

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

Date: October 1, 2024

To: General Government Committee

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

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 Number 22-PFR-142) for the construction of the Palm House Heritage Building Restoration and Functional Upgrade.

This purchase order amendment is required to address unforeseen extensive deterioration in the roof assemblies, steel structure and subsurface infrastructure that were not apparent at the time of tender. These are components of the existing building requiring repair and replacement in order to deliver a durable building restoration safe for occupant use, and which will result in successful certification of building performance and standards by governing authorities having jurisdiction.

The total value of the purchase order amendment being requested is \$275,852 net of all applicable taxes and charges (\$280,707 net of Harmonized Sales Tax recoveries), revising the current purchase order from \$11,048,507 net of all applicable taxes and charges (\$11,242,961 net of Harmonized Sales Tax recoveries) to \$11,324,359 net of all applicable taxes and charges (\$11,523,668 net of Harmonized Sales Tax Recoveries).

RECOMMENDATIONS

The General Manager, Parks Forestry and Recreation and 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 Bylaw), grant authority to amend Purchase Order Number 6053894 issued to Heritage Restoration Inc., to increase the purchase order value by \$275,852 net of all applicable taxes and charges (\$280,707 net of Harmonized Sales Tax recoveries), revising the current purchase order from \$11,048,507 net of all applicable taxes and charges (\$11,242,961 net of Harmonized Sales Tax recoveries) to \$11,324,359 net of all applicable taxes and charges (\$11,523,668 net of Harmonized Sales Tax Recoveries).

FINANCIAL IMPACT

The total value of the Purchase Order Amendment identified in this report is \$275,852 net of all applicable taxes and charges (\$280,707 net of Harmonized Sales Tax recoveries), revising the current purchase order from \$11,048,507 net of all applicable taxes and charges (\$11,242,961 net of Harmonized Sales Tax recoveries) to \$11,324,359 net of all applicable taxes and charges (\$11,523,668 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)
CPR126-49-03	CAMP (SGR) Special Facilities Buildings & Structures	2024	\$280,707

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 February 14, 2024, City Council approved Parks, Forestry and Recreation's 2024-2033 Capital Budget and Plan through item 2024.MPB15.1 (69) and additional funds of \$280,707 to address the unforeseen conditions at Allan Gardens Conservatory Palm House through the Capital Asset Management Program State of Good Repair Special Facilities Buildings and Structures project.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.MPB15.1>

At its meeting on October 2, 2023, General Government Committee approved an amendment to Purchase Order Number 6053894 with Heritage Restoration Inc. of \$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).

<https://secure.toronto.ca/council/agenda-item.do?item=2023.GG6.13>

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 Capital Asset Management Program State of Good Repair 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 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).

Two purchase order amendments have been issued previously as outlined below:

- First purchase order amendment was issued in October 2023, in the amount of \$1,049,148 net of all applicable taxes and charges (\$1,067,613 net of Harmonized Sales Tax recoveries) and was requested to address the discovery of lead paint for the health and safety of workers.
- Second purchase order amendment was issued in January 2024 to extend the delivery date from February 15, 2024 to December 31, 2024 with no change in value.

This is the third purchase order amendment in the amount of \$275,852 net of all applicable taxes and charges (\$280,707 net of Harmonized Sales Tax recoveries), revising the current purchase order from \$11,048,507 net of all applicable taxes and charges (\$11,242,961 net of Harmonized Sales Tax recoveries) to \$11,324,359 net of all applicable taxes and charges (\$11,523,668 net of Harmonized Sales Tax Recoveries). This purchase order amendment is required as a result of the discovery of extensive and unforeseen deterioration in several critical areas that were not apparent at the time of the initial tender.

Specifically, significant deterioration has been identified in isolated sections of the existing roof assemblies, substantial degradation of the steel framework, and issues with the combined stormwater and sanitary subsurface systems.

To address these concealed existing defects, construction services are required to ensure the project meets all governing regulations and standards. This includes the installation of replacement plumbing components, excavation and backfilling to facilitate the replacement, masonry restoration to repair deteriorated brick masonry concealed at the time project scope was defined, full replacement of the compromised roof sections, and reinforcement and repair of existing steel framework assessed as structurally inadequate during construction after initial selective demolition by this contract.

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

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SIGNATURE

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Chief Procurement Officer