



**STAFF REPORT
ACTION REQUIRED**

Amendment to Purchase Order Numbers 47013706 and 47013707 – Toronto York Spadina Subway Extension Project – Business Loss Consultant Fees

Date:	February 1, 2013
To:	Government Management Committee
From:	Chief Corporate Officer & Director, Purchasing and Materials Management
Wards:	8 – York West, 9 & 10 – York Centre
Reference Number:	P:\2013\Internal Services\Re\GM13006 (AFS –17094)

SUMMARY

The purpose of this report is to request authority to amend Purchase Order Numbers 47013706 and 47013707 with Dyson & Associates Inc. and Hallinan Tautrim Inc. respectively for Business Valuation Consulting Services work related to the Toronto York Spadina Subway Extension Project (the "Project"). The purchase order amendment request is to extend the current validity end dates of the Purchase Orders, to April 30, 2018, under the same terms and conditions as the original contracts.

City Council approval is required in accordance with Municipal Code Chapter 195 – Purchasing, where the current request has exceeded the Chief Purchasing Official's authority of the cumulative five year commitment limit under Section 1 of the Purchasing By-Law.

RECOMMENDATIONS

The Chief Corporate Officer and the Director, Purchasing and Materials Management, recommend that:

1. City Council authorize the extension of the validity end date of Purchase Order Numbers 47013706 and 47013707 with Dyson & Associates Inc. and Hallinan Tautrim Inc. respectively to April 30, 2018, under the same terms and conditions as the original contracts.

Financial Impact

This report recommends the extension of two contracts for Business Loss Consulting Services, but does not alter the original contract values. Therefore, there is no financial impact associated with this report. Funding remains available in the Council Approved 2013 Capital Budget, and the 2014-2022 Capital Plan within the Toronto-York Spadina Subway Extension Capital Project.

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

DECISION HISTORY

On February 13, 2008 (Meeting 56, Item 5), the Bid Committee adopted the recommendations of Report RFP 9130-07-7075, approving the recommendations of the Director of Purchasing and Materials Management that authority be granted to enter into agreements with Hallinan Tautrim Inc. and Dyson & Associates Inc. for the provision of business valuation consulting services on a fee for service basis for the duration of the Project, for three years with an option to renew for two additional one year periods, in each case not to exceed \$750,000.00 net of GST for the duration of the Project.

<http://www.toronto.ca/legdocs/2008/agendas/committees/bd/bd080213/bddd.pdf>

COMMENTS

In 2008 the Chief Corporate Officer issued a request for proposals for three different sets of real estate consultants (negotiators, appraisers and business valuers) to assist with property acquisitions for the TYSSE Project, including expropriations and claims for compensation for business loss. The City retained Hallinan Tautrim Inc. and Dyson & Associates Inc. as Business Loss Consultants for the Project, at a contract amount for each of up to \$750,000.

To date only \$19,246.93 has been spent of the \$750,000 allocated to Hallinan Tautrim Inc., and \$58,966.45 of the \$750,000 allocated to Dyson & Associates Inc. as a result of delays with the project and business loss claims not yet being submitted to the City.

There have been a number of major schedule impacts that, while normal for a project of this complexity and magnitude, could not be absorbed into the compressed schedule that had already been adopted, and consequently have resulted in delays to the Project. TTC reported to the Commission on the project schedule change at its meeting on October 24, 2012. These delays have impacted the timelines for when property owners can submit business loss claims, in relation to the Project.

While appraisers and negotiators services are required at the front end of the Project, much of the work performed by business valuers is performed later on in the Project related to claims for compensation resulting from property acquisitions and actual

construction. As a result of Project delays, the business loss consulting work has also been delayed.

The original Project completion date was scheduled for December 2015, however it is now anticipated that the Project will not be completed until the fall of 2016. Business Loss Claims can be filed by property owners up to one year from the completion date of the project; therefore claims may still be lodged by property owners in 2017.

The continued use of Hallinan Tautrimis Inc. and Dyson & Associates Inc. is the most expedient and cost effective means of responding to both outstanding and any new claims for compensation. Therefore, the services of both business valuers are now required for an additional period, this report recommends extension of both contracts to April 30, 2018.

The City Solicitor has reviewed this report and supports the recommendations herein.

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SIGNATURE

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