

Amendment to Purchase Order Number 6052017 with WSP Canada Inc. for Replacement of Sanitary Forcemains in Various Toronto Locations Group 2

Date: March 20, 2025

To: General Government Committee

From: General Manager, Toronto Water and Chief Procurement Officer

Wards: 3 (Etobicoke - Lakeshore), 4 (Parkdale - High Park), 10 (Spadina - Fort York), 20 (Scarborough Southwest), 25 (Scarborough - Rouge Park)

SUMMARY

The purpose of this report is to request authority to amend Purchase Order Number 6052017 issued to WSP Canada Inc. (WSP) for work awarded through Request for Proposal Doc2706059734 for Professional Engineering services for the Design and Construction of Replacement of Sanitary Forcemains in Various Toronto Locations Group 2. This amendment is being requested for additional engineering services.

The total value of the requested amendment for Purchase Order Number 6052017 is \$2,000,000 net of all applicable taxes and charges (\$2,035,200 net of HST recoveries). The amendment will revise the current Purchase Order value from \$5,531,015 net of all applicable taxes and charges (\$5,628,361 net of HST recoveries) to \$7,531,015 net of all taxes and charges (\$7,663,561 net of HST recoveries).

RECOMMENDATIONS

The General Manager, Toronto Water 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 Bylaw), grant authority to amend Purchase Order Number 6052017 issued to WSP Canada Inc. for additional engineering services by increasing the overall value by \$2,000,000 net of all applicable taxes and charges (\$2,035,200 net of HST recoveries), revising the current Purchase Order value from \$5,531,015 net of all applicable taxes and charges (\$5,628,361 net of HST recoveries) to \$7,531,015 net of all taxes and charges (\$7,663,561 net of HST recoveries).

FINANCIAL IMPACT

The total value of the requested amendment for Purchase Order Number 6052017 is \$2,000,000 net of all applicable taxes and charges (\$2,035,200 net of HST recoveries). The amendment will revise the current Purchase Order value from \$5,531,015 net of all applicable taxes and charges (\$5,628,361 net of HST recoveries) to \$7,531,015 net of all taxes and charges (\$7,663,561 net of HST recoveries).

Funding is available in the 2025 Capital Budget and 2026-2034 Capital Plan for Toronto Water. Funding details are summarized in Table 1 below:

Table 1 - Financial Impact Summary (net of HST Recoveries)

WBS Element (Description)	2025	2026	2027	Total
CWW472-23 (Forcemain Replacement – Phase 2)	\$1,017,600	\$763,200	\$254,400	\$2,035,200

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

DECISION HISTORY

At its meeting on March 17, 2021, the Bid Award Panel adopted Item Number BA126.5, authorizing the award of Doc2706059734 to WSP Canada Inc. for Replacement of Sanitary Forcemains in Various Toronto Locations Group 2. The Bid Award Panel decision can be found at:

[Agenda Item History - 2021.BA126.5 \(toronto.ca\)](#)

COMMENTS

Background

The City of Toronto's sanitary forcemain system consists of approximately 39 kilometers of pressurized pipelines that transport wastewater from low-lying areas to treatment facilities. Utilizing pumping stations, the forcemains ensure the efficient movement of sewage, overcoming elevation challenges and helping maintain the City's wastewater management. This system is vital for public health and environmental protection.

Toronto Water's 2025 Capital Budget and 2026-2034 Capital Plan includes \$125.3 million for forcemain replacement. The purpose of these projects is to maintain infrastructure in a state of good repair and ensure reliable operation.

Forcemain Replacement Project Awarded to WSP Canada Inc.

In 2021, the City retained WSP Canada Inc. (WSP) to provide engineering services for replacing ten forcemains near the following sanitary pumping stations (SPS): Mimico, New Toronto, Cumber, Skydome, Island Road, Fallingbrook, Grey Abbey, Humber, Warren Park, and Bluffers Park. The scope of work included design, tender preparation and evaluation, contract award assistance, site inspection, construction administration, and post-construction services.

