



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Amendment to Purchase Order No. 6037278 for Engineering Services for Construction Contract Administration for the P Building Upgrade and Odour Control Project at the Ashbridges Bay Treatment Plant

Date: October 4, 2017
To: Public Works and Infrastructure Committee
From: Chief Engineer and Executive Director, Engineering and Construction
Services
Director, Purchasing and Materials Management Division
Wards: Ward 32 - Beaches-East York

REASON FOR CONFIDENTIAL INFORMATION

This report involves the security of property belonging to the City or one of its agencies or corporations.

SUMMARY

The purpose of this report is to request the authority to amend Purchase Order No. 6037278 issued to AECOM Canada Ltd. for Professional Engineering Services during construction of P Building Upgrade and Odour Control project at the Ashbridges Bay Treatment Plant, awarded under Request for Proposal (RFP) 9117-08-7215. The amendment is needed for additional construction contract administration and site inspection services resulting from an extension to the construction schedule.

The total Purchase Order amendment being requested is \$2,810,425 net of all taxes and charges, revising the current Purchase order value from \$7,338,729 of all taxes and charges, to \$10,149,154 net of all taxes and charges (\$10,327,779 net of HST recoveries). The amendment value requested will increase the total contract value from \$14,738,551 net of all taxes and charges (\$14,997,950 net of HST recoveries) to \$17,548,976 net of all taxes and charges (\$17,857,838 net of HST recoveries).

RECOMMENDATIONS

The Chief Engineer and Executive Director of Engineering and Construction Services, and the Director of Purchasing and Materials Management Division, recommend that:

1. The Public Works and Infrastructure 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 Purchase Order No. 6037278 with AECOM Canada Ltd. for professional engineering services for contract administration and site inspection services during construction of P Building Upgrade and Odour Control at the Ashbridges Bay Treatment Plant, RFP No. 9117-08-7215, by an additional amount of \$2,810,425 net of all taxes and charges (\$2,859,888 net of HST recoveries), revising the current Purchase Order value from \$7,338,729 net of all taxes and charges, to \$10,149,154 net of all taxes and charges (\$10,327,779 net of HST recoveries), and to extend the provision of professional services covered by the Purchase Order from December 31, 2017 to December 31, 2019.
2. The Public Works and Infrastructure Committee direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it relates to the security of the property of the municipality.

FINANCIAL IMPACT

Amendment of Purchase Order No. 6037278 by an additional amount of \$2,810,425, net of all taxes and charges (\$2,859,888 net of HST recoveries) will increase the current contract value from \$7,338,729 net of all taxes and charges, to \$10,149,154 net of all taxes and charges (\$10,327,779 net of HST recoveries).

The date for completion of the professional services covered by Purchase Order No. 6037278 is December 31, 2017. The recommended amendment includes an extension, revising the Purchase Order completion date to December 31, 2019.

Funding availability is included in the Toronto Water 2017 Approved Capital Budget and 2018-2026 Approved Capital Plan.

Funding details are provided below (net of HST recoveries):

WBS Element	Description	2017	2018	2019	Total
CWW019-08	P Building Headworks - Engineering Design and Contract Admin	\$259,888	\$1,600,000	\$1,000,000	\$2,859,888

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

DECISION HISTORY

On January 21, 2009, the Bid Committee approved the recommendation for an award of RFP No. 9117-08-7215 to AECOM Canada Ltd. for provision of professional services for preliminary design, detailed design, construction contract administration, and post construction services for the construction of P Building Upgrade and Odour Control at the Ashbridges Bay Treatment Plant in the amount of \$11,442,203 net of all taxes as follows: (a) for the pre-design and detailed design, an amount not to exceed \$6,850,343 net of all taxes, (b) for services during construction including general office administration and site supervision services, an amount not to exceed \$4,042,382 net of all taxes for a construction period of up to 3 years; and (c) for the post-construction services, an amount not to exceed \$549,478 net of all taxes, being the highest scoring proponent meeting the requirements of Request For Proposal 9117-08-7215. The Bid Committee decision can be found at:

<http://www.toronto.ca/legdocs/2009/agendas/committees/bd/bd090121/bddd.pdf>

At its meeting on May 15, 2013, the Public Works and Infrastructure Committee granted authority to:

- a) award Contract 12FS-18WP, Tender Call 275-2012 for P Building Upgrade and Odour Control at the Ashbridges Bay Treatment Plant, to Walsh Construction Company Canada, in the amount of \$129,928,999 net of HST; and
- b) amend Purchase Order No. 6028839 with AECOM Canada Ltd., for the provision of professional services for contract administration and site inspection services during construction of P Building Upgrade and Odour Control at the Ashbridges Bay Treatment Plant by an additional amount of \$3,296,347 net of HST, revising the contract value from \$4,042,381 net of HST to \$7,338,729 net of HST (\$7,467,891 net of HST Recoveries). This Purchase Order Amendment provided for an increase in Contract Administration fees to account for the Contractor's longer construction schedule than was originally requested (i.e. 190 weeks versus 156 weeks); and for additional inspection and project administration staff given the scale and multi-disciplinary project scope.

