GL13.3

TORONTO

REPORT FOR ACTION

Amendments to Three Purchase Orders for the Construction of the Canoe Landing Project (Previously Identified as Block 31, Community Centre/ Child Care Centre and two Elementary Schools)

Date: May 4, 2020
To: General Government and Licencing Committee
From: General Manager, Parks Forestry and Recreation and Chief Purchasing Officer
Wards: Ward 10 - Spadina-Fort York

SUMMARY

The purpose of this report is to request authority to amend three purchase orders directly relating to the Canoe Landing Construction Project as follows:

Purchase Order No. 6041177 issued to ZAS Architects for the provision of Full Architectural Services by an additional amount of $50,000 net of all applicable taxes and charges ($50,880 net of HST recoveries) revising the current Purchase Order value from $3,178,308 net of all applicable taxes and charges ($3,234,246 net of HST recoveries) to $3,228,308 net of all applicable taxes and charges ($3,285,126 net of HST recoveries). The amendment is required to pay for architectural services for another three (3) additional months as a result of the prolonged effect of the summer 2019 labour disruption on site and the impact of the COVID-19 pandemic which delayed the construction schedule.

Purchase Order No. 6041005 issued to Colliers Project Leaders Inc. (formerly MHPM Project Managers Inc.) for the provision of Project Management Services by an additional amount of $50,000 net of all applicable taxes and charges ($50,880 net of HST recoveries) revising the contract value from $1,693,010 net of all applicable taxes and charges ($1,722,807 net of HST recoveries) to $1,743,010 net of all taxes ($1,773,687 net of HST recoveries). The amendment is required to pay for project management services for another four (4) additional months as a result of the prolonged effect of the summer 2019 labour disruption on site and the impact of the COVID-19 pandemic which delayed the construction schedule.

Purchase Order No. 6045340 issued to Atlas Corporation/Buttcon Ltd. Joint Venture, for the provision of construction services by an additional amount of $350,000 net of all applicable taxes and charges ($356,160 net of HST recoveries) revising the contract value from $67,178,713 net of all applicable taxes and charges ($68,361,058 net of HST recoveries) to $67,528,713 net of all taxes ($68,717,218 net of HST recoveries). The amendment is required to increase the construction contingency due to additional

security work, Ministry of the Environment and Climate Change (MOECC) environmental requirements, an upgraded garage door and additional Building Inspector Building Code required items (e.g. exit signs, etc.). Construction is approximately 96% complete. Trades are requesting assurances from the General Contractor that the City has approved additional work required for substantial performance and the release of the holdback.

RECOMMENDATIONS

The General Manager, Parks Forestry and Recreation and the Chief Purchasing Officer recommend that:

1. The General Government and Licensing 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 6041177 issued to ZAS Architects Inc. for the provision of full Architectural Services, in accordance with the requirements set out in Request for Proposal 9118-13-7218, by an additional amount of $50,000 net of all applicable taxes and charges ($50,880 net of Harmonized Sales Tax recoveries) revising the current Purchase Order value from $3,178,308 net of all applicable taxes and charges ($3,234,246 net of Harmonized Sales Tax recoveries) to $3,228,308 net of all applicable taxes and charges ($3,285,126 net of Harmonized Sales Tax recoveries).

2. The General Government and Licensing 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 6041005 issued to Colliers Project Leaders Inc. for the provision of project management services, in accordance with the requirements set out in Request for Proposal 9119-14-7037 by an additional amount of $50,000 net of all applicable taxes and charges ($50,880 net of Harmonized Sales Tax recoveries) revising the contract value from $1,693,010 net of all applicable taxes and charges ($1,722,807 net of Harmonized Sales Tax recoveries) to $1,743,010 net of all applicable taxes and charges ($1,773,687 net of Harmonized Sales Tax recoveries).

3. The General Government and Licensing 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. 6045340 issued to Atlas Corporation/Buttcon Ltd. Joint Venture, as set out in Tender Number 1-2017 by $350,000 net of all applicable taxes and charges ($356,160 net of Harmonized Sales Tax recoveries) revising the contract value from $67,178,713 net of all applicable taxes and charges ($68,361,058 net of Harmonized Sales Tax recoveries) to $67,528,713 net of all applicable taxes and charges ($68,717,218 net of Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

1. Purchase Order No. 6041177 - Funding for the requested Purchase Order Amendment in the amount of $50,880 net of HST recoveries is included in the Council Approved 2020-2029 Capital Budget and Plans for Parks, Forestry and Recreation & Children's Services, as summarised in Table 1.

