



REPORT FOR ACTION

Amendment to Contract 47020635 for the Installation of New Residential Water and Sewer Connections and Associated Works within Scarborough Districts with OJCR Construction Ltd.

Date: August 23, 2019
To: Infrastructure and Environment Committee
From: General Manager, Toronto Water and Chief Purchasing Officer
Wards: 20, 21, 22, 23, 24, 25

SUMMARY

The purpose of this report is to request authority to amend Contract 47020635 issued to OJCR Construction Ltd. for the Installation of New Residential Water and Sewer Connections and Associated Works within the Scarborough District, in the amount of \$432,491 net of all taxes and charges (\$439,844 net of HST Recoveries) increasing the current contract from \$5,901,467 to \$6,333,958 net of all taxes and charges.

This amendment is required to accommodate increase in the work volumes related to new water and sewer service connection applications within the Scarborough District. The work has been performed in accordance with the same terms and conditions as set out in the Request for Tender (RFT) no. 60-2017; Contract No. 17TW-DO-313OCS.

RECOMMENDATIONS

The General Manager of Toronto Water and the Chief Purchasing Officer recommend that:

1. Infrastructure and Environment Committee in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to amend Contract 47020635 with OJCR Construction Ltd., for the Installation of New Residential Water and Sewer Connections and Associated Works within the Scarborough District, Tender Call No. 60-2017, by an additional amount of \$432,491 net of all taxes (\$439,844 net of HST recoveries) revising the current value from \$5,901,467 to \$6,401,467 net of all taxes (\$6,333,958 net of HST recoveries).

FINANCIAL IMPACT

The contract amendment request included in this report will increase the total contract value by \$432,491 net of all taxes (\$439,844 net of HST recoveries). The following table illustrates the account allocations for the distribution of requested amendments.

Funding is available in the 2019 Approved Capital Budget and 2020-2028 Approved Capital Plan for Toronto Water. Funding details are provided in the table below (net of HST recoveries):

Table 1: Financial Impact

WBS Element	2019 Net of HST recoveries
CPW600-02 (New Service Connections - Site Servicing)	\$439,844

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

DECISION HISTORY

On April 12, 2017, by authority of Bid Committee, Request for Tender (RFT) 60-2017 was awarded for the Installation of New Residential Water and Sewer Connections and Associated Works within Scarborough District. -The contract was issued to cover the period from April 12, 2017 to April 30, 2018, with one (1) additional twelve (12) month option period.

The following are the links to the Bid Committee approvals for the two affected contracts:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BA17.7>

COMMENTS

The contract for this service is based on estimates generated on the number of flat rate service application generated in prior years. Below is a summary of the estimated and actual application volumes processed to the contract end April 30, 2019:

Table 2: Summary of the Estimated and Actual Application Volumes Processed

Contract	(a) Estimated Site Servicing Applications in Tender	(d) Actual Site Servicing Applications completed under Contract	(e) Additional Site Servicing Installations under Current Contract (b)-(a)
47020635	320	373	53 (16.6% increase)

As the work type is largely dependent on the infill development market it is difficult to predict spikes in the housing industry. Notwithstanding the 2017/2019 contract period has seen a significant rise (16.6%) in the number of applications within the Scarborough Community for new water and sewer service connections. The work generated from these 53 additional installations requires an amendment to the existing contract, which expired on April 30, 2019, to pay the outstanding invoices for this work. The cost of the additional 53 locations was recovered through the water and sewer fees the applicants paid at the time of their application. The fees are for the new residential water, and sewer service connection, and their respective disconnect fees as per the following link: <https://www.toronto.ca/services-payments/property-taxes-utilities/utility-bill/water-rates-and-fees/>

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SIGNATURE

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