



STAFF REPORT ACTION REQUIRED

Amendment to Contract No. 75-2015 for Union Station Revitalization Project Stages 2 and 3

Date:	October 27, 2016
To:	Government Management Committee
From:	Chief Corporate Officer and Director of Purchasing and Materials Management Division
Wards:	Ward 27 – Toronto Centre Rosedale
Reference Number:	P:\2016\Internal Services\FAC\Gm16030fac (AFS 23858)

SUMMARY

This report requests authority to amend Contract No. 75-2015 with Bondfield Construction Company Limited (Bondfield) for Union Station Revitalization Project USRP Stages 2 and 3 to increase the Contract value by up to \$28,500,000, net of all taxes, revising the current Contract value from \$178,752,180, net of all taxes to a maximum value of \$207,252,180 net of all taxes.

This amendment request is within the overall USRP approved budget of \$800.7 million.

RECOMMENDATION

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

1. The Government Management Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control Bylaw), grant authority to amend Contract No. 75-2015 with Bondfield Construction Company Limited for Union Station Revitalization Project Stages 2 and 3 by increasing the Contract value by up to \$28,500,000, net of all taxes, revising the current Contract value from \$178,542,180, net of all taxes to a maximum value \$207,242,180, net of all taxes.

Financial Impact

Funding for the requested Contract amendment amount is available in the 2016 Council approved Capital Budget and 2017-2025 Capital Plan for USRP and is within the approved overall project budget of \$800.7 million. The requested contract amendment is to address the outstanding Stage 1 scope of work. Work on Stage 2/3 and will be funded through uncommitted Stage 1 budget originally related to the contractual agreement with Carillion Construction Inc. and project contingency.

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

DECISION HISTORY

At its meeting on July 7, 8 and 9, 2015, City Council adopted GM 5.19, Union Station Revitalization Project—Status Update which included Recommendation 2 for the award of the Contract with Bondfield, for the USRP Stages 2 and 3.

The following is the link to the City Council Decision Document:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM5.19>

ISSUE BACKGROUND

On March 13, 2015, Tender Call No. 75-2015, USRP Stages 2 and 3 was released to the public for bidding. The tender closed on May 26, 2015 with 4 bids received and subsequent to a review of the tender submissions, a recommendation was prepared for Council approval to award the Contract to Bondfield. This recommendation was presented to Government Management Committee (GMC) at its meeting on June 15, 2015 and subsequently to City Council for approval at its meeting on July 7, 8 and 9, 2015.

Subsequent to City Council approval, Contract No. 75-2015 for USRP Stage 2 and 3 work in the amount of \$178,542,180 net of all applicable taxes was executed in August 2015 with Bondfield.

Work has been actively progressed on site by Bondfield since their contractual start date of September 8, 2015.

COMMENTS

At the time of the completion of the tender documents for Stage 2 and 3, it was assumed that Carillion Construction Inc. (Carillion) would complete all of the remaining Stage 1 work in advance of the Stage 2 and 3 contractor starting on site and therefore no Stage 1 scope was included. Unfortunately, due to ongoing issues in the performance of Carillion which is currently subject to an ongoing litigation action, a significant amount of the Stage 1 work remained unfinished at the time of the City's Stage 2 and 3 contractor, Bondfield started work on site. In addition, Carillion's ongoing construction activities on site resulted in some areas not being available for Bondfield construction activities. No availability of "as-built" record drawings from Stage 1 has also created a number of

scope gaps that now need to be addressed. This outstanding work needs to be completed in order to allow Stage 2 and 3 to be completed.

In addition to the foregoing, over the course of the past 13 months of Bondfield Stage 2 and 3 construction USRP has experienced the typical to-date Union Station construction challenges, being: unforeseen site conditions, environmental abatement, stakeholder requests, third party change requests/requirements, insufficient/missed design details and heritage design issues. A shortfall in the inspection and testing allowance in Bondfield's Contract has also been identified. All of these issues have resulted in a drawdown of Bondfield's current in-Contract contingency amounts.

As a result of the above, and in order to progress the construction work to completion, an amendment to the Contract value is required to address the issues identified. Staff will manage this additional authority at the City's sole discretion only.

Sufficient uncommitted funds are available within the USRP approved budget to accommodate this amendment.

USRP Stage 2 and 3 construction work is progressing well towards a substantial completion in early 2018. All remaining construction activities will be completed in 2018.

CONTACT

Richard Coveduck, P.Eng
Director, Strategic Projects
Facilities Management
Telephone: (416) 338-2737
E-mail: rcovedu@toronto.ca

Rick Tolkunow, P.Eng.
Principal Engineer, USRP
Facilities Management
Telephone: (416) 392-6322
e-mail: rtolkun@toronto.ca

SIGNATURE

Josie Scioli
Chief Corporate Officer

Michael Pacholok
Director
Purchasing and Materials Management