

Amendment to Purchase Order Number 6052316 with CSL Group Limited for Construction of Bump-outs along Spadina Avenue in the Forest Hill Village Business Improvement Area for Economic Development and Culture

Date: April 16, 2024

To: General Government Committee

From: General Manager, Economic Development and Culture and Chief Procurement Officer

Wards: 12

SUMMARY

The purpose of this report is to request authority to amend Purchase Order Number 6052316 issued to CSL Group Limited, for the provision of all labour, materials and equipment necessary for the supply, manufacture, delivery, assembly, and installation of all elements required to construct several permanent bump-outs at street intersections along Spadina Avenue in the Forest Hill Village Business Improvement Area.

The recommended amendment is required for additional work required to address unforeseen site conditions and coordination issues related to the project. The construction site for this project is located in an older section of Forest Hill Village Business Improvement Area. Upon excavation, it was discovered that neither the underground utility records nor locates were completely accurate. The contractor encountered unknown utilities, broken pipes, buried concrete and old gas lines. To proceed safely, meet project milestones and complete the project on time, the option to hydrovac was proposed as a solution and the most effective method to protect the underground utilities and safely and efficiently remove and dispose of debris.

The total purchase order amendment being requested is for an additional amount of \$38,711 net of all taxes and charges (\$39,392 net of HST recoveries), revising the overall purchase order value from \$981,624 to \$1,020,335 net of all taxes and charges (\$1,038,293 net of HST recoveries).

RECOMMENDATIONS

The General Manager, Economic Development and Culture and the Chief Procurement Officer recommend that:

1. The General Government Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to amend Purchase Order Number 6052316 issued to CSL Group Limited to complete the construction of bump-outs along Spadina Avenue in the Forest Hill Village Business Improvement Area, by increasing the value by \$38,711 net of all taxes and charges (\$39,392 net of HST recoveries), revising the current purchase order value from \$981,624 to \$1,020,335 net of all taxes (\$1,038,293 net of HST recoveries).

FINANCIAL IMPACT

The amendment to Purchase Order Number 6052316 for an additional amount of \$38,711 net of all taxes and charges (\$39,392 net of HST recoveries), adjusts the current contract value from \$981,624 to \$1,020,335 net of all taxes (\$1,038,292 net of HST recoveries).

Funding for these construction services is available in the 2024 Economic Development and Culture Capital Budget, in the following account:

WBS Element	Description	Original Value (Net of HST Recoveries)	January 1, 2024 to December 31, 2024	Total (Net of HST Recoveries)
CED130-37	2024 Forest Hill Village Business Improvement Area	\$998,900	\$39,392	\$1,038,292

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

On June 24, 2021, Purchase Order Number 6052316 was awarded to CSL Group Limited, in the amount of \$498,664 net of all taxes and charges (\$507,440 net of HST recoveries), for the provision of all labour, materials and equipment necessary for the construction of five landscaped bump outs at three intersections in the Forest Hill Village Business Improvement Area, in the City of Toronto, all in accordance with the requirements of Request for Tender Ariba Document Number 2931692107.

On October 27, 2023, Purchase Order Amendment number 1 was issued to increase the value of the purchase order by \$482,960 net of all taxes and charges, from \$498,664 to \$981,624 net of all taxes and charges (\$998,900 net of HST recoveries), to cover additional costs due to significant delays in the commencement of construction.

COMMENTS

The requested purchase order amendment is to address over expenditure on the existing purchase order, as the cumulative additional funds exceed the authorized purchase order value.

Purchase Order Number 6052316 was awarded on June 24, 2021, to CSL Group Limited, in the amount of \$498,664 net of all taxes and charges (\$507,440 net of HST recoveries). It is for the provision of all labour, materials and equipment necessary for the construction of five landscaped bump outs at three intersections in the Forest Hill Village Business Improvement Area, in the City of Toronto, all in accordance with the requirements of Request for Tender Ariba Document Number 2931692107.

The goal for this project is to create bump-outs that will enhance the public realm, reduce traffic speeds, improve pedestrian safety and create place making that incorporate greening initiatives. This streetscape improvement project is supported by the Forest Hill Village Business Improvement Area's Streetscape Master Plan and by Vision Zero.

This project was awarded in late June 2021, with a schedule to begin in October 2021 and be completed by December 31, 2021. A request for permit approvals was not obtained until September 2022.

This delay led to the first purchase order amendment, issued on October 27, 2023 to increase the value of the purchase order by \$482,960, from \$ 498,664 to \$981,624 net of all taxes (\$998,900 net of HST recoveries), to cover the costs associated with delays in the commencement of construction. EDC consulted with City Legal Services to assess options, and while the option to cancel the project was discussed, it was not the favoured option, given the stage at which the project was in and the timeline in which the project needed to be completed. Staff determined that re-tendering and onboarding another contactor, almost two years later, would be costly to the City and would prevent the project from being completed.

As the project nears completion, CSL Group Limited has encountered unknown utilities, broken pipes, buried concrete and old gas lines. The original scope of work allowed for mechanical excavation and disposal of debris, however, to proceed safely, meet project milestones and complete the project on time, the option to hydrovac was proposed as a solution and the most effective method to protect the underground utilities and safely and efficiently remove and dispose of debris.

This report is requesting authority for a second amendment to the purchase order, for hydrovac services, at an additional amount of \$38,711 net of all taxes and charges (\$39,392 net of HST recoveries). Based on the unforeseen site conditions outlined

above, it is the opinion of City staff that the costs submitted by CSL Group Limited are fair and reasonable and are in keeping with the conditions of the contract. The second amendment revises the current contract value from \$981,624 net of all taxes (\$998,900 net of HST recoveries) to \$1,020,335 net of all taxes (\$1,038,292 net of HST recoveries).

The cumulative total of all amendments including the current request is \$521,671 net of all taxes and charges.

CONTACT

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SIGNATURE

Patrick Tobin
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Geneviève Sharkey
Chief Procurement Officer