



## REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

# Authority to Negotiate and Enter into an Agreement for the Construction of Water Works along Lower Jarvis Street with Aecon Construction and Materials Limited

**Date:** June 24, 2020

**To:** Infrastructure and Environmental Committee

**From:** Chief Engineer and Executive Director, Engineering and Construction Services  
and Chief Procurement Officer, Purchasing and Materials Management

**Wards:** 10 and 13

### REASON FOR CONFIDENTIAL INFORMATION

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This report relates to commercial or financial information that belongs to the City and has potential monetary value, and it involves a position, plan or procedure, criteria or instruction to be applied to any negotiation carried on, or to be carried on by or on behalf of the City.

### SUMMARY

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The purpose of this report is to request authority to negotiate and enter into a new or amending agreement with Aecon Construction and Materials Limited (Aecon), the contractor for the F.G. Gardiner Expressway Rehabilitation Project: Section 1 – Jarvis Street to Cherry Street (Contract No. 18ECS-TI-01GE), to construct a new sanitary sewer and watermain (Water Works) along Lower Jarvis Street, intersecting Aecon's Gardiner Expressway construction work zone. The terms and conditions of the proposed agreement are set out in Confidential Attachment 1 of the report.

These Water Works involve the upgrading of the existing sanitary sewer along Lower Jarvis Street from south of Lake Shore Boulevard to north of the Metrolinx Lakeshore East Corridor bridge over Lower Jarvis Street; and the replacement of the existing 90 year old cast iron watermain, which is in poor condition, along Lower Jarvis Street, from The Esplanade to Queen's Quay.

Undertaking this work now will ensure that adequate sanitary sewer capacity will be in place by mid-2021, to support the new development in the East Bayfront Waterfront

Community; and given the major traffic disruption resulting from this construction undertaking this work now aligns with the City's objective of accelerating construction, where possible, to take advantage of the lower traffic volumes as a result of the COVID-19 pandemic.

## **RECOMMENDATIONS**

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The Chief Engineer and Executive Director, Engineering and Construction Services and the Chief Procurement Officer recommend that:

1. City Council direct that the information in Confidential Attachment 1 to this report remain confidential in its entirety as it relates to commercial or financial information that belongs to the City and has potential monetary value, and it involves a position, plan or procedure, criteria or instruction to be applied to any negotiation carried on, or to be carried on by or on behalf of the City.
2. City Council authorize the Chief Engineer and Executive Director of Engineering and Construction Services and/or designate to negotiate and enter into an appropriate form of agreement with Aecon, the current contractor of the F.G. Gardiner Expressway Rehabilitation Project: Section 1 – Jarvis Street to Cherry Street (Contract No. 18ECS-TI-01GE), to deliver the Water Works based on the terms and conditions set out in Confidential Attachment 1 of the report and on terms satisfactory to the Chief Engineer and Executive Director of Engineering and Construction Services and each in a form satisfactory to the City Solicitor.

## **FINANCIAL IMPACT**

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Details outlined in the Confidential Attachment.

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

## **DECISION HISTORY**

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At its meeting of December 5, 2005, Council approved the East Bayfront Class Environmental Assessment Master Plan. This Environmental Assessment identifies water, sanitary, stormwater and transportation infrastructure servicing requirements necessary to support the land uses proposed in the East Bayfront Precinct. This Master Plan was considered by Council along with the East Bayfront Precinct Plan. The staff report on the Precinct Plan and Environmental Assessment can be found at: <http://www.toronto.ca/legdocs/2005/agendas/council/cc051205/pof10rpt/cl002.pdf>

At its meeting of June 12, 2018, Public Works and Infrastructure Committee granted authority to award Contract 18ECS-TI-01GE for the construction of the F.G. Gardiner Expressway Rehabilitation Project: Section 1 – Jarvis Street to Cherry Street to Aecon Construction and Materials Limited in the amount of \$308,531,227 net of all applicable taxes and charges (\$313,961,377 net of HST recoveries) having submitted the lowest compliant bid and meeting the specifications in conformance with the Tender requirements. A copy of the Decision Document can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.PW30.3>

## COMMENTS

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### Background

The City of Toronto is currently rehabilitating the F.G. Gardiner Expressway between Jarvis Street and Cherry Street. Work commenced in the fall of 2018 and is planned to be completed by mid-2021. The scope of work (under Contract No. 18ECS-TI-01GE) involves replacing the 1.1 kilometres of concrete deck and girders of the Expressway between Jarvis Street and Cherry Street; replacing the westbound off-ramp at Sherbourne Street and the eastbound on-ramp at Jarvis Street; rehabilitating the westbound off-ramp leading to Yonge, Bay and York Streets; and installing new street lighting along the Expressway and ramps.

In the area of this construction work zone, along Lower Jarvis Street, two other critical projects are queued for construction: the Lower Jarvis sanitary sewer upgrade and the Lower Jarvis watermain replacement.

### Sanitary Sewer Upgrade

In 2005, City Council approved Waterfront Toronto's East Bayfront Class Environmental Assessment Master Plan, which identified the servicing plan for the East Bayfront Precinct redevelopment. This waterfront redevelopment area is bounded by Lower Jarvis Street to the west, Lake Shore Boulevard to the north, Cherry Street/Lake Shore Boulevard to the east and Queens Quay East and the Keating Channel to the south. Through the implementation of the Precinct Plan, a number of servicing improvements were identified to support this development, including a need to upsize the sanitary sewer along Lower Jarvis Street from Queens Quay to Wilton Street (i.e., immediately south of The Esplanade).

