

Amendment to Purchase Order Number 6054338 with Grascan Construction Ltd. for Construction Services of Lower Don Trail Improvements Phase 2 for Parks, Forestry and Recreation

Date: May 15, 2024

To: General Government Committee

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

Wards: 13, 14

SUMMARY

The purpose of this report is to request authority to amend Purchase Order Number 6054338 issued to Grascan Construction Ltd., as a result of Request for Tender Doc3489780251, for construction services for the Lower Don Trail Improvements Phase 2.

This purchase order amendment is requested to address additional work required due to unforeseen unstable soil conditions discovered during construction, necessitating redesign and modified construction methods for the foundation system to ensure structural integrity and site safety, and additional costs associated with track protection.

The total value of the purchase order amendment being requested is \$2,610,000 net of all applicable taxes and charges (\$2,655,936 net of Harmonized Sales Tax Recoveries), revising the current purchase order from \$10,864,920 net of all applicable taxes and charges (\$11,056,142 net of Harmonized Sales Tax Recoveries) to \$13,474,920 net of all applicable taxes and charges (\$13,712,078 net of Harmonized Sales Tax Recoveries).

RECOMMENDATIONS

The General Manager, Parks, Forestry and Recreation, and 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 Bylaw), grant authority to

amend Purchase Order Number 6054338 issued to Grascan Construction Ltd., for the provision of construction services for the Lower Don Trail Improvements Phase 2 by increasing the value by \$2,610,000 net of all applicable taxes and charges (\$2,655,936 net of Harmonized Sales Tax Recoveries), from \$10,864,920 net of all applicable taxes and charges (\$11,056,142 net of Harmonized Sales Tax Recoveries) to \$13,474,920 net of all applicable taxes and charges (\$13,712,078 net of Harmonized Sales Tax Recoveries).

FINANCIAL IMPACT

The purchase order amendment request included in this report will increase the value of construction services by \$2,610,000 net of all applicable taxes and charges (\$2,655,936 net of Harmonized Sales Tax Recoveries). This will increase the current purchase order value from \$10,864,920 net of all applicable taxes and charges (\$11,056,142 net of Harmonized Sales Tax Recoveries) to \$13,474,920 net of all applicable taxes and charges (\$13,712,078 net of Harmonized Sales Tax Recoveries).

Funding for this purchase order amendment is included in Parks, Forestry and Recreation's 2024 Capital Budget and 2025-2033 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)
CPR114-52-04	Various Buildings and Parks Accessibility	2024	\$2,655,936

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 on October 4, 2022 the Bid Award Panel granted authority to Grascan Construction Ltd. for the Lower Don Trail Improvements Phase 2 for Parks, Forestry, and Recreation.

[Agenda Item History - 2022.BA209.3 \(toronto.ca\)](#)

At its meeting on July 16, 2019, City Council approved an amendment to Parks, Forestry and Recreation's 2019-2028 Capital Budget and Plan to accept a donation from Trans Canada Trail of \$0.100 million for the Riverdale Sloped Path (Accessibility - Riverdale and Lower Don Trail) project through item 2019.IE6.1.

[Agenda Item History - 2019.IE6.1 \(toronto.ca\)](#)

At its meeting on February 12, 2018, City Council approved Parks, Forestry and Recreation's 2018-2027 Capital Budget and Plan through item 2018.EX31.2 (20.a.i.) and \$3.000 million for the Various Buildings and Parks Accessibility - New Accessibility Riverdale and Lower Don project.

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

COMMENTS

Parks, Forestry, and Recreation in partnership with Transportation Services is proceeding with the Phase 2 construction of Lower Don Trail Improvements between the Belleville Underpass and Bala Underpass. The scope of the project includes:

- a concrete accessible sloped path installation from the pedestrian bridge at Riverdale Park to the Lower Don Trail
- a new staircase installation at Dundas Bridge
- fencing replacement between Metrolinx railway and the trail with new Metrolinx standard ClearVu fences
- asphalt paving, trail widening and new fencing between Red Bridge (north of the pedestrian bridge) and the south end at Corktown Common
- planting restoration throughout the Phase 2 area of Lower Don Trail
- new drainage swales between the trail and the Don River

The original purchase order value was issued on March 8, 2023 in the amount of \$10,364,921 net of all applicable taxes and charges (\$10,547,343 net of Harmonized Sales Tax Recoveries) for supply and delivery of all labour, materials, equipment, and supervision required to complete the Lower Don Trail Improvements Phase 2, in line with the scope identified above.

The first purchase order amendment was issued on March 1, 2024 in the amount of \$499,999 net of all applicable taxes and charges (\$508,799 net of Harmonized Sales Tax Recoveries) increasing the original contract value to \$10,864,920 net of all applicable taxes and charges (\$11,056,142 net of Harmonized Sales Tax Recoveries) to implement track protection and address unforeseen erosions of the Don River impacting the project area that required a temporary railing system.

This amendment request is in the amount of \$2,610,000 net of all applicable taxes and charges (\$2,655,936 net of Harmonized Sales Tax Recoveries). It revises the current purchase order value from \$10,864,920 net of all applicable taxes and charges (\$11,056,142 net of Harmonized Sales Tax Recoveries) to \$13,474,920 net of all applicable taxes and charges (\$13,712,078 net of Harmonized Sales Tax Recoveries). The second purchase order amendment is required to cover additional construction costs to address unforeseen soil and site conditions.

The site has several complexities that necessitated additional work to ensure site safety. The site's initial design and construction were informed by several geotechnical investigations. Additional soil testing was undertaken during construction phase to install the helical pile foundation system and unstable soil conditions were uncovered,

thus requiring a redesign of the foundation system to ensure structural integrity. The new foundation system uses micropiles which are more costly to install than helical piles.

Further, to accommodate trail widening, chain link fencing replacement and new drainage swale placement, additional tree removal was required. To protect the existing rail tracks and ensure a safe project site, additional costs were incurred for flagging services and steel plate rentals. This purchase order amendment will replenish the necessary cash allowance and contingency fund to complete the construction.

To address this additional construction work, the anticipated timeline to reach substantial completion of the project was originally adjusted to the third quarter of 2024.

A further adjustment to the substantial completion date has been put forward by the Contractor through an updated construction schedule provided in March 2024. The City and its Contract Administrator are reviewing this extension of time request which is expected to delay substantial completion into late Q2 2025. Various project delays have impacted structural steel work and the prefabrication and installation of the elevated metal sloped path/ramp and stairs which are now delayed to late fall/winter of 2024-2025. The City and its Contract Administrator continue to work closely with the Contractor to compress the updated construction schedule to deliver the completed project as soon as possible.

It is the opinion of City staff that the costs submitted by Grascan Construction Ltd. for the requested amendment are considered fair and reasonable, in keeping with the terms and conditions of Request for Tender Doc348978051.

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

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SIGNATURE

Howie Dayton
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Geneviève Sharkey
Chief Procurement Officer