TORONTO

REPORT FOR ACTION

Amendment to Purchase Order Number 6048288 with AECOM CANANDA ULC for Professional Engineering Services for the Dufferin Staff Facility Project

Date: October 8, 2025
To: General Government Committee
From: Chief Engineer and Executive Director, Engineering and Construction Services, General Manager, Solid Waste Management Services, and Chief Procurement Officer,
Wards: 6 (York Centre)

SUMMARY

The purpose of this report is to request authority to amend Purchase Order Number 6048288, awarded under Request for Proposal Number 9150-18-0145, issued to AECOM CANADA ULC, for professional engineering services for the Dufferin Staff Facility Project.

The total value of the Purchase Order Amendment being requested is $1,623,812 net of all taxes and charges ($1,652,391 net of Harmonized Sales Tax Recoveries), revising the current Purchase Order value from $1,983,370 net of all taxes and charges to $3,607,182 net of all taxes and charges ($3,670,668 net of Harmonized Sales Tax Recoveries).

The requested amendment is for additional professional engineering services to complete design revisions for Site Plan and Building Permit approvals, align the design with updated City guidelines, implement circular economy principles, and support a Negotiated Request for Proposals construction tender.

RECOMMENDATIONS

The Chief Engineer and Executive Director, Engineering and Construction Services, General Manager, Solid Waste Management Services, and the Chief Procurement Officer 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 6048288, with AECOM CANADA ULC for professional engineering services for the Dufferin Staff Facility Project, such that it will be increased by a value of $1,623,812 net of all taxes and charges ($1,652,391 net of Harmonized Sales Tax Recoveries) from $1,983,370 net of all taxes and charges to $3,607,182 net of all taxes and charges ($3,670,668 net of Harmonized Sales Tax Recoveries).

FINANCIAL IMPACT

The total value of the Purchase Order Amendment identified in this report is $1,623,812 net of all taxes and charges ($1,652,391 net of Harmonized Sales Tax Recoveries).

Funding is included in Solid Waste Management Services' 2025 