

Amendment to Purchase Order Number 6054426 with Candevcon Limited for the Contract Administration of the Port Union Road Widening Project

Date: June 23, 2023

To: General Government Committee

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

Wards: 25 (Scarborough-Rouge Park)

SUMMARY

The purpose of this report is to request authority to amend Purchase Order Number 6054426 issued to Candevcon Limited, for professional engineering services associated with the construction of the Port Union Road Widening project between Lawrence Avenue East and Island Road.

This amendment is required to address the financial needs for the increased construction administration, material testing and inspection services awarded to Candevcon Limited on December 21, 2016, due to design enhancements addressing vision zero design updates, provincial regulations regarding Excess Soil Management, and relocated Toronto Hydro distribution systems and streetlighting for successful completion of the project.

The total value of the Purchase Order Amendment being requested is \$830,732 net of all taxes and charges (\$845,353 net of Harmonized Sales Tax recoveries). This revises the current purchase order value from \$403,000 to \$net of all taxes and charges (\$1,255,446 net of Harmonized Sales Tax recoveries).

RECOMMENDATIONS

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

General Government Committee, in accordance with Section 71-11.1.C of the Toronto Municipal Code Chapter 71 (Financial Control Purchasing By-Law), grant authority to amend Purchase Order Number 6054426 with Candevcon Limited, for the provision of professional services associated with contract administration and post construction services for Port Union Road Widening between Lawrence Avenue East and Island Road, by an additional amount of \$830,732 net of all taxes and charges (\$845,353 net of Harmonized Sales Tax recoveries). This revises the current purchase order value from \$403,000 to \$1,233,732 net of all taxes and charges (\$1,255,446 net of Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

Purchase Order Number 6054426 was issued to Candevcon Limited for the Contract Administration services and Contingency Allowance is in the amount of \$403,000. The funds from this purchase order have not yet been utilized and will offset the revised quotation for the amendment to Purchase Order Number 6054426 with Candevcon Limited for the additional services required to complete the project. This will increase the total Purchase Order Number 6054426 value by an amount of \$830,732 net of all taxes and charges (\$845,353 net of Harmonized Sales Tax recoveries).

Funding is available in the 2023 Approved Capital Budget and the 2024-2032 Approved Capital Plan for Transportation Services. Funding details are provided in Table 1 below:

Table 1: Financial Impact Summary for Purchase Order Number 6054426

WSB Element	2023	2024	Total (Net of Harmonized Sales Tax Recoveries)	Category
CTP815-25-08	\$422,677	\$422,676	\$845,353	Growth

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

DECISION HISTORY

At its meeting held on June 10, 11, 12 and 13, 2014, City Council authorized the General Manager, Transportation Services, to issue a Notice of Completion and to file the Addendum to the Port Union Road Environmental Assessment Study (2004) in the public record for a minimum 30 days in accordance with the requirements of the Municipal Class Environmental Assessment." A copy of the Council decision PW31.10

titled "Port Union Road - Environmental Assessment Addendum" can be found at: [Agenda Item History - 2014.PW31.10 \(toronto.ca\)](#)

At its meeting held on December 21, 2016, the Bid Committee adopted Staff Report BD115.5 titled "Award of Request for Proposal Number 9117-16-5042 to Candevcon Limited for Professional Engineering Services to Complete Preliminary and Detailed Design Services and Contract Administration for Port Union Road Widening and Improvements between Lawrence Avenue East and Island Road" granting authority to award the contract to Candevcon Limited in accordance with the contract details set out in the report from the Director, Purchasing and Materials Management. A copy of the Bid Committee report can be found at: [Agenda Item History - 2014.PW31.10 \(toronto.ca\)](#)

At its meeting held on June 21, 2022, the Infrastructure and Environment Committee adopted Staff Report IE31.1 which authorized amendment to Purchase Order Number 6044650 with Candevcon Limited associated with the detailed design of the Port Union Road widening between Lawrence Avenue East and Island Road to incorporate design changes initiated by Transportation Services necessary to update road safety standards and additional geotechnical investigations associated with Ontario Regulation 406/19 On-Site and Excess Soil Management. A copy of the Infrastructure and Environment Committee can be found at: [Agenda Item History - 2022.IE31.1 \(toronto.ca\)](#)

At its meeting held on May 30, 2023, General Government Committee adopted Staff Report GG4.16 titled "Award of Request for Tender Ariba Document Number 3846791801 to Grascan Construction Limited for the Port Union Road Widening from Island Road to Lawrence Avenue East" granting authority to award the contract in accordance with the contract details set out in the report from the Director, Purchasing and Materials Management. A copy of the General Government Committee report can be found at: [Agenda Item History – 2023.GG4.16 \(toronto.ca\)](#)

COMMENTS

Background

Port Union Road is classified as a minor arterial road with connections to Highway 401 and Highway 2A/Kingston Road. This street is a mixed use of residential and commercial, with many collector roads connecting to Port Union Road from the adjacent neighbourhood. It currently has three lanes, two southbound and only one northbound. It has non-continuous sidewalk segments no cycling infrastructure.

In 2004, Transportation Services completed a Municipal Class Environmental Assessment to review options for an additional northbound travel lane and provisions for continuous cycling lanes and sidewalks along Port Union Road. In 2014 Transportation Services completed an Environmental Assessment Addendum, with updated traffic analysis, additional public meetings, and revised conceptual design to minimize impacts to properties. The recommended option consisted of two northbound

and two southbound travel lanes on Port Union Road from Lawrence Avenue East to Island Road; continuous on-road cycling lanes in both directions; continuous sidewalks on both sides; and provision for left-turn lanes where warranted.

On July 18, 2016, the City issued a Request for Proposals (RFP) for Professional Engineering Services (RFP Number 9117-16-5042) to complete the Preliminary and Detailed Design Services and Contract Administration for the Port Union Road Widening and Improvements between Lawrence Avenue East and Island Road.

In March 2017, the City retained Candevcon Limited through a Request for Proposal for professional engineering services related to detailed design, contract administration and post construction services for the Port Union Road Widening.

The detailed design for the Port Union Road widening project is complete and the project has been tendered and awarded, with construction to commence in Summer 2023. Prior to construction, other enabling works such as geotechnical investigations and relocation of buried infrastructure by Enbridge, Bell and Rogers have been completed to avoid conflicts with the road widening.

An assessment of the Contract Administration services was completed at the end of the design stage, and it was determined that the scope of the service would need to be updated due to the revision in the final design, phased project delivery and changes in provincial regulations that govern On-Site and Excess Soil Management under the Environmental Protection Act that were introduced after the contract was awarded. The costs and scope of work are being updated due to the following two reasons:

1. Provincial Requirements and Allowance for Toronto Hydro Inspection Requirements

Due to introduction of provincial requirements governing construction activities in 2019 and discussions regarding testing and inspection requirements with Toronto Hydro, the items noted below are being included under the Contract Administration scope of work for Candevcon Limited.

Description	Cost
On-Site and Excess Soil Management (Ontario Regulation O.Reg 4016/19) requirements due to updates to the provincial regulation	\$60,000
Allowance for Electrical inspection and design support services	\$13,160

The details for the increase are noted below;

- Since the initiation of the design in 2016, the updated requirements and the regulatory implementation of the Ontario Regulation, O. Reg. 406/19 (On-Site and Excess Soil Management under the Environmental Protection Act, new excess soil reuse planning requirements) are now applicable to the construction stage of this

project. There was no budget allocated for this task in Request for Proposal (RFP Number 9117-16-5042) and the revised quotation includes approximately \$60,000 for completion of this task.

- Toronto Hydro has noted that they will be completing the Contract Administration, Inspection and Testing of the electrical distribution and streetlighting infrastructure and this will be billed as per the City of Toronto and Toronto Hydro Coordination Agreement. An allowance of \$13,160 is being requested to retain the electrical design consultant to attend certain milestone meetings such as the pre-construction meeting and to be available for any additional design updates during the construction phase if required.

2. Updates to Contract Administration and Material Testing Services due to Design Enhancements

The project scope was updated to include Vision Zero safety enhancements in the final design and subsequently the testing and inspection requirements for Contract Administration, geotechnical inspections and Traffic Signals had to be revised and updated. Also, an allowance for landscaping inspection is being included if required during the construction stage. The revision in the cost for the services noted below was revaluated at the completion of the design stage of the project.

Description	Cost
Contract Administration cost increase in the number of weeks and the increase in wage inflation since 2016	\$235,750
Geotechnical Inspections and Material Testing	\$170,000
Traffic Signal Inspection Services	\$216,200
Allowance for Landscaping Inspection Services	\$5,000

The details for the increase are noted below;

- Request For Proposal 9117-16-5042 initially included for 30 weeks of full time Contract Administration and Inspection services. With completion of the design, it is now being estimated that on an average, 50 weeks of contract administration services will be required to manage the final design, stakeholder coordination and phased delivery approach. The revised budget also includes for an increase in the hourly rate for the dedicated project personnel by approximately 20% on average to account for salary inflation since 2016. This has increased the budget by \$235,750.
- With the completion of the design, it was established that additional Geotechnical Inspections and Material Testing were required for new items such as retaining walls. Additionally, the unit price for testing and quality assurance had increased since the award of the project in 2016. The value for Geotechnical Inspections and Material Testing is now approximately \$170,000.

- Contract Administration Support and Inspection Services for both Temporary and Permanent Traffic Signals is estimated at \$216,200. During the detailed design stage, the latest testing and inspection requirements for the City of Toronto were reviewed and thus, a revised proposal was requested and negotiated in consultation with the City's Traffic System Planning group to ensure that the infrastructure is adequately installed and inspected.
- An allowance of \$5,000 is being requested for inspection services for landscaping to retain an arborist for any design review during the construction phase of the project.

In keeping with the general practice of retaining the design consultant as the primary Contract Administrator, the sub-consultants required for completing the Contract Administration on individual components such as, traffic signals and material testing is being retained under Candevcon Limited. This will ensure that all liability remains under the auspices of Candevcon Limited reducing the City's exposure to risks associated with delays, claims etc., due to approvals and coordination. In addition, this also allows for enhanced coordination with respect to scheduling and communication between the sub-consultant and their activities.

Staff are also requesting \$130,622 be added to the contingency allowance to address any future unforeseen issues, which may arise during the construction phase. Staff will follow the City's Change Management process as noted in the Capital Works Procedures manual with regard to the expenditure of the contingency funds.

The total value of the Purchase Order Amendment being requested is \$830,732 net of all applicable taxes and charges (\$845,353 net of Harmonized Sales Tax recoveries). City staff have found the quotation for the Contract Administration, Material Testing, and Inspection services for the Port Union Road widening project from Candevcon Limited to be fair and reasonable.

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SIGNATURE

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