The project was initially planned to take five years, with 36 months for design and 24 months for construction, all under a single contract. However, during the design phase, the City chose to divide the project into four separate construction contracts. This approach helps mitigate risks related to operational requirements, agency approvals (e.g., Metrolinx), budget constraints, and design considerations (e.g., Class B Environmental and Archaeological Assessments). It also aligns with the industry trend of breaking larger projects into smaller segments to better manage cost increases and economic uncertainty. However, this segmentation requires additional administrative and management efforts, and some economies of scale may be lost. The status of work for each contract is summarized in Table 2.

Table 2 - Forcemains by Construction Contract and Status

Construction Contract	Status
Phase 1 - Mimico, New Toronto and Cumber SPS	Work in progress; substantial completion expected by March 2025.
Phase 2A - Skydome and Island Rd SPS	Work is in progress; substantial completion expected by September 2025.
Phase 2B - Fallingbrook, Grey Abbey and Humber SPS	Tender issued; construction expected to start in June 2025 with a 15-month duration.
Phase 3: Warren Park and Bluffers Park SPS	Detailed design pending Archeological and Environmental Assessments (Class B); construction tender expected by Q4 2026, with a 12-month duration.

Amendment of Purchase Order Number 6052017 to WSP Canada Inc.

In January 2025, WSP requested an additional \$3,940,293 (net of all applicable taxes and charges, or \$4,009,642 net of HST recoveries) to cover extended design, contract development, tendering, contract administration, and post-construction services for the ten forcemain replacements. The request includes funding for the following:

(i) **Design, Contract Development, and Tendering Phases – Additional Effort**
The design phase (excluding Phase 3) was extended by six months due to splitting the contracts for budget and permit revisions, design changes, and stakeholder approvals. The extended timeline required additional project meetings due to multiple stakeholders and complex design issues. Dividing the ten sites into separate contracts increased efforts for reviewing drawings, preparing specifications, and drafting tender documents. The addition of more construction contracts also led to increased work in preparing and reviewing tender documents and responding to bidders.

(ii) **Contract Administration Services – Additional Scope**
Splitting the project into multiple contracts extended the construction phase duration. Phases 1, 2A, and 2B are now expected to require 48 months of contract administration, with some contracts running concurrently. Additional contract administration was necessary at Bluffers Park SPS to complete part of the construction ahead of schedule and avoid conflicts with a TRCA project. Further engineering effort was required for shop drawing reviews, subcontractor coordination, managing contractor delay claims, emergency meetings, and after-hours supervision, particularly for the temporary bypass system at Cumber SPS.

(iii) **Post-Construction Services**
Additional post-construction services, including inspections, maintenance, warranty reviews, and documentation, are also anticipated.

WSP also requested a rate increase following the conclusion of the 36-month design phase on May 1, 2024. They proposed a rate adjustment for the remaining design work based on the Canadian Consumer Price Index (CPI) as a proxy for inflation. The rate increase for the construction phase will take effect in January 2026, after the initial 24-month construction period.

After a thorough review of the remaining work's status and costs, the design, construction, and post-construction services for Phase 3 (Warren Park and Bluffers Park) were descoped. This reduces the additional funding request to \$2,000,000 (net of all applicable taxes and charges, or \$2,035,200 net of HST recoveries). Pre-design activities for Phase 3, including Archaeological Assessments, Indigenous consultation, and Environmental Assessments, will proceed as planned. The descoped work will be issued as a separate assignment later to enable competitive bidding and better alignment with the results of the pre-design activities. Activities for Phases 1, 2A, and 2B remain unchanged.

CONTACT

Richard Noehammer, Director, Capital Planning and Implementation, Toronto Water,
Telephone: 416-397-7296, Email: Richard.Noehammer@toronto.ca

Marie Reid, Manager, Purchasing Client Services, Infrastructure and Development
Services, Purchasing and Materials Management, Telephone: 416-397-5187, Email:
Marie.Reid@toronto.ca

SIGNATURE

Lou Di Gironimo
General Manager, Toronto Water

Geneviève Sharkey
Chief Procurement Officer