

Amendment to Purchase Order Number 6044203 with Concept Naval Experts Maritimes Inc. for the Provision of Design and Construction Support Services for the Delivery of Two Electric Ferries and Associated Shore-side Infrastructure for Parks Forestry and Recreation

Date: April 17, 2024

To: General Government Committee

From: Acting General Manager, Parks Forestry and Recreation and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request authority to amend Purchase Order Number 6044203 with Concept Naval Experts Maritimes Inc. for the provision of Total Design and Construction Support Services for the Construction of a New City of Toronto Marine Services Passenger and Vehicle Vessel and associated shore-side support services for infrastructure work.

The purchase order amendment is requested to provide additional design and construction support services for the delivery of a new Toronto ferry or ferries, as part of the City's Ferry Replacement Project. These additional design and construction support services are required to advance modifications to the electric version of the design for the passenger vessel, as well as shore-side infrastructure required to support full electrification of both vessels.

The total value of the purchase order amendment being requested is \$1,302,500 net of applicable taxes and charges (\$1,325,424 net of Harmonized Sales Tax recoveries), revising the current purchase order from \$4,540,721 net of all applicable taxes and charges (\$4,620,638 net of Harmonized Sales Tax recoveries) to \$5,843,221 net of all applicable taxes and charges (\$5,946,062 net of Harmonized Sales Tax recoveries), and to extend the contract term from December 31, 2025 to March 31, 2027 for the completion of the contract.

RECOMMENDATIONS

The Acting General Manager, Parks, Forestry and Recreation and the Chief Procurement Officer recommend that:

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 enter into the necessary amending agreement on terms and conditions satisfactory to the Acting General Manager, Parks, Forestry and Recreation and in a form satisfactory to the City Solicitor, to increase the value and term of Purchase Order Number 6044203 with Concept Naval Experts Maritimes Inc. for the provision of additional design and construction support services for the delivery of a new Toronto ferry or ferries, including associated shore-side support services for infrastructure by an additional amount of \$1,302,500 net of applicable taxes and charges (\$1,325,424 net of Harmonized Sales Tax recoveries), increasing the current Purchase Order Value from \$4,540,721 net of applicable taxes and charges (\$4,620,638 net of Harmonized Sales Tax recoveries) to \$5,843,221 net of all applicable taxes and charges (\$5,946,062 net of Harmonized Sales Tax recoveries), and extending the contract term from December 31, 2025 to March 31, 2027.

FINANCIAL IMPACT

The total value of the purchase order amendment identified in this report is \$1,302,500 net of all applicable taxes and charges (\$1,325,424 net of Harmonized Sales Tax recoveries). This will increase the current purchase order value from \$4,540,721 net of all applicable taxes and charges (\$4,620,638 net of Harmonized Sales Tax recoveries) to \$5,843,221 net of all applicable taxes and charges (\$5,946,062 net of Harmonized Sales Tax recoveries).

Funding is included in Parks, Forestry and Recreation's 2024 Capital Budget and 2025-2033 Capital Plan as summarized in Table 1 below:

Table 1: Financial Impact Summary

WBS Element	Project Description	2024	2025	Total (Net of HST Recoveries)
CPR126-45-08	Ferry Fleet Replacement	\$1,100,000	\$225,424	\$1,325,424

The 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 of February 14, 2024, City Council approved the 2024-2033 Capital Budget and Plan for Parks, Forestry and Recreation through item MPB15.1 (69) and additional funds of \$10,000,000 for Ferry Fleet Replacement.

[Agenda Item History - 2024.MPB15.1 \(toronto.ca\)](#)

At its meeting of January 14, 2022, General Government and Licensing Committee approved a Purchase Order Amendment of \$2,689,565 net of applicable taxes and charges (\$2,736,901 net of Harmonized Sales Tax recoveries), revising the Purchase Order value to \$4,540,721 net of all applicable taxes and charges (\$4,620,638 net of Harmonized Sales Tax recoveries).

[Agenda Item History – 2022.GL28.1 \(toronto.ca\)](#)

At its meeting of March 5, 2019, General Government and Licensing Committee approved a Purchase Order Amendment of \$767,364 net of applicable taxes and charges (\$780,870 net of Harmonized Sales Tax recoveries), revising the Purchase Order value to \$2,041,720 excluding all applicable taxes and charges (\$2,077,654 net of Harmonized Sales Tax recoveries).

