



**STAFF REPORT
ACTION REQUIRED**

**Amendment to Purchase Order No. 6029085
Basement Flooding Improvement
Assignment No. 14-06A
Contract No. 09FS-71WP (Task Order No. 2)**

Date:	July 27, 2010
To:	Public Works and Infrastructure Committee
From:	Executive Director, Technical Services Director, Purchasing and Materials Management Division
Wards:	Ward 8 – York West
Reference Number:	P:\2010\clusterB\TEC\PW10034 (AFS # 12049)

SUMMARY

The purpose of this report is to request authority to amend Purchase Order No. 6029085, for the Basement Flooding Improvements Project at Driftwood Avenue and Hoover Crescent, Contract 09FS-71WP (Task Order Contract No. 2). The total amendment being requested is \$350,381.75 net of GST revising the current contract value from \$2,110,787.36 to \$2,461,169.11 net of GST.

Purchase Order No. 6029085 was amended by an additional \$444,232.88 net of GST on June 10, 2010, from \$1,666,554.48 for an amended total value of \$2,110,787.36 net of GST in accordance with the City's Financial Control By-Law. The total increase to the original order with the requested amount of \$350,381.75 will be \$794,614.63 net of GST.

The amendment is required due to extra work related to the removal and disposal of asbestos contained in the roadway pavement and performing storm sewer replacement works in unsuitable soil conditions.

The above noted extra work requested in this report has been completed. HST is not applicable as the work was completed prior to the HST implementation date of July 1, 2010.

RECOMMENDATIONS

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

1. Amend Purchase Order No. 6029085 for the Basement Flooding Improvements Project at Driftwood Avenue and Hoover Crescent, Contract 09FS-71WP (Task Order Contract No. 2) with Drainstar Contracting Ltd., by an additional amount of \$350,381.75 net of GST, revising the current contract value from \$2,110,787.36 to \$2,461,169.11 net of GST .

Financial Impact

The amendment for an additional amount of \$350,381.75 net of GST increases the current contract value from \$2,110,787.36 to \$2,461,169.11 net of GST. Sufficient funding is available in the 2010 Toronto Water Capital Budget under WBS element CWW850-01 (North York Basement Flooding).

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

BACKGROUND

Tender Call No. 123-2009 was issued on July 9, 2009 for the Basement Flooding Improvement Projects. The staff report for an award of contract was approved by the Bid Committee on September 16, 2009 and can be found at the following link:

<http://www.toronto.ca/legdocs/mmis/2009/bd/bgrd/backgroundfile-23353.pdf>

Task Order Contract No. 2 under Contract 09FS-71WP was awarded to Drainstar Contracting Ltd. on November 5, 2009. On November 19, 2009 the Purchasing and Materials Management Division issued Purchase Order No. 6029085 to Drainstar Contracting Ltd. in the amount of \$1,666,554.48 for Task Order Contract (TOC) No. 2 under General Services Contract 09FS-71WP, Tender Call No. 123-2009, being the qualified bidder meeting specifications.

The initial amendment dated June 10, 2010 was for additional work items, associated with unanticipated soil conditions (high Sodium Absorption Ratio), including additional cost for excavation, backfill and disposal; additional building condition survey work to document existing private property condition and additional cost for storm sewer construction to suit as-built site conditions.

COMMENTS

The original Purchase Order included the replacement of existing storm sewers with 450 mm to 1200 mm diameter storm sewers on Driftwood Avenue and Hoover Crescent. This replacement prevented basement flooding through improving the flow carrying capacity of the storm sewers. In addition, replacement of existing 150 mm diameter water main on Hoover Crescent was also required due to high break rates and associated site restorations.

During the construction on Driftwood Avenue and Hoover Crescent, unanticipated asbestos was discovered in asphalt pavement, which required additional work for the specialized handling, removal, haulage and disposal of approximately 900 tonnes of additional quantity of asphalt containing asbestos, in compliance with Ministry of Labour regulation, O. Reg. 213/91, S.226 (5). This extra work was completed under the TOC's unit price for asbestos removal, resulting in unexpected total additional costs of \$283,738.50.

During the installation of the 525 mm diameter storm sewer on Driftwood Avenue, unexpected soft and highly saturated soils were encountered. Further site investigations by the City's geotechnical consultant confirmed localized soils to be soft and wet, highly saturated clayey silt and sand soil conditions, which were also causing road settlements. These soft and highly saturated soils are classified as Type 4 soils in Occupational Health and Safety Act and Regulations for Construction Projects, O. Reg. 213/91, s.226 (5) and require specialised construction methods. This required excavation and removal of soft - saturated soils and road reconstruction along 69 metres section of the pavement and was necessary to ensure effective soil bearing capacity for the replacement of the storm sewer. This additional work was completed at a cost of \$66,643.25 net of GST and was performed in compliance with Ministry of Labour regulations, O. Reg. 278/05, for working in wet soil conditions.

The above noted extra work requested in this report totals \$350,381.75 net of GST and has been completed. The required increase is needed to process the final invoices for contract completion.

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