The Committee decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.PW23.7>

COMMENTS

Background

The Ashbridges Bay Treatment Plant (ABTP) is located at 9 Leslie Street in Toronto's east end. It was originally built in 1910 and is one of Canada's largest and oldest wastewater treatment plants, with a capacity of 818,000 cubic metres per day.

ABTP is a source of nuisance odours, and the City has taken measures to mitigate impacts to the surrounding community. The P Building Upgrade and Odour Control project is part of an overall program to upgrade facilities at ABTP and meet Ministry of Environment and Climate Change (MOECC) odour compliance requirements. The construction contract consists of:

- Demolition of major portions of the previous primary treatment headworks facilities including: two large buildings, eleven sewage channels and conduits, ten large screens, two cranes, and six grit wash tanks; and,
- Construction of new primary treatment facilities, processes and equipment, including: new eight storey and two storey buildings, seven sewage conduits, six new screens and sluicing channels, truck loading facility, 5 kV electrical substation, biofilter, and associated electrical, mechanical, ventilation, chemical systems and instrumentation and IT upgrades.

A view of the project site and photographs of the P Building construction is provided in Attachment 1.

AECOM was retained to provide detailed design engineering services (under PO 6027668) and contract administration (under PO 6028839, subsequently replaced by PO 6037278 due to corporate name and address change).

The Order to Commence was issued to Walsh Construction Company Canada on September 3, 2013, placing the contractual completion date at April 30, 2017.

As construction work progressed, Toronto Water staff requested that the tendered design for the diversion chamber for influent Conduits 1 and 2 be redesigned to include two separate chambers as opposed to one consolidated chamber. Two chambers would allow operations to have the option of full or partial system bypass and isolation. As a result of this scope change, the construction contract completion date was extended 42 days from April 30, 2017 to June 11, 2017.

Current Situation

Notwithstanding the extension granted to Walsh Construction Company Canada for the additional scope of work, they have been unable to complete the construction activities associated with the entire project within the timelines prescribed by the contract. Further details are contained in Confidential Attachment 1. Walsh Construction Company Canada has made several changes to their project team, including assigning a new Project Manager and improving project controls which have contributed to a

marked improvement in resources assigned to this project and improved progress on the project. However, staff together with our engineering consultant on the project, AECOM Canada Ltd., are of the opinion that the project completion will be delayed to May 2019. This, therefore, necessitates additional contract administration services provided by AECOM Canada Ltd., which is the subject of this report.

The construction project is 77% complete. Sufficient fees remain within the AECOM Canada Ltd. Purchase Order to provide contract administration services through to November 2017.

The initial contract awarded to Aecom Canada Ltd. was for \$11,442,203 net of all taxes, through the issuance of Purchase Order Nos. 6027668 and 6037278, and a Purchase Order for Post Construction, which has not yet been issued. Purchase Order No 6037278 was previously amended in the amount of \$3,296,348 net of all taxes and charges, revising the Purchase Order value from \$4,042,382 to \$7,338,730 net of all taxes and charges (\$7,467,892 net of HST recoveries).

It is now requested that Purchase Order No 6037278 be further amended by an additional \$2,810,425 net of all taxes and charges (\$2,859,889 net of HST recoveries). This will revise the Purchase Order value from \$7,338,730 net of all taxes and charges to \$10,149,155 net of all taxes and charges (\$10,327,780 net of HST recoveries). The total contract value will be revised from \$14,738,551 (\$14,997,950 net of HST recoveries) to \$ 17,548,976 (\$17,857,838 net of HST recoveries).

Particulars relating to the recovery of the City's additional costs are set out in Confidential Attachment 1.

CONTACT

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SIGNATURE

Michael D'Andrea, M.E.Sc., P.Eng., Chief Engineer and Executive Director, Engineering and Construction Services

Michael Pacholok, Director, Purchasing & Materials Management

ATTACHMENTS

Attachment 1 - Photographs of P Building Construction
Confidential Attachment 1 - Amendment to Purchase Order 6037278