date:	January 29, 2010
To:	Government Management Committee
From:	Chief Corporate Officer Director, Purchasing and Materials Management Division
Wards:	Ward 27
Reference Number:	P:\2010\Internal Services\Fac\Gm10002Fac- (AFS 11408)

SUMMARY

The purpose of this report is to request authority to amend Purchase Order No. 6023920 to 373044 Ontario Limited o/a Trans-Canada Construction for the supply of all labour, equipment and materials for the Phase II Renovations at 519 Church Street Community Centre in accordance with specifications as required by Facilities Management Division.

Initial design established that hydro service into 519 Church Street was inadequate and required upgrading from 600 Amps to 800 Amps. Toronto Hydro was unable to provide the additional service at the start of the project as Toronto Hydro's power distribution services in the ground required upgrading for the area. The upgrades have now been done to the underground infrastructure and Toronto Hydro can now provide the upgraded electrical service required for the new renovation at 519 Church Street.

In addition, tile underlay was required on top of the new wood sub-floors for the installation of the new tile floors. Fire separations were required for the second floor ceilings, new footings were required in front of the existing building and additional asbestos removal was required on the second floor.

RECOMMENDATIONS

The Chief Corporate Officer and the Director of Purchasing and Materials Management Division recommend that Government Management Committee grant authority to:

1. Amend Purchase Order No. 6023920 for Tender Call 195-2007 to 373044 Ontario Limited o/a Trans-Canada Construction in the amount of \$182,237.40 net of GST, for Phase II Renovation at 519 Church Street Community Centre for a new total amount of \$4,070,645.90 net of GST.

FINANCIAL IMPACT

The total Purchase Order Amendment identified in this report is \$191,349.27 including all applicable taxes and charges. The cost to the City net of GST is \$182,237.40. The funding is available in the Approved 2010 Capital Budget and 2011-0219 Capital Plan for Facilities and Real Estate in the account CCA 171-06 (519 Church Street).

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

DECISION HISTORY

On October 3rd 2007, Bid Committee adopted the staff recommendation from the Director, Purchasing and Materials Management to award Tender No.195-2007 to 373044 Ontario Limited o/a Trans-Canada Construction, being the low bidder meeting specifications, for the supply of all labour and material for Phase II Renovations to 519 Church Street Community Centre. On November 21, 2007, Purchase Order # 6023920 was issued for \$2,805,408.50 net of GST to 373044 Ontario Limited o/a Trans-Canada Construction. A link to the staff report is as follows:

<http://www.toronto.ca/legdocs/2007/agendas/committees/bd/bd071003/bd071003.pdf>

On October 29 and 30 2008, City Council adopted the recommendation of EX24.22, Capital Plan Adjustments which allocated \$500,000.00 for unknown site conditions encountered during renovation to 519 Church Street Community Centre. On April 29 and 30, 2009, City Council further adopted the recommendation of EX31.13, Capital Budget Adjustments for an additional \$583,000.00 to address structural problems at 519 Church Street Community Centre, bringing the total approved adjustment by Council to \$1,083,000.00 net of GST. Purchase Order 6023920 was amended accordingly, bringing the purchase order amount to \$3,888,408.50 net of GST. Links to the staff reports are as follows:

<http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-10-29-cc25-dd.pdf>

<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-04-29-cc35-dd.htm>

ISSUE BACKGROUND

As renovations moved forward on this property, upgrading of the electrical system had to be carried out in addition to flooring and ceiling work that was discovered in the final stages of the renovation. Also, asbestos was discovered that required immediate remediation due to environmental and health and safety concerns. In an effort to ensure that these unsafe site conditions were dealt with immediately, 373044 Ontario Limited o/a Trans-Canada Construction was asked to submit a quotation for the upgrades required by Toronto Hydro, underlay for tiles, fire separations, new footings and asbestos removal. The quotation received from 373044 Ontario Limited o/a Trans-Canada Construction for the site conditioned mentioned above, amounted to \$182,237.40 net of GST and was reviewed by the project consultants and DCAP project manager and was deemed fair and reasonable.

COMMENTS

Because of warranty issues, environmental, health and safety concerns and given that 373044 Ontario Limited o/a Trans-Canada Construction was awarded the original contract and was already working on site, staff instructed Ontario Limited o/a Trans-Canada Construction to rectify the site conditions immediately. It is therefore being recommended that Purchase Order 6023920 issued to 373044 Ontario Limited o/a Trans-Canada Construction be amended further by \$182,237.40 net of GST for the additional work completed and in order to effect final payment.

CONTACT

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SIGNATURE

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