

Amendment to Purchase Order Number 6040249 with WSP Canada Incorporated for Professional Engineering Services for the Rehabilitation and Upgrade of Seven (7) Sewage Pumping Stations (Group 5) at Various Locations

Date: June 20, 2022

To: Infrastructure and Environment Committee

From: General Manager, Toronto Water and Acting Chief Procurement Officer,
Purchasing and Materials Management Division

Wards: 4 (Parkdale-High Park), 10 (Spadina-Fort York)

SUMMARY

The purpose of this report is to seek authority to amend Purchase Order Number 6040249 issued to WSP Canada Incorporated for Professional Engineering Services during construction for the Rehabilitation and Upgrade of Seven (7) Sewage Pumping Stations (Group 5) at various locations, awarded under Request for Proposal 9117-14-7041. This purchase order amendment is needed for additional contract administration and site inspection services necessary to complete the construction work that has been assumed by a new contractor because the original contractor has gone out of business.

The total Purchase Order amendment being requested is \$577,623 net of all taxes and charges (\$587,789 net of HST recoveries), revising the current purchase order value from \$2,341,467 to \$2,919,090 excluding HST (\$2,970,466 net of HST recoveries).

RECOMMENDATIONS

The General Manager, Toronto Water and the Acting Chief Procurement 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 Purchase Order Number. 6040249 with WSP Canada Incorporated for professional engineering services during construction for the Rehabilitation and Upgrade of Seven (7) Sewage Pumping Stations (Group 5) at various locations by an additional amount of \$577,623 net of all taxes and charges (\$587,789 net of HST

recoveries), revising the current purchase order value from \$2,341,467 to \$2,919,090 net of all taxes and charges (\$2,970,466 net of HST recoveries).

FINANCIAL IMPACT

Amendment of Purchase Order Number 6040249 by an additional \$577,623 net of all taxes and charges (\$587,789 net of HST recoveries), will increase the purchase order value from \$2,341,467 to \$2,919,090 net of all taxes and charges (\$2,970,466 net of HST recoveries).

Funding is included in the Toronto Water 2022 Approved Capital Budget and 2023-2031 Approved Capital Plan as summarized in Table 1 below.

Table 1 - Financial Impact Summary

WBS Element	Description	2022	2023	Total (net of HST recoveries)
CWW465	YR06 District Sewer Rehab Operations	\$587,789	\$0	\$587,789

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

DECISION HISTORY

The Bid Award Panel adopted Item Number BD195.1 at its meeting held on August 20, 2014, authorizing the award of Request for Proposal 9117-14-7041 to WSP Canada Incorporated to Provide Professional Engineering Services for the Rehabilitation and Upgrade of Seven (7) Sewage Pumping Stations at Various Locations in the City of Toronto, in the amount of \$1,471,050 net of all taxes and charges.

The Bid Award Panel decision can be found at:
[Agenda Item History - 2014.BD195.1 \(toronto.ca\)](#)

The contract commitments consist of three (3) purchase orders: Purchase Order Number 6040254 for design services in the amount of \$661,950, Purchase Order Number 6040249 for contract administration in the amount of \$751,960, Purchase Order Number 6040255 for post-construction services in the amount of \$57,140 net of all taxes and charges.

The Bid Award Panel adopted Item Number BA22.1 at its meeting held on May 17, 2017, authorizing the Award of Request for Tender Call Number 273-2016 to Gowing Contractors Ltd. for The Rehabilitation and Upgrade of Seven (7) Group 5 Sewage Pumping Stations (SPS) at Various Locations Throughout the City of Toronto, in the amount of \$17,127,500 net of all taxes and charges.

The Bid Award Panel decision can be found at:

On August 27, 2020, Purchase Order Number 6040249 was amended by \$424,835 from \$751,960 to \$ 1,176,795 net of all taxes and charges to provide additional construction administration services due to an extended construction duration.

The Infrastructure and Environment Committee adopted Item Number IE24.4 at its meeting held on September 14, 2021 authorizing an amendment to Purchase Order Number. 6040249 with WSP Canada Incorporated for professional engineering services during construction for the rehabilitation and upgrade of seven (7) sewage pumping stations (Group 5) at various locations by an additional amount of \$1,164,672 net of all taxes and charges, revising the current purchase order value from \$1,176,795 to \$2,341,467 net of all taxes and charges.

The Infrastructure and Environment Committee decision can be found at:
[Agenda Item History - 2021.IE24.4 \(toronto.ca\)](#)

COMMENTS

1. Sewage Pumping Station Upgrades

Pumping stations in wastewater collection systems, also called lift stations, are designed to handle wastewater (i.e. sanitary, storm water or combined) that is fed from underground gravity pipelines (pipes that are sloped so that a liquid can flow in one direction under gravity). Wastewater is fed into and stored in an underground pit, commonly known as a wet well. The well is equipped with electrical instrumentation to detect the level of wastewater present. When the wastewater level rises to a predetermined point, a pump is started to lift the sewage upward through a pressurized pipe system called a sewer force main from where the sewage is discharged into a gravity manhole. From here the cycle starts all over again until the sewage reaches its point of destination, usually a treatment plant. By this method, pumping stations are used to move waste to higher elevations.

Toronto Water is currently responsible for operating and maintaining 96 wastewater pumping stations and approximately 39 km of associated sewer force main. The pumping stations vary in age, capacity and complexity.

Toronto Water's approved 2022 Capital Budget and 2023-2031 Capital Plan includes \$118.781 million for Sewage Pumping Station Upgrades. The purpose of these projects is to ensure regulatory requirements are continually met, maintain infrastructure in a state of good repair, to accommodate growth and improve service.

In 2014, the City retained WSP Canada Incorporated ("WSP") to provide engineering services related to the rehabilitation and upgrade of seven (7) sewage pumping stations referred to as Group 5. In 2017, the City executed an agreement with Gowing Contractors Ltd. ("Gowing") for the rehabilitation and upgrade of the Group 5 stations.

2. Assignment and Assumption Agreement

On February 5, 2021, Zurich Insurance Company Ltd. ("Zurich"), the surety for Gowing under the construction contract, provided an irrevocable direction to make any further payments under that contract payable to BBCG Claims Services in Trust. The City further received a request from Zurich and Gowing for an assignment and assumption of the construction contract to and by Black & McDonald Limited ("Black & McDonald").

On April 12, 2021, Gowing, Zurich, Black & McDonald, and the City of Toronto executed an assignment and assumption agreement in which Black & McDonald was assigned and assumed the balance of the construction contract, effective November 1, 2020.

As a consequence of the lack of progress by Gowing in undertaking the work and the process of having the construction contract assigned and assumed by a new contractor, the project was significantly delayed. The original anticipated construction period was 30 months from June 2017 to December 2019. This schedule was not met and as of October 2020, only one pumping station had attained substantial completion with the other stations yet to start construction.

In April 2021, Black & McDonald Limited presented a new construction schedule with a completion date of May 2022. This updated schedule involved construction activity at all stations concurrently. However the start date for two stations did not go as planned as some of the unresolved issues were not incorporated.

3. Amendment of Purchase Order Number 6040249 – Contract Administration

In February, 2022, Black & McDonald Limited presented a revised construction schedule with a completion date of December 31, 2022. This revised schedule involves construction activity at all stations concurrently until September, 2022 and with activity at only one site until December 2022.

In April 2022, WSP advised the City that additional contract administration and site supervision services will be required to accommodate the revised construction schedule submitted by Black & MacDonald that were not anticipated under the original agreement with the City:

- (i) Additional contract administration and two (2) full-time site inspectors to support the new construction completion from May 2022 to September 2022 in the amount of \$312,431 net of all taxes and charges;
- (ii) Additional contract administration and one (1) full-time site inspector from September 2022 to December 2022 in the amount of \$165,192 net of all taxes and charges; and
- (iii) A contingency allowance of \$100,000.00 net of all taxes and charges to cover any further requirements, design revisions, and unknown site conditions.

In order to complete the work according to the revised schedule, Purchase Order No 6040249 must be amended by an additional \$577,623 net of all taxes and charges, revising the current total value from \$2,341,467 to \$2,919,090 net of all taxes and charges.

CONTACT

Richard Noehammer, Director, Customer & Technical Support, Toronto Water
Telephone: 416-397-7296, Email: Richard.Noehammer@toronto.ca

Sabrina Dipietro, Manager, Infrastructure & Development Services, Purchasing Client Services, Purchasing & Materials Management, Telephone 416-397-4809, Email: Sabrina.Dipietro@toronto.ca

SIGNATURE

Lou Di Gironimo,
General Manager, Toronto Water

Sandra Lisi
Acting Chief Procurement Officer, Purchasing and Materials Management Division