[Agenda Item History – 2019.GL2.7 \(toronto.ca\)](#)

At its meeting of February 12, 2018, City Council approved the 2018 Capital Budget for Parks, Forestry and Recreation through item EX31.2 (20a.i.) and additional funds of \$1,500,000 for Replacement of Ferry Boat Number 1.

[Agenda Item History – 2018.EX31.2 \(toronto.ca\)](#)

At its meeting of August 3, 2016, Bid Committee adopted item BD94.11 to award Request for Proposal Number 9117-15-0142 for the total design and construction support services for the construction of a new City of Toronto Marine Services passenger and vehicle vessel and an optional second ferry for a total potential contract award, including all options, of \$1,274,356 net of all applicable taxes and charges (\$1,296,785 net of HST recoveries) to Concept Naval Experts Maritimes Inc.

[Agenda Item History – 2016.BD94.11 \(toronto.ca\)](#)

City Council, at its meeting of March 10 and 11, 2015, adopted Parks, Forestry and Recreation's 2015 Capital Budget through item EX3.4 (23a.i.) and \$11,000,000 for the Replacement of Ferry Boat Number 1.

[Agenda Item History – 2015.EX3.4 \(toronto.ca\)](#)

COMMENTS

The City maintains and operates a ferry fleet of four primary vessels (the Ongiara, the William Inglis, the Sam McBride, and the Thomas Rennie) and one heritage vessel (the Trillium), transporting around 1.4 million passengers and over 5000 vehicles annually, with the majority of the traffic occurring from May to September. Despite regular maintenance, the aging fleet faces challenges in reliability, safety and the inability to incorporate modern advancements like accessibility and energy efficiency.

Parks, Forestry and Recreation is advancing the Toronto Island Ferry Replacement Project to replace the Ongiara with a new year-round vessel with a capacity of 14 cars and 650 people, and the Inglis with a new passenger vessel with a capacity of 1,300 people.

The original purchase order value was issued on August 3, 2015, in the amount of \$1,274,356 net of all applicable taxes and charges (\$1,296,785 net of Harmonized Sales Tax recoveries) for the design of a hybrid diesel-electric powered passenger / vehicle vessel, and a hybrid diesel-electric passenger vessel.

The first purchase order amendment was issued on March 5, 2019, in the amount of \$767,364 net of all applicable taxes and charges (\$780,870 net of Harmonized Sales Tax recoveries) to provide additional design and construction support services for the delivery of a new Toronto ferry or ferries and extend the agreement term to expire December 31, 2022.

The second purchase order amendment was issued on January 14, 2022, in the amount of \$2,689,565 net of all applicable taxes and charges (\$2,736,901 net of Harmonized Sales Tax recoveries) for additional design and construction support services required to advance an electric version of the design, short-side infrastructure required to support full electrification of the vessels and extend the agreement term to December 31, 2025. This electrification effort represents a significant step towards green, efficient urban transportation, highlighting the City's commitment to sustainable practices and greenhouse gas reduction, with projected substantial fuel cost saving and Green House Gas reduction starting in the early 2030s.

This is the third amendment to the purchase order in the amount of \$1,302,500 net of all applicable taxes and charges (\$1,325,424 net of Harmonized Sales Tax recoveries) and is required to provide additional design and construction support services for the delivery of new Toronto ferries to provide modifications to the passenger vessel, environmental in water work, geotechnical investigations as well as shore-side infrastructure to support full electrification of both vessels. Informed by internal and stakeholder feedback, these modifications provide improvement to passenger flow, accessibility, and interior seating. This work further supports the City in advancing submissions for the necessary vessel class certifications and Transport Canada approvals prior to awarding the construction contract.

This amendment also requires an extension of the purchase order delivery date from December 31, 2025 to March 31, 2027. The functional design work is expected to reach completion by Q3 2024, with construction anticipated to start in the fourth quarter of 2024.

It is the opinion of City staff that the costs submitted by Concept Naval for the requested amendment are considered fair and reasonable, in keeping with the terms and conditions of Request for Proposal Document Number 9117-15-0142.

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

Clarman Yang, Manager, Purchasing Client Services, Purchasing & Materials Management, 416-392-1302, Clarman.Yang@toronto.ca

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

SIGNATURE

Howie Dayton
Acting General Manager, Parks, Forestry and Recreation

Geneviève Sharkey
Chief Procurement Officer