Most of the sanitary sewer upgrade, involving the replacement of the existing 300 mm to a 500 mm diameter sewer was completed in 2013. However, due to technical challenges with the project and delays in obtaining clearance from Metrolinx, this work did not include the 125 metre section of the sewer from the south side of Lake Shore Boulevard to north of the Metrolinx Lakeshore East Corridor bridge over Lower Jarvis Street. The technical challenges have since been resolved and Metrolinx has provided the necessary clearances to proceed with the work, and Toronto Water has confirmed that this section of the sewer must be upgraded by the end of 2021, to support the population growth for the approved and planned development.

Funds for the construction of infrastructure to service the build out of the East Bayfront community, including the Jarvis Street sanitary sewer upgrade, are allocated through Waterfront Toronto's approved Capital Budget for the East Bayfront Precinct Implementation Project.

### **Watermain Replacement**

In 2018, Toronto Water, through its infrastructure condition assessments, identified that the 90 year old segment of watermain on Lower Jarvis Street from The Esplanade to the Queens Quay was in poor condition and susceptible to continued breakage and service disruptions (i.e., 5 watermain breaks have occurred in the last 10 years). This represents an urgent need for replacement, and the watermain also needs to be upsized from 300 mm to 400 mm in diameter to service the planned growth for the East Bayfront Precinct.

### **Water Works Project**

While the construction of the sanitary sewer and watermain upgrades referenced above (Water Works Project), have been planned and coordinated as a single construction project, the construction will have a significant impact on traffic. Given the depth of the excavation, proximity to bridge footings and that two trenches will be necessary, Lower Jarvis Street will be closed northbound and reduced to one lane southbound for the duration of construction over a period of about five months. In addition, to allow the Water Works to be constructed across the intersection of Lake Shore Boulevard and Lower Jarvis Street, the intersection will be subject to lane restrictions for a duration of about two (2) months, including three (3) full weekend closures.

### **Water Works Project Construction Delivery Options**

While the referenced sewer construction is required by the end of 2021, to support the planned development in the East Bayfront Precinct, advancing the Water Works as a separate project, is constrained at this time, given that the Gardiner Expressway Rehabilitation Project work zone intersects with the Water Works work zone. Should the Gardiner Expressway work be delayed, beyond the expected completion of mid-2021, a separate contract to undertake the Water Works Project, will be constrained by Metrolinx's widening of the Lakeshore East Corridor bridge over Lower Jarvis Street, planned to start in early 2022. Unfortunately, the Water Works Project work zone, intersects with the work zones of the other two projects and to ensure the City does not become a Constructor as defined in the Ontario Occupational Health and Safety Act and take on the associated liabilities, only one contractor can occupy the given work zone.

To ensure timely completion of the Water Works by the end of 2021, three options were considered, as summarized in the following.

#### **Option 1 - Standalone Contract**

The original plan was to undertake a separate procurement and schedule the Water Works construction in the summer of 2021, after the Gardiner Expressway Rehabilitation Project was completed. This was the earliest delivery window available in order to avoid conflicts between contractors working in the same area. The Water Works construction must be completed before Metrolinx is scheduled to occupy the

same work zone for the construction of their bridge widening project in early 2022. However, there is a risk that the Gardiner Expressway Rehabilitation Project could be delayed, and the construction and schedule of the Water Works would be in direct conflict with the Metrolinx's planned bridge work.

### **Option 2 - Incorporate the Water Works in Metrolinx's Planned Construction Contract**

The option of having the Water Works Project constructed by Metrolinx as part of their Lakeshore East Corridor bridge expansion over Lower Jarvis Street was explored. The City and Metrolinx reviewed this Option and, if implemented, Metrolinx could advance the start of bridge construction work to 2021 and coordinate lane and intersection closures to reduce the overall duration of traffic disruption in the area.

In this option, the Water Works Project construction would extend from the fall 2021, to early 2022. This option would reduce the overall continuous disruption to the public as compared to Option 1, but would delay the completion of the Water Works construction to early 2022.

### **Option 3 - Incorporate the Water Works within the Current Gardiner Rehabilitation Contract**

As a result of the COVID-19 pandemic, the City has experienced a significant drop in traffic volumes in the downtown area of between 45% and 65%. Advancing the Water Works Project now, given the above-referenced significant traffic impacts, aligns with the City's objective of accelerating construction, where possible, to take advantage of the lower traffic volumes as a result of the COVID-19 pandemic. Given that the two work zones intersect, there is an opportunity to advance the Water Works Project by having Aecon undertake the work, while work progresses on the Gardiner Expressway, simultaneously. Through this option, the Water Works Project construction could be completed by mid-2021 or earlier; and would reduce overall traffic impacts in the area.

For these reasons, Option 3 is the preferred and recommended option, subject to achieving an agreement with Aecon meeting the terms and conditions as set out in the Confidential Attachment.

## **CONTACT**

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## **SIGNATURE**

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Michael D'Andrea, M.E.Sc., P.Eng.  
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Michael Pacholok, JD  
Chief Procurement Officer, Purchasing and Materials Management

## **ATTACHMENT**

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Confidential Attachment 1. Authority to Negotiate and Enter into an Agreement for the Construction of Water Works along Lower Jarvis Street with Aecon Construction and Materials Limited