



STAFF REPORT ACTION REQUIRED

Amendment to Agreements for Contracted Professional Services for Transportation Services and Toronto Water Capital Projects

Date:	March 5, 2013
To:	Public Works & Infrastructure Committee
From:	Acting Executive Director, Engineering and Construction Services Director, Purchasing and Materials Management Division
Wards:	All Wards
Reference Number:	P:\2013\Cluster B\TEC\PW13018 (AFS# 17066)

SUMMARY

The purpose of this report is to request authority to amend agreements with R.V. Anderson Associates Ltd., The Sernas Group Inc., and McCormick Rankin Corporation for Contracted Professional Services related to Design and Construction Supervision of the 2013 and 2014 Transportation Services and Toronto Water Capital Works Programs. The amendment request is to extend the term of the agreements, as well as the corresponding Purchase Orders and Open Contract from June 30, 2013 up to February 28, 2015, under the same terms and conditions as the original agreements.

RECOMMENDATIONS

The Acting Executive Director, Engineering and Construction Services, and the Director, Purchasing and Materials Management, recommend that:

1. City Council authorize the extension of the agreements with R.V. Anderson Associates Ltd., The Sernas Group Inc., and McCormick Rankin Corporation for Contracted Professional Services related to Design and Construction Supervision of the 2013 and 2014 Transportation Services and Toronto Water Capital Works Programs (respectively, Purchase Order Numbers 6031100 and 6031114 and Open Contract Number 47015285), up to February 28, 2015, under the same terms and conditions of the original agreements.

2. City Council authorize the Acting Executive Director of Engineering and Construction Services to enter into and execute any required amending agreements to give effect to the extension in Recommendation 1.

FINANCIAL IMPACT

This report recommends the extension of three contracts for Contracted Professional Services related to Design and Construction Supervision, 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 Transportation Services and Toronto Water Capital Programs.

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

DECISION HISTORY

On June 23, 2010 (meeting 175, Item 6), the Bid Committee adopted the recommendations of Report RFP 9117-10-5051, approving the recommendations of the Director of Purchasing and Materials Management that authority be granted to enter into agreements with R.V. Anderson Associates Ltd., The Sernas Group Inc., and McCormick Rankin Corporation for the provision of contracted professional services for pre-design, detailed design, tendering preparation, contract administration and site supervision for District Transportation Services and Toronto Water Capital projects on a fee for service basis for a duration of one year until June 30, 2011 with the option to renew for two additional one year periods. These assignments will therefore expire on June 30, 2013. The total potential contract award value for each assignment, including all option years net of all applicable taxes is \$7,285,034.94, \$8,090,739.84, and \$8,988,337.20 respectively. No changes to these award values are being sought in this report.

<http://www.toronto.ca/legdocs/mmis/2010/bd/minutes/2010-06-23-bd175-mn.htm>

COMMENTS

In 2010 Engineering and Construction Services and Purchasing and Materials Management issued a request for proposal to procure the services of Engineering Consulting firms to assist with the Pre-Design, Detail Design, Preparation of Tender Documents, Contract Administration and Site Supervision for Capital construction projects. The City retained the firms of R.V. Anderson Associates Ltd., McCormick Rankin Corporation, The Sernas Group Inc. and Cole Engineering Group Ltd. Each contract was for a term of one year, renewable for up to two further one-year terms. All three contracts were renewed for the second and third year options and will expire on June 30, 2013.

The firms of R.V. Anderson Associates Ltd., McCormick Rankin Corporation, and The Sernas Group Inc. have completed designs scheduled for construction in 2013 and are commencing designs for work scheduled for construction in 2014. For these firms to complete the construction site supervision component of their work assignments, the current terms of their

agreements to provide professional services require extensions until February 2015 when it is anticipated that all planned construction activities will be concluded. The existing firms have all confirmed that they agree to the proposed extension under the same terms and conditions of the existing agreements.

Continuity with respect to having the same firms that prepare the design documents oversee the contract administration and construction supervision phases of projects is critical from the City's perspective in order to mitigate cost overruns during construction. The introduction of new firms to oversee the contract administration and construction supervision for projects that they were not involved with during the design phase will result in cost premiums for the same service already contracted to the current firms. If the current assignments are not extended, designs for 2014 projects would be delayed for several months until an alternate firm could be retained. This would result in the deferral of 2014 projects.

It is important to note that this request to extend the terms of the agreements with the current firms, under the same terms and conditions as the original contracts, will have no additional financial impact beyond that approved by Bid Committee during the award process. This request is strictly for additional time.

The continued use of R.V. Anderson Associates Ltd., McCormick Rankin Corporation, and The Sernas Group Inc. is the most expedient and cost effective means of fully completing all phases of assigned work. Therefore, the services of all three firms are now required for an additional period, and the recommendation is to extend all three contracts until February 28, 2015.

Staff from the Legal Services and Purchasing and Materials Management Divisions have reviewed this report and advised that seeking Council's approval for these contract extensions is necessary because there is no delegated authority to staff to extend the term of the contract beyond any option years originally contemplated.

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SIGNATURE

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