Table 1: Financial Impact Summary for Purchase Order Number 6041177

WBS Element	Account Description	Total (Net of HST Recoveries)
CPR123-40-05	Railway Lands New CC (Spadina/ Front)-Construction	$23,438
CPR123-44-07	Railway Lands - TDSB & TCDSB Schools	$25,358
CCS020-01	Children's Services (Child Care Centre)	$2,084
TOTAL (Net of HST Recoveries)		$50,880

2. Purchase Order No. 6041005 - Funding for the requested Purchase Order Amendment in the amount of $50,880 net of HST recoveries is included in the Council Approved 2020-2029 Capital Budget and Plans for Parks, Forestry & Recreation and Children's Services, as summarised in Table 2 below.

Table 2: Financial Impact Summary for Purchase Order Number 6041005

WBS Element	Account Description	Total (Net of HST Recoveries)
CPR123-40-05	Railway Lands New CC (Spadina/ Front)-Construction	$17,570
CPR123-44-07	Railway Lands - TDSB & TCDSB Schools	$30,764
CCS020-01	Children's Services (Child Care Centre)	$2,546
TOTAL (Net of HST Recoveries)		$50,880

3. Purchase Order No.6045340 - Funding for the requested Purchase Order Amendment in the amount of $356,160 net of HST recoveries is included in the Council Approved 2020-2029 Capital Budget and Plans for Parks, Forestry & Recreation and Children's Services, as summarised in Table 3 below.

Table 3: Financial Impact Summary for Purchase Order Number 6045340

WBS Element	Account Description	Total (Net of HST Recoveries)
CPR123-40-05	Railway Lands New CC (Spadina/ Front)-Construction	$305,280

WBS Element	Account Description	Total (Net of HST Recoveries)
CCS020-01	Children's Services (Child Care Centre)	$50,880
TOTAL (Net of HST Recoveries)		$356,160

Additional cost are allocated to stakeholders on a percentage share basis, which factors in both time and space. Any additional costs that have been requested by a single stakeholder are borne 100% by that stakeholder.

The additional costs will have no impact on cost of delivering these projects, as sufficient funding is available in the budgeted cash flows.

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

DECISION HISTORY

At its meeting of December 8, 2009, City Council approved the Parks, Forestry and Recreation 2010 Capital Budget through item EX38.1 (26.a.i.). The Canoe Landing Community Recreation Centre (former Railway Lands/Block 31 New Community Centre Construction) sub-project was approved with a total project cost of $13.700 million and funding from the Capital Financing Reserve, Development Levies, and Debt.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.EX38.1

City Council, at its meeting of February 23 and 24, 2011, adopted the 2011 PF&R Capital Budget through item EX3.3 (29.a.i.). $0.600 million was added to the Canoe Landing Community Recreation Centre (CRC) sub-project to replenish debt funding that was not expended within the allotted two years.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.EX3.3

At its meeting of January 15 and 16, 2013, City Council approved the 2013 Parks, Forestry and Recreation Capital Budget, item EX27.1 (38.a.i.), which included $1.000 million for the design of Wellesley Community Centre (CC) Pool; and $1.655 million for the Canoe Landing CRC sub-project to replenish debt funding that expired.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX27.1

On February 19, 2014, City Council adopted report EX38.3, "Block 31 in the Railway Lands - Development Agreement, Update and Next Steps", authorizing the Deputy City Manager, Cluster A to negotiate and execute on behalf of the City, a development agreement for Block 31 between the City, the Toronto District School Board and the Toronto Catholic District School Board. The TDSB and TCDSB Schools sub-project was added to the PF&R Capital Budget, with a project cost of $36.451 million, fully funded by the school boards. A project for the Child Care Centre on Block 31 was also added to the Children's Services Capital Budget, in the amount of $3.628 million, funded from Section 37 and development charges.

