



REPORT FOR ACTION

Amendment to Purchase Order No. 6044167 with Mopal Construction Limited for Construction work at the Guild Inn

Date: October 25, 2017

To: Government Management Committee

From: General Manager, Parks Forestry and Recreation; Director, Purchasing and Materials Management

Wards: Ward 43 - Scarborough East

SUMMARY

The purpose of this report is to request authority to amend Purchase Order No. 6044167 issued to Mopal Construction Ltd. for the provision of all labour, materials, products, equipment and supervision required to complete parking lot, driveways and lighting work to the Guild Inn site at 201 Guildwood Parkway. The contract for the construction of these improvements was originally awarded in accordance with the call process for Tender No. 254-2016. The recommended amendment is required to pay the contractor for additional work required to address unforeseen site conditions and coordination issues related to the project.

The total purchase order amendment being requested is for an additional amount of \$239,073 net of all taxes and charges (\$243,281 net of HST recoveries). Funding for these construction services is included in the Parks, Forestry and Recreation 2017 Capital Budget approved by City Council at its meeting of February 15 and 16 2017.

RECOMMENDATIONS

The General Manager, Parks Forestry and Recreation and the Director, Purchasing and Materials Management recommend that:

1. The Government Management Committee in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to amend Purchase Order No. 6044167 issued to Mopal Construction Ltd. for the provision of all labour, materials, products, equipment and supervision required to complete parking lot, driveways and lighting work to the Guild Inn site at 201 Guildwood

Parkway, Toronto, awarded in accordance with the requirements of Tender 254-2016, by an additional \$239,073 net of all taxes and charges (\$243,281 net of HST recoveries) revising the current contract value from \$1,890,400 net of all taxes (\$1,923,672 net of HST recoveries) to \$2,129,473 net of all taxes (\$2,166,952 net of HST recoveries).

FINANCIAL IMPACT

The amendment to Purchase Order No. 6044167 for an additional amount of \$239,073 net of all taxes and charges (\$243,281 net of HST recoveries), adjusts the current contract value from \$1,890,400 net of all taxes and charges (\$1,923,672 net of HST recoveries) to \$2,129,473 net of all taxes and charges (\$2,166,952 net of HST recoveries).

Funding for these construction services is available in the Parks, Forestry and Recreation 2017 Approved Capital Budget, in the following account:

WBS Element	Description	Original Value (Net of HST Recoveries)	Jan. 1, 2017 to Dec. 31, 2017	Total (Net of HST Recoveries)
CPR 118-47-01	CAMP (SGR) PARKING LOTS & TENNIS CRTS. FY2017	\$1,923,671	\$243,281	\$ 2,166,952

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

DECISION HISTORY

At its meeting of February 17, 2016, City Council adopted the Parks, Forestry and Recreation (PF&R) 2016 Capital Budget through item EX12.2 (28.a.i). The 2016 CAMP (SGR) Parking Lots & Tennis Courts sub-project was approved with a project cost of \$3.020 million funded from Capital from Current. In addition, the 2016 CAMP (SGR) Special Facilities Building & Structures sub-project was Council approved with a project cost of \$3.170 million with funding from Capital from Current.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX12.2>

At its meeting of October 19, 2016, the Bid Committee approved the award of Tender No. 254-2016 to Mopal Construction Limited for provision of all labour, materials, products, equipment and supervision required to complete parking lot, driveways and lighting work to the Guild Inn site at 201 Guildwood Parkway, Toronto.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BD106.8>

At its meeting of February 15 and 16, 2017, City Council approved the Parks, Forestry and Recreation 2017 Capital Budget through item EX22.2 (22a.i. and 22a.ii.). The

2017 CAMP (SGR) Parking Lots & Tennis Courts sub-project was approved with a project cost of \$3.400 million and cash flow of \$2.200 million in 2017 and \$1.200 million in 2018. Funding sources include Capital from Current and Debt.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX22.2>

COMMENTS

The Guild Inn Property is a Toronto and Region Conservation Authority-owned site, leased to Parks Forestry and Recreation, located at 201 Guildwood Parkway. The site contains the heritage Bickford House, surrounding parkland and ancillary service buildings.

On October 15, 2015, the City of Toronto entered into a Lease Amending Agreement with Guild Inn Estate Inc. and the Toronto and Region Conservation Authority (TRCA) in which the City agreed to perform specific items of work, including the reconstruction of parking lots, driveways and installation of lighting.

Purchase Order No. 6044167, for the provision of all labour, materials, products equipment and supervision required to complete parking lot, driveways and lighting work to the Guild Inn Site at 201 Guildwood Parkway was issued to Mopal Construction Limited on November 8, 2016 in the amount of \$1,434,400 net of all taxes and charges (\$1,459,646 net of HST recoveries).

During the performance of the contract, several unforeseen issues complicated the project, leading to delays and additional costs:

1. Areas of unsuitable non-load bearing subsoils were discovered through geotechnical testing and were identified for removal, resulting in additional excavation and disposal costs, and required additional imported granular substrate.
2. In coordinating their work with that of the Guild Inn Estate Inc., the contractor undertook additional work as part of the paving operations, modifying elevations to ensure positive drainage, and undertook additional restoration work related to general site cleanup and fine grading beyond their specified work area.

Purchase Order History.

1. The amount of the original Purchase Order was \$1,434,400 net of all taxes and charges.
2. The amount of Purchase Order Amendment #1 was for an additional \$150,000 for a total revised Purchase Order of \$1,584,400 net of all taxes and charges.
3. The amount of Purchase Order Amendment #2 was for an additional \$306,000 for a total revised Purchase Order of \$1,890,400 net of all taxes and charges.

4. The amount of this proposed Purchase Order Amendment is for an additional \$239,073 resulting in a revised purchase order value of \$2,129,473 net of all taxes and charges.

5. The cumulative total of all amendments including the current request is \$695,073 net of all taxes and charges.

In summary, this report is requesting authority for the amendment to Purchase Order No. 6044167 issued to Mopal Construction Limited for all labour, materials, products equipment and supervision required to complete parking lot, driveways and lighting work to the Guild Inn Site at 201 Guildwood Parkway, in the additional amount of \$239,073, net of all taxes and charges, (\$243,281 net of HST recoveries). This revises the current contract value from \$1,890,400 net of all taxes (\$1,923,672 net of HST recoveries) to \$2,129,473 net of all taxes (\$2,166,952 net of HST recoveries).

Based on the unforeseen complications encountered on the project, it is the opinion of City staff that the costs submitted by Mopal Construction Limited are fair and reasonable and are in keeping with the conditions of the contract.

CONTACT

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SIGNATURE

Michael Pacholok
Director, Purchasing and Materials Management

Janie Romoff
General Manager, Parks, Forestry and Recreation