

Amendment to Purchase Order Number 6046514 issued to Aecom Canada Ltd for Consulting Services for the New Fleet Services Maintenance Garage, Salt Barn and Brine Facility located at 1050 Ellesmere Road

Date: June 27, 2025

To: General Government Committee

From: Executive Director, Corporate Real Estate Management and Chief Procurement Officer

Wards: 21 - Scarborough Centre

SUMMARY

The purpose of this report is to seek authority to amend the value of Purchase Order Number 6046514 issued to Aecom Canada Ltd (“Aecom”) for Consulting Services for the New Fleet Services Maintenance Garage, Salt Barn and Brine Facility located at 1050 Ellesmere Road, scheduled for final completion in the second quarter of 2025. The total amendment being requested is \$489,000 net of all applicable taxes and charges (\$497,606 net of Harmonizes Sales Tax recoveries), increasing the current Purchase Order value from \$1,522,610 net of all applicable taxes and charges (\$1,549,408 net of Harmonizes Sales Tax recoveries) to \$2,011,610 net of all applicable taxes and charges (\$2,047,014 net of Harmonizes Sales Tax recoveries).

Construction for the new Fleet Services Maintenance Garage commenced in June 2021 with Century Group Inc. serving as the general contractor, and Aecom serving as the technical consultant and contract administrator. Scope changes, updated environmental regulations during construction, as well as COVID-19 impacts led to schedule delays. These delays resulted in additional requirements for Aecom, including extended project management and oversight, additional contract administration and design services, as well as increased coordination for changes. This amendment is to address those the additional requirements for Aecom due to the schedule delays.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management 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), grants authority to the Executive Director, Corporate Real Estate Management to

amend the Purchase Order Number 6046514 with Aecom Canada Ltd for Consulting Services for the New Fleet Services Maintenance Garage, Salt Barn and Brine Facility located at 1050 Ellesmere Road, in the amount of \$489,000 net of all taxes (\$497,606 net of HST recoveries) increasing the current Purchase Order value from \$1,522,610 net of all taxes (\$1,549,408 net of HST recoveries) to \$2,011,610 net of all taxes (\$2,047,014 net of HST recoveries).

FINANCIAL IMPACT

The total value of the requested amendment to Purchase Order Number 6046514 is \$489,000 net of all taxes (\$497,606 net of HST recoveries) increasing the current Purchase Order value from \$1,522,610 net of all taxes (\$1,549,408 net of HST recoveries) to \$2,011,610 net of all taxes (\$2,047,014 net of HST recoveries).

In reference to the construction cost of the new Fleet Maintenance Garage, with a current purchase order value for the general contractor in the amount of \$56,887,892 net of all taxes, the requested revised total amended purchase order value for the consultant fee in the amount of \$2,011,610.00 net of all taxes, represents 3.5% of the construction cost. The typical industry range for the percentage of consultant fee to construction cost is 5% to 10%, depending on the complexity and scope of the project. In this case, the total revised value of 3.5%, resulting from the requested consultant purchase order amendment, is below the lower end of the typical industry range for professional consultant fees and so, the increased fee can be considered fair and reasonable.

Funding for this Purchase Order Amendment is included in the approved 2025 Capital Budget for Corporate Real Estate Management, detailed in Table 1 below:

Table 1: Financial Impact Summary

WBS Element	Description	Year	Total (Net of HST Recoveries)
CCA251-06	1050 Ellesmere Rd Building Enhancements	2025	\$277,606
CCA254-03-F05	1050 Ellesmere Rd- (claim resolution)	2025	\$220,000
Total			\$497,606

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implication, as identified in the financial impact section.

DECISION HISTORY

At its meeting on February 7, 2018, Bid Award Panel adopted Item No. BA62.2 authorizing the award for RFP No. 9117-17-7253 to Aecom Canada Ltd for Consulting Services for

the New Fleet Services Maintenance Garage, Salt Barn and Brine Facility at Ellesmere Works Yard, 1050 Ellesmere Road, Toronto, Ontario.

<https://secure.toronto.ca/council/agenda-item.do?item=2018.BA62.2>

COMMENTS

Project Overview

A portion of the Ellesmere Yard Building C, originally built in 1959, was destroyed by an accidental fire in 2016. A new, larger maintenance garage was proposed that would allow Fleet Services to safely and efficiently service today's larger fleet and larger vehicles, while remaining flexible to changing business needs.

The new facility is approximately 74,000 square-feet with a design that offers a multi-faceted modern facility accommodating current service and Accessibility for Ontarians with Disabilities Act (AODA) requirements. The garage aligns with the broader centralization strategy to consolidate the fleet, maintenance and repair needs of the City's Divisions, Agencies, and Corporations.

The new garage meets the demands of new types of vehicles, such as a larger fleet of gasoline, diesel, natural gas and electric vehicles, maintenance garage equipment, and large garbage trucks, and provides the necessary flexibility to meet future fleet maintenance demands. The new design will improve operational management of the facility, improve working conditions and safety, while including flexibility for potential use by other user groups in future years, if unexpected changes arise.

Construction for the new Fleet Services Maintenance Garage commenced in June 2021 with Century Group Inc. serving as the general contractor, and Aecom serving as the technical consultant and contract administrator. Scope changes, updated environmental regulations during construction, as well as COVID-19 impacts led to schedule delays. These delays resulted in additional requirements for Aecom, including extended project management and oversight, additional contract administration and design services, as well as increased coordination for changes. This amendment is to address those the additional requirements for Aecom due to the schedule delays.

Scope of Work Changes

Scope of work changes required during construction to meet evolving Fleet Services needs, which were not contemplated in the original design, resulted in building layout modifications, additional equipment requirements, and additional contract time resulting in additional required consultant contract administration services. Requested changes were driven by the need to enhance operational efficiencies, align with new strategic objectives, and comply with updated industry mandates, which were crucial in ensuring the new Fleet Services Garage meets current and future Fleet Services requirements.

Updated Contaminated Soil Excavation and Disposal Regulations

Changes to environmental regulations since the planning and start of the project resulted in more stringent and costly disposal costs for excavated contaminated soils, as well as additional contract time to complete. As such, additional consultant design and contract administrative services were required to manage the appropriate disposal of contaminated soils under current regulations.

Building Material Supply Chain Disruptions Due to COVID-19

The Project first encountered significant changes in construction market conditions due to the COVID-19 pandemic, especially construction material price increases, as well as disruptions to the supply of said materials. As a result, the project team deferred ordering structural steel, metal decking, and miscellaneous metals, anticipating pricing to eventually return to near pre-pandemic levels. However, this did not occur and once required structural steel and metal materials were ordered to allow construction to proceed, the market continued to experience additional construction material supply chain issues. Prices increased for other required construction materials, and many required long delivery times, resulting in further construction cost increases and schedule delays.

Additional Project Requirements due to Delays

As a result of the scope changes, updated environmental regulations during construction, and COVID-19 impacts, the delivery schedule for the project was delayed. These delays resulted in additional requirements for Aecom, including extended project management and oversight, additional contract administration and design services, as well as increased coordination for changes. This contract amendment is to address these additional requirements for Aecom.

CONTACT

Lisa Barroso, Director, Project Management Office, Corporate Real Estate Management, 416 338-0237, Lisa.Barroso@toronto.ca

Marianne Gonzalez Angulo, Acting Manager, Purchasing Client Services, Purchasing and Materials Management Division, 416-338-3109, marianne.gonzalezangulo@toronto.ca

SIGNATURE

Patrick Matozzo

Executive Director, Corporate Real Estate Management

Geneviève Sharkey,
Chief Procurement Officer