http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX38.3

At its meeting of June 11, 2014, Bid Committee approved the award to ZAS Architects Inc. (formerly ZAS Architects +Interiors) for Full Architectural Services for Block 31 Railway Lands.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.BD184.15

On December 23, 2014, Bid Committee approved the award to Colliers Project Leader Inc. (formerly MHPM Project Managers Inc.) for Project Management Services for Block 31 Railway Lands.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.BD4.5

City Council, at its meeting of February 17, 2016, adopted PF&R's 2016 Capital Budget through item EX12.2 (28.a.i.). $16.000 million was added to the Capital Budget for the construction of Wellesley CC Pool; and $0.367 million was included for the Canoe Landing Community Space Design sub-project with funding from Section 37.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX12.2

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 following sub-projects were approved for the Canoe Landing Community Recreation Centre: $4.525 million for the Active Roof, Public Art, and Furniture, Fixtures & Equipment funded from development charges ($4.074 million) and South Parkland Development Cash-in-lieu Reserve Funds ($0.451 million); $4.000 million for the Community Space construction, funded from Section 37; and $1.000 million for the Playground funded from Section 37.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX22.2

City Council, at its meeting of May 24, 25, and 26, 2017, approved an amendment to the Council Approved Parks, Forestry and Recreation and Children's Services 2017 Capital Budgets and Future Year Commitments, through item EX25.25. PF&R project costs were amended to include an increase of $11.385 million in 2019 funded by PF&R Development Charges, the City-Wide Parkland Development Cash-in-lieu Reserve Fund, and contributions from the TDSB and TCDSB. Children's Services project costs were increased by $1.092 million in 2019, funded by development charges and the Child Care Capital Reserve Fund.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.25

At its meeting of May 29, 2017, Government Management Committee adopted an amendment to Purchase Order No. 6041177 and 6041005 - Consulting Services for Block 31 (Canoe Landing) Community Centre / Child Care Centre and 2 Elementary Schools through Item GM21.21. The ZAS Architects Inc. purchase order #6041177 was amended by $239,075 net of HST recoveries, revising the contract to $2,895,803 net of HST recoveries. The Colliers Project Leaders Inc. purchase order 6041005 was amended by $289,537 net of HST recoveries, revising the contract value to $1,552,018 net of HST recoveries.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.GM21.21

On May 29, 2017, Government Management Committee approved the motion to award a contract to the recommended bidder, Atlas Corporation / Buttcon Limited (in Joint Venture); and to request authority to commit cash flows in the Council Approved Capital Budget and the 2018-2026 Capital Plan, totalling $67,100,427 net of HST recoveries, to effect the contract award.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.GM21.20

City Council, at its meeting of March 7, 2019, adopted PF&R's 2019 Capital Budget through item EX2.5 (199.a.i.). $0.350 million was added to the Capital Budget for the Canoe Landing-Active Roof, Public Art, FFE sub-project; and $0.718 million was included for the Canoe Landing-TDSB & TCDSB Schools sub-project.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX2.5

At its meeting of April 23, 2019, General Government and Licencing Committee adopted an amendment to Purchase Order No. 6041177 and 6041005 - Consulting Services and Purchase Order No. 6045340 - Construction Services for Block 31 (Canoe Landing) Community Centre / Child Care Centre and 2 Elementary Schools through Item GL4.9. The ZAS Architects Inc. purchase order #6041177 was amended by $101,760 net of HST recoveries, revising the contract to $2,997,563 net of HST recoveries. The Colliers Project Leaders Inc. purchase order 6041005 was amended by $75,176 net of HST recoveries, revising the contract value to $1,627,193 net of HST recoveries. The Atlas Corporation/ Buttcon Ltd. Joint Venture purchase order 6045340 was amended by $620,482 net of HST recoveries, revising the contract value to $67,720,909 net of HST recoveries.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.GL4.9

At its meeting of October 7, 2019, General Government and Licencing Committee adopted an amendment to Purchase Order No. 6041177 and 6041005 - Consulting Services and Purchase Order No. 6045340 - Construction Services for Block 31 (Canoe Landing) Community Centre / Child Care Centre and 2 Elementary Schools through Item GL4.9. The ZAS Architects Inc. Purchase Order No. 6041177 was amended by $236,684 net of HST recoveries, revising the contract to $3,234,246 net of HST recoveries. The Colliers Project Leaders Inc. Purchase Order No. 6041005 was amended by $95,614 net of HST recoveries, revising the contract value to $1,722,807 net of HST recoveries. The Atlas Corporation/ Buttcon Ltd. Joint Venture Purchase Order No. 6045340 was amended by $414,736 net of HST recoveries, revising the contract value to $68,361,058 net of HST recoveries.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.GL8.11

COMMENTS

Project Overview:

Authority is required in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law) to authorize the over-expenditures of all purchase orders by an amount greater than $500,000.00 net of all taxes for the Purchase Orders listed below.

1. Purchase Order No. 6041177

The Purchase Order was issued to ZAS Architects Inc. for the provision of Full Architectural Services in the amount of $2,315,779 net of all applicable taxes and charges to design a multi-stakeholder hub on the Block 31 lands that included the design of a City community centre, a City child care centre and 2 elementary schools.

The first approved amendment was in the amount of $295,000 net of all taxes and charges, for a total revised Purchase Order of $2,610,779 net of all taxes and charges. The amendment was required for additional work required to add a community space to the community centre after the issuance of the solicitation documentation.

The second approved amendment was in the amount of $234,939 net of all applicable taxes and charges, for a total revised Purchase Order value of $2,845,718 net of all applicable taxes and charges. This amendment was required to extend consulting services for an additional One-Year period. In order to meet the revised Substantial Performance date of June 30, 2019 the requirements set out in the RFP did not allow additional services to manage contract administration should there be delays in the construction schedule.

The third approved amendment was in the amount of $100,000 net of all applicable taxes and charges, for a total revised Purchase Order value of $2,945,718 net of all applicable taxes and charges. The amendment was required to pay for additional signage design work, additional disbursements, furniture design, phased occupancy work, wind uplift study, and a streetscape permit that were not included in the original RFP. Additional signage work and furniture design work was moved from the global budget into the consultant contract for continuity and efficiency. Phased occupancy work was required in response to a construction delay. The wind uplift study and streetscape permit work are City building department requests occurring post procurement.

The fourth approved amendment was in the amount of $232,590 net of all applicable taxes and charges, for a total revised Purchase Order value of $3,178,308 net of all applicable taxes and charges. The amendment was required to pay for architectural services for five (5) additional months and for additional design work associated with the community centre Community Space and Indoor Playspace. The architectural services were extended due to a labour disruption on site which delayed the construction schedule.

The current amendment request is for an additional $50,000 net of all applicable taxes and charges and will result in a total revised Purchase Order value of $3,228,308 net of all applicable taxes and charges. The amendment is required to pay for architectural services for another three (3) additional months as a result of the prolonged effect of the summer 2019 labour disruption on site and the impact of the COVID-19 pandemic which delayed the construction schedule.

It is the opinion of City staff and the consultant Project Manager that the costs submitted by ZAS Architects for the requested amendment is fair and reasonable and is in keeping with the conditions as set out in the agreement and will be assessed through random project audits. The work is anticipated to be substantially completed in May 2020. The cumulative total value of four amendments including the current request will be $912,529 net of all applicable taxes and charges ($928,590 including HST recoveries).

2. Purchase Order No. 6041005

The Purchase Order was issued to Colliers Project Leaders Inc. for the provision of Project Management to oversee the entire project, including all consultants and project stakeholders in the amount $987,745 net of all applicable taxes and charges ($1,005,129 net of HST recoveries).

The first approved amendment was in the amount of $168,700 net of all applicable taxes and charges, for a total revised Purchase Order value of $1,156,445 net of all applicable taxes and charges. This amendment was needed for additional work/services required for a Governance and Operations Study. In order for the project to be handed over to a third party Property Manager a number of months prior to substantial completion, a Governance and Operations Study was required. This was not contemplated when the RFP was issued.

The second approved amendment was in the amount of $84,200 net of all applicable taxes and charges, for a total revised Purchase Order value of $1,240,645 net of all applicable taxes and charges. This amendment was needed to address additional services required to develop a Cost Sharing Model, Shared Use Agreement Term Sheet and Terms of Reference. These additional services would be required prior to turn over to the Property Manager which was not contemplated when the RFP was issued.

The third approved amendment was in the amount of $284,529 net of all applicable taxes and charges, for a total revised Purchase Order value of $1,525,174 net of all applicable taxes and charges. This amendment was needed to extend consulting services for an additional One-Year period to meet the revised Substantial Performance date of June 30, 2019.

The fourth approved amendment was in the amount of $73,876 net of all applicable taxes and charges for a total revised Purchase Order value of $1,599,050 net of all applicable taxes and charges. The amendment was required to pay for project management services for three (3) additional months and for additional work associated with the development of a Property Manager RFP. The project management services were extended due to an extension in the construction schedule. The Property Manager RFP work became more complex due to the needs of multiple stakeholders.

The fifth approved amendment was in the amount of $93,960 net of all applicable taxes and charges for a total revised Purchase Order value of $1,693,010 net of all applicable taxes and charges. The amendment was required to pay for project management services for five (5) additional months. The project management services were extended due to a labour disruption on site which delayed the construction schedule. The current amendment request is in the amount of $50,000 net of all applicable taxes and charges and will result in a total revised Purchase Order value of $1,743,010 net of all applicable taxes and charges. The amendment is required to pay for project management services for another four (4) additional months as a result of the prolonged effect of the summer 2019 labour disruption on site and the impact of the COVID-19 pandemic which delayed the construction schedule.

The cumulative total value of all amendments including the current request will be $755,265 net of all applicable taxes and charges ($768,558 including HST recoveries). The work is anticipated to be substantially completed in May 2020.

It is the opinion of City staff and the project Architect that the costs submitted by Colliers Project Leaders Inc. for the requested Purchase Order Amendment are fair and reasonable and are in keeping with the conditions of the contract and will be assessed through random project audits.

3. Purchase Order No.6045340

Purchase Order was issued to Atlas Corporation/Buttcon Ltd. Joint Venture for the construction of Block 31 (Canoe Landing); Community Centre / Child Care Centre and 2 Elementary Schools; for a total amount of $65,939,885 net of all applicable taxes and charges ($67,100,427 net of HST recoveries).

The first approved amendment was in the amount of $609,750 net of all applicable taxes and charges and resulted in a total revised Purchase Order value of $66,549,635 net of all applicable taxes and charges ($67,720,909 net of HST recoveries). The amendment was required to pay for additional work associated with the community centre Indoor Playspace by the Ontario Science Centre. The global budget included design/ build work in one of the community centre spaces (Indoor Playspace). In order to have this work completed by substantial performance, this work was added to the general contractor PO. The work was originally contemplated to occur after the general contractor completed his contract. Since, two (2) separate contractors cannot be on the same site at the same time, the additional work was added to the general contractor contract.

The second approved amendment request was in the amount of $629,078 net of all applicable taxes and charges and resulted in a total revised Purchase Order value of $67,178,713 net of all applicable taxes and charges ($68,361,058 net of HST recoveries). The amendment was required to pay for additional fit-out work associated with the community centre Community Space as well as Public Art foundation work. In order to have this work completed by substantial performance, this work was added to the General Contractor PO. Additional outdoor playground work is also included in this amendment to increase play value for the before and after school program.

The current amendment request is in the amount of $350,000 net of all applicable taxes and charges and will result in a total revised Purchase Order value of $67,528,713 net of all applicable taxes and charges ($68,717,218 net of HST recoveries). The amendment is required to increase the construction contingency due to additional security work, Ministry of the Environment and Climate Change (MOECC) environmental requirements, an upgraded garage door and additional Building Inspector Building Code required items (e.g. exit signs, etc.).Construction is approximately 96% complete. Trades are requesting assurances from the General Contractor that the City has approved additional work required for substantial performance and the release of the holdback.

It is the opinion of City staff and the project Architect that the costs submitted by Atlas Corporation Buttcon Limited Joint Venture for the requested amendment is fair and reasonable and is in keeping with the conditions of the contract and will be assessed through random project audits.

The Fair Wage Office has reported the all firms identified in this report have indicated that it has reviewed and understands the Fair Wage Policy and labour Trades requirements and has agreed to comply fully.

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SIGNATURE

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