



REPORT FOR ACTION

Amendment to Purchase Order Number 6033858 Issued to Buttcon Limited for Redevelopment of Kipling Acres Long-Term Care Home

Date: September 30, 2019
To: Economic and Community Development Committee
From: Interim General Manager, Seniors Services and Long-Term Care;
Chief Purchasing Officer, Purchasing and Materials Management Division
Wards: All

SUMMARY

The purpose of this report is to request authority to amend Purchase Order number 6033858 issued to Buttcon Limited for additional costs related to a delay claim settlement.

RECOMMENDATIONS

The General Manager (I), Seniors Services and Long-Term Care and the Chief Purchasing Officer recommend that:

1. The Economic and Community Development 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 Number 6033858 issued to Buttcon Limited for the Redevelopment of Kipling Acres Long Term Care Home by an additional amount of \$622,000 net of all taxes (\$633,000 net of HST recoveries) revising the current contract value from \$51,165,000 to \$51,787,000 net of all taxes (\$52,698,000 net of HST recoveries).

FINANCIAL IMPACT

The *Kipling Acres Redevelopment* project was a large scale multi-phase legislated capital project, with a total project cost of \$102,400,000, which began in 2011 and reached substantial completion in 2017. The project upon completion has remained open due to the discovery of onsite conditions in 2017 that necessitated the need to

retain project cash flows to resolve deficiencies and anticipated delay claims from project scope changes made during *Phase 2* of construction.

The requested amendment to Purchase Order Number 6033858 increases the current contract by \$622,000 net of all taxes (\$633,000 net of HST recoveries) revising the current contract value from \$51,165,000 to \$51,787,000 net of all taxes (\$52,698,000 net of HST recoveries). and addresses the anticipated delay claims.

The total approved project costs of the *Phase 2* portion of the *Kipling Acres Redevelopment* project was \$47,500,000. With this increase in the Purchase Order, the project will still remain within its approved budget. Sufficient funding is available in the 2019 Approved Capital Budget for Senior Services & Long-Term Care in account CHA018-03 (*Kipling Acres Site 2*), with cash flows expected to be spent in 2019.

With this amendment, remaining costs will be resolved and will allow the project to be completed.

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

DECISION HISTORY

2013.CD.25.9 Amendment to Purchase Order 6033858 - Redevelopment of Kipling Acres Long-Term Care Home (Phase 1)

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD25.9>

2012.CD.14.4 Amendment to Contract No. 6033858 - Redevelopment of Kipling Acres Long-Term Care Home

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.CD14.4>

2011.CD.7.5 Contract Award - Tender Call 154-2011 Redevelopment of Kipling Acres Long-Term Care Home

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.CD7.5>

COMMENTS

Kipling Acres, home to 337 long-term care residents opened in 1959. On September 14, 2011, the Community Development and Recreation Committee granted authority to award a contract for Tender Call No. 154-2011 for the construction of a 192 bed long-term care com on the existing site of Kipling Acres. Construction began November 2011 and completed in March of 2014.

The inability to find an alternate site for the remaining 145 beds resulted in a decision to revise the Phase 1 scope of work to enable the option to expand the home in Phase 2 of the project in order to retain all 337 beds on the existing site. The scope changes

resulted in estimated project saving of over \$10,000,000 and some delay claims. The requested amendment is to resolve the associated delay claims.

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SIGNATURE

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