

**AMENDMENT TO PURCHASE ORDER No. 6020059
CONTRACT NO. 06NY-18RD, BEECROFT ROAD
EXTENSION IN NORTH YORK**

Date:	July 26, 2010
To:	Public Works and Infrastructure Committee
From:	Executive Director, Technical Services Director, Purchasing & Materials Management Division
Wards:	Ward 23 – Willowdale
Reference Number:	P:\2010\Cluster B\Tec\PW10037

SUMMARY

The purpose of this report is to request authority to amend Purchase Order No. 6020059 issued to 614128 Ontario Ltd. o/a Trisan Construction for Contract No. 06NY-18RD, Beecroft Road Extension in the North York District. The total amount requested is \$225,000.00 net of all taxes revising the total contract value from \$4,482,603.70 to \$4,707,603.70. The combined value of all amendments to date including the requested amount is \$630,000.00, which requires committee approval, in accordance with the City of Toronto Municipal Code, Chapter 71- Financial Control By-Law.

This increase is a result of additional work due to unforeseen site conditions encountered during construction. The contractor has recently agreed to a reduced final construction cost which has reduced the amendment. This requested amendment will enable City staff to make final payments to the contactor and close the contract.

RECOMMENDATIONS

The Executive Director of Technical Services and the Director, Purchasing and Materials Management recommend that Public Works and Infrastructure Committee grant authority to:

1. Amend Purchase Order No. 6020059 issued to 614128 Ontario Ltd. o/a Trisan Construction for Contract No. 06NY-18RD, Beecroft Road Extension and

Associated Underground Plant Installations by an additional \$225,000.00 net of all taxes.

Financial Impact

The amendment for an additional \$225,000.00 net of all taxes increases the purchase order value to \$4,707,603.70.

The funding for this increase has been reserved by Transportation Services for this purchase order amendment and is available in the 2010 Transportation Capital Budget under account number CTP310-04-34. The cash-flow requirement for this project is \$225,000.00 all in 2010. There will be no financial impact in future years.

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

ISSUE BACKGROUND

Bid Committee at its meeting of June 14, 2006, authorized the award of Contract No. 06NY-18RD, Beecroft Road Extension and Associated Plant Installations, Tender Call No. 13-2006 to 614128 Ontario Ltd. o/a Trisan Construction. On August 2, 2006, Purchasing & Materials Management issued P.O. No. 6020059 in the amount of \$4,077,603.70 to 614128 Ontario Ltd. o/a Trisan Construction being the lowest qualified bidder meeting specifications.

The Beecroft Road extension from Finch Avenue West to Kempford Boulevard included extensive buffer zone enhancement (linear park construction) in three areas of adjoining orphan lands. The buffer zone enhancements necessitated a purchase order amendment in the value of \$405,000.00 net of all taxes. This first purchase order amendment was approved by staff in accordance with the City of Toronto Municipal Code, Chapter 71- Financial Control By-Law.

Towards the end of the construction works, several additional unforeseen circumstances were encountered and extra work included as deemed necessary to provide a complete project. These additional works require an increase of \$225,000.00 to the contract value. This now put the total changes to this contract above \$630,000.00 and therefore outside the authority of the Executive Director. As this amount is outside Staff's authority Standing Committee's approval is required before payment can be effected. The additional work includes:

1. Additional work required within the buffer zone enhancement area to elevate the level of some special features;
2. Additional work required to minimize the impact on three private properties immediately adjacent to Beecroft Road extension;

3. Additional sidewalk installation on Lorraine Drive and along the east side of Beecroft Road which was originally at the tender stage assumed to be done by private developer but not;
4. Extensive additional grinding and paving due to increased grinding depth over a larger area at Finch and Beecroft intersection than originally envisaged;
5. Additional work required to modify pavement markings, provide additional signage and place concrete barriers all along the centre line of the road to make it operational one-way only due to public requests to the City;

These additional costs have been reviewed by Technical Services staff and after negotiations with the contractor, accepted as fair for the scope of the additional works.

The value of the total of the first purchase order amendment and this proposed purchase order amendment exceeds staff signing authority.

The approval of this report will authorize Purchasing and Materials Management to amend the Purchase Order. This amendment will enable the City staff to make final payments to the contractor and close the contract.

COMMENTS

Contract No. 06NY-18RD, Beecroft Road Extension in the North York District is now complete and the requested purchase order amendment will enable the final payment to be made to the Contractor and allow contract closure.

To facilitate final payment and contract closure, we respectfully request an amendment to the existing purchase order No. 6020059 in favour to 614128 Ontario Ltd. o/a Trisan Construction for the Beecroft Road Extension and Associated Underground Plant Installations. The new proposed amended value of this purchase order is \$4,707,603.70.

CONTACT

Mahesh Ramdeo P. Eng. PMP.
Manager (ag.), Design and Construction
Linear Infrastructure
Telephone: (416) 338 2932
Email: mramdeo@toronto.ca

David Ferguson
Manager, Construction Services
Purchasing & Materials Management
Telephone: (416) 392 7323
Email: dfergus4@toronto.ca

SIGNATURE

Peter Crockett, P. Eng.
Executive Director
Technical Services

Lou Pagano, P. Eng.
Director
Purchasing & Materials Management