

Amendments to Various Purchase Orders for Rehabilitation and Upgrades at the Ashbridges Bay and Humber Treatment Plants

Date: February 16, 2023

To: General Government Committee

From: General Manager, Toronto Water and Chief Procurement Officer

Wards: 3, 14

SUMMARY

The purpose of this report is to request authority to amend various purchase orders related to the rehabilitation and upgrades being carried out at the Ashbridges Bay and Humber Wastewater Treatment Plants.

These amendments are required for additional construction administration services to accommodate the revised construction schedules submitted by the general contractors as a result of delays due to COVID 19 issues. The amendments also include replenishing the contract contingency for the Operations Control Centre Rehabilitation and Upgrades Project at the Humber Treatment Plant that was depleted early in the contract schedule due to the implementation of COVID-19 protocols.

The amendments requested total \$4,196,394 (net of HST recoveries) and would increase the current value of three (3) purchase orders.

RECOMMENDATIONS

The General Manager, Toronto Water and the Chief Procurement Officer, recommend that:

1. General Government 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 the General Manager, Toronto Water to amend Purchase Order Number 6043979 with IBI Group Professional Services Canada Inc. for construction administration services for the rehabilitation and upgrades of various buildings at the Ashbridges Bay Treatment Plant, to increase the overall value by \$451,895 net of all applicable taxes and charges (\$459,848 net of HST Recoveries).

2. General Government 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 the General Manager, Toronto Water to amend Purchase Order Number 6043981 with IBI Group Professional Services Canada Inc., for construction administration services for the rehabilitation and upgrades of various buildings at the Humber Treatment Plant, to increase the overall value by \$671,920 net of all applicable taxes and charges (\$683,746 net of HST Recoveries).

3. General Government 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 the General Manager, Toronto Water to amend Purchase Order Number 6049452 with Alberici Constructions Ltd. for construction services for the rehabilitation and upgrade of the Operations Control Centre at the Humber Treatment Plant, to increase the overall value by \$3,000,000 net of all applicable taxes and charges (\$3,052,800 net of HST Recoveries).

FINANCIAL IMPACT

Amendment of Purchase Order Number 6043979 by an additional \$451,895 net of all taxes and charges (\$459,848 net of HST recoveries), will increase the purchase order value from \$746,239 to \$1,198,134 net of all taxes and charges (\$759,373 to \$1,219,221 net of HST recoveries).

Amendment of Purchase Order Number 6043981 by an additional \$671,920 net of all taxes and charges (\$683,746 net of HST recoveries), will increase the purchase order value from \$1,408,936 to \$2,080,856 net of all taxes and charges (\$1,433,733 to \$2,117,479 net of HST recoveries).

Amendment of Purchase Order Number 6049452 by an additional \$3,000,000 net of all taxes and charges (\$3,052,800 net of HST recoveries), will increase the purchase order value from \$29,533,311 to \$32,533,311 net of all taxes and charges (\$30,053,097 to \$33,105,987 net of HST recoveries)

Funding is included in the Toronto Water 2023 -2032 Capital Budget and Plan as summarized in Table 1.

Table 1: Financial Impact Summary (Net of HST Recoveries)

WBS Element (Description)	2022	2023	2024	Total
CWW038-08 (Ashbridges Bay WWTP Contract Admin)	\$459,848			\$459,848
CWW037-10 (Humber WWTP Contract Admin)	\$152,640	\$400,431	\$130,675	\$683,746
CWW037-20 (Humber WWTP Construction)		\$1,526,400	\$1,526,400	\$3,052,800

WBS Element (Description)		2022	2023	2024	Total
	Total	\$612,488	\$1,926,831	\$1,657,075	\$4,196,394

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

DECISION HISTORY

Bid Committee adopted Item Number BD82.1 at its meeting held on May 11, 2016, authorizing the award of Request for Proposal Number 9117-15-7090 to IBI Group for Provision of Professional Services for the Preliminary Design, Detailed Design, Construction Administration Services, and Post Construction Services for Rehabilitation and Upgrades of various buildings at the Ashbridges Bay and Humber Treatment Plants in the amount of \$3,818,875 net of all taxes and charges. A link to the related Bid Committee decision is provided.

[Agenda Item History - 2016.BD82.1 \(toronto.ca\)](#)

The contract commitments to IBI Group under this award consist of six (6) purchase orders in total. There are three (3) purchase orders for the Ashbridges Bay Treatment Plant: Purchase Order Number 6043977 for design services in the amount of \$637,157; Purchase Order Number 6043979 for construction administration services in the amount of \$746,239; and Purchase Order Number 6043982 for post-construction services in the amount of \$27,180 net of all taxes and charges. There are also three (3) purchase orders for the Humber Treatment Plant: Purchase Order Number 6043978 for design services in the amount of \$952,942; Purchase Order Number 6043981 for construction administration services in the amount of \$1,408,936; and Purchase Order Number 6043984 for post-construction services in the amount of \$46,420 net of all taxes and charges.

Bid Award Panel adopted Item Number BA40.3 at its meeting held on August 21, 2019, authorizing the award of Tender Call Number 297-2018 Contract Number 18TW-CTS-21CWD to Alberici Constructors Ltd for the Operations Control Centre Rehabilitation and Upgrade at the Humber Treatment Plant in the amount of \$30,053,097 net of HST recoveries. A link to the related Bid Award Panel decision is provided.

[Agenda Item History - 2019.BA40.3 \(toronto.ca\)](#)

Bid Award Panel also adopted Item Number BA40.4 at its meeting held on August 21, 2019, authorizing the award of Tender Call Number 298-2018 Contract Number 18TW-CTS-20CWD to Steelcore Construction Ltd for Blower Building Rehabilitation and Upgrades at Ashbridges Bay Treatment Plant in the amount of \$11,661,442 net of HST recoveries. A link to the related Bid Award Panel decision is provided.

[Agenda Item History - 2019.BA40.4 \(toronto.ca\)](#)

COMMENTS

1. Background

The Ashbridges Bay Treatment Plant is located at 9 Leslie Street in Toronto's east end and is one of Canada's largest and oldest wastewater treatment plants. The Ashbridges Bay Treatment Plant is located on approximately 94 hectares of land, serves a population of approximately 1.5 million, has a capacity of 818,000 m³ per day and began operating in 1917.

The Humber Treatment Plant is the City's second largest wastewater treatment plant and is located at 130 The Queensway, near the mouth of the Humber River. The Humber Treatment Plant is located on 41 hectares of land, serves a population of approximately 680,000, has a capacity of 473,000 m³ per day and began operating in 1960.

Toronto Water's approved 2023 Capital Budget and 2024-2032 Capital Plan includes \$454.107 million for Ashbridges Bay Wastewater Treatment Plant Rehabilitation and \$346.968 million for Humber Wastewater Treatment Plant 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.

The projects associated with the purchase orders listed in this report are: (i) the Blower Building Rehabilitation and Upgrades at Ashbridges Bay Treatment Plant; and (ii) the Operations Control Centre Rehabilitation and Upgrades at the Humber Treatment Plant.

2. Project Delays Related to COVID-19

In the spring of 2020, the City of Toronto reviewed the list of essential workplaces and services issued by the Province of Ontario on March 23, 2020 and April 3, 2020. City-led infrastructure construction was deemed essential and important construction on City water and transportation infrastructure and City facilities was allowed to proceed. The City considered the management of existing construction contracts a priority and made arrangements to have these projects appropriately staffed to ensure adequate project management and construction administration services (including from contracted consultants) were in place for these projects.

It was stressed that the health and safety of all workers associated with the delivery of these projects was of paramount importance. The unprecedented circumstances associated with the COVID-19 pandemic emphasized the importance of ensuring the protection of the health and safety of all workers. Revised protocols and restrictions were put in place to help ensure the health and safety of workers.

As a result, many construction contracts experienced delays. For example, slower work due to COVID-19 restrictions; delay of material or equipment supplied by others tied to COVID-19 restrictions and staff testing positive resulting in site shut down for 14 days. There was also additional requirements for Personal Protective Equipment (PPE), hand washing and sanitization stations which in some cases resulted in slower work.

3. Amendment of Purchase Order Number 6043979 with IBI Group

This purchase order is for construction administration services related to the Blower Building Rehabilitation and Upgrades at Ashbridges Bay Treatment Plant project.

In July 2022, IBI Group advised that there would be additional services required to accommodate the revised construction schedule submitted by Steelcore Construction Ltd for their work at the Ashbridges Bay Treatment Plant that were a result of delays due to COVID-19 issues. This included: (i) an additional 70 weeks of full-time resident site inspection and construction administration services from May 29, 2021 to September 30, 2022 at \$5,200 per week; (ii) an additional 8 weeks of part-time resident site inspection and construction administration services from September 30, 2022 to November 25, 2022 at \$3,120 per week; and (iii) adjustments required to the testing and commissioning services. The total cost for these additional services is \$451,895 net of all taxes and charges.

4. Amendment of Purchase Order Number 6043981 with IBI Group

This purchase order is for construction administration services related to the Operations Control Centre Rehabilitation and Upgrades at the Humber Treatment Plant.

In July 2022, IBI Group also advised that there would be additional services required to accommodate the revised construction schedule submitted by Alberici Constructors Ltd for their work at the Humber Treatment Plant that were a result of delays due to COVID-19 issues. This included: (i) an additional 112 weeks of full-time resident site inspection and construction administration services from July 7, 2022 to August 30, 2024 at \$5,200 per week; (ii) adjustments required to the testing and commissioning services; and (iii) additional contingency. The total cost for these additional services is \$671,920 net of all taxes and charges.

5. Amendment of Purchase Order Number 6049452 with Alberici Constructors Ltd

This purchase order is for construction services related to the Operations Control Centre Rehabilitation and Upgrades at the Humber Treatment Plant.

An unusual amount of change occurred on the project primarily due to COVID-19, unforeseen conditions arising from the as built drawings not accurately depicting the building construction and increased requirements to address contaminated soils. COVID-19 protocols drove substantial revisions to the temporary buildings and utilized more than 50 percent of the contingency before construction work began on the permanent building.

The original contingency of \$2,519,920 (10 percent) along with the provisional amounts of \$657,083 have been depleted to the extent that it will not support the unforeseen issues that may arise during construction. The City's project team would like to amend the purchase order to add \$3,000,000 net of all taxes and charges to the project contingency. This amendment is required to adequately cover the remaining risk over the extended duration of the construction.

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SIGNATURE

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