

Amendment to Purchase Order Number 6053894 with Heritage Restoration Inc. for the Construction of the Palm House Heritage Building Restoration and Functional Upgrade for the Parks, Forestry and Recreation Division

Date: September 18, 2023

To: General Government Committee

From: Acting General Manager, Parks Forestry and Recreation & Chief Procurement Officer, Purchasing and Materials Management

Wards: Toronto Centre - 13

SUMMARY

The purpose of this report is to request authority to amend Purchase Order Number 6053894 with Heritage Restoration Inc., as a result of Request for Tender Document Number 3440890581 (Contract No. 22-PFR-042) for the construction of the Palm House Heritage Building Restoration and Functional Upgrade.

This purchase order amendment is requested to complete unforeseen work to address the discovery of lead paint, encountered while restoring the Palm House steel structure. While conducting a due diligence examination and testing of the existing paint coatings, Heritage Restoration Inc. discovered the existing paint contained lead. In accordance with the Occupational Health and Safety Act, the contractor is required to implement the necessary controls and materials abatement protocol which resulted in a significant increase in scope, procedural complexity, effort and cost.

The total value of the Purchase Order Amendment being requested is \$1,049,148 net of all applicable taxes and charges (\$1,067,613 net of Harmonized Sales Tax recoveries), revising the current purchase order from \$9,999,359 net of all applicable taxes and charges (\$10,175,348 net of Harmonized Sales Tax recoveries) to \$11,048,507 net of all applicable taxes and charges (\$11,242,961 net of Harmonized Sales Tax recoveries).

RECOMMENDATIONS

The Acting General Manager, Parks Forestry and Recreation, and Chief Procurement Officer, Purchasing and Materials Management recommend that:

The General Government Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control Bylaw), grant authority to amend Purchase Order Number 6053894 issued to Heritage Restoration Inc., to increase the purchase order value by \$1,049,148 net of all applicable taxes and charges (\$1,067,613 net of Harmonized Sales Tax recoveries), revising the purchase order value from \$9,999,359 net of all applicable taxes and charges (\$10,175,348 net of Harmonized Sales Tax recoveries) to \$11,048,507 net of all applicable taxes and charges (\$11,242,961 net of Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

The total value of the Purchase Order Amendment identified in this report is \$1,049,148 net of all applicable taxes and charges (\$1,067,613 net of Harmonized Sales Tax recoveries). This will increase the Purchase Order value from \$9,999,359 net of all applicable taxes and charges (\$10,175,348 net of Harmonized Sales Tax recoveries) to \$11,048,507 net of all applicable taxes and charges (\$11,242,961 net of Harmonized Sales Tax recoveries).

Funding for this purchase order amendment is included in Parks, Forestry and Recreation's 2023 Council Approved Capital Budget and 2024-2032 Capital Plan as summarized in Table 1 below (net of Harmonized Sales Tax recoveries):

Table 1: Financial Impact Summary

WBS Element	Description	Year	Total (Net of HST Recoveries)
CPR126-49-03	CAMP (SGR) Special Facilities Buildings & Structures	2023	\$1,067,613

The Interim Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

DECISION HISTORY

At its meeting on February 15, 2023, City Council approved Parks, Forestry and Recreation's 2023-2032 Capital Budget and Plan through item 2023.MPB4.1 (98) and additional funds of \$1.068 million to address the unforeseen conditions at Allan Gardens Conservatory Palm House through the CAMP SOGR Special Facilities Buildings and Structures project.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.MPB4.1>

At its meeting on August 31, 2022, Bid Award Panel granted authority to award a contract to Heritage Restoration Inc. (HRI Group) for the supply and delivery of all labour, materials, equipment, and supervision required to complete the Allan Gardens Conservatory Palm House State of Good Repair Heritage Building Restoration project.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.BA203.2>

At its meeting on April 6, 2022, City Council directed Parks, Forestry and Recreation to establish a process to review and evaluate the governance and operating model for Allan Gardens and all assets on the park in consultation with park users, stakeholders, Friends of Allan Gardens and the local Ward Councillor.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.MM42.21>

At its meeting on February 17, 2022, City Council approved Parks, Forestry and Recreation's 2022-2031 Capital Budget and Plan through item EX30.2 (177) and \$10.175 million for the Allan Gardens Conservatory Palm House State of Good Repair sub-project through the CAMP SOGR Special Facilities Buildings and Structures project.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX30.2>

COMMENTS

Parks, Forestry and Recreation (PFR) is advancing a comprehensive heritage restoration of the Allan Gardens Conservatory Palm House building. The Palm House pavilion of the Conservatory Complex is approximately 365 square metres in size, consisting of an at-grade-level main floor and underlain by a network of service tunnels. The principal components of the restoration project include addition of a new concrete slab, repairs to existing steel structural frame, windows glazing and glass cladding replacement, ventilation and air quality systems enhancement, and accessibility improvements.

The original purchase order value was \$9,999,359 net of all applicable taxes and charges (\$10,175,348 net of Harmonized Sales Tax recoveries). This amendment request is in the amount of \$1,049,148 excluding all applicable taxes and charges (\$1,067,613 net of Harmonized Sales Tax Recoveries), revises the current Purchase Order value from \$9,999,359 net of all applicable taxes and charges (\$10,175,348 net of Harmonized Sales Tax recoveries) to \$11,048,507 net of all applicable taxes and charges (\$11,242,961 net of Harmonized Sales Tax Recoveries).

This purchase order amendment is required to compensate the vendor for unforeseen increased building construction costs necessary to provide for worker health and safety, in accordance with compliance measures mandated by Provincial regulation. The increase in cost was generated by the unforeseen discovery of existing lead paint requiring hazardous materials abatement measures.

It is the opinion of City staff and the architect consultant on the project that the costs submitted by Heritage Restoration Inc. for the requested amendments are fair and

reasonable and in keeping with the terms and conditions of the construction agreement contract.

The Fair Wage Office has reported that the vendor identified in this report indicates that it has reviewed and understands the City of Toronto Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

CONTACT

Kelly Lee McGarry, Manager, CSS & CMO, Purchasing and Materials Management,
Tel: 416-338-5574, Email: Kelly.McGarry@toronto.ca

Jessie Gresley-Jones, Director, Capital Projects Design and Delivery, Parks, Forestry
and Recreation, Tel: 416-416-338-8675, Email: Jessie.Gresley-Jones@toronto.ca

SIGNATURE

Howie Dayton
Acting General Manager, Parks, Forestry and Recreation

Geneviève Sharkey
Chief Procurement Officer, Purchasing and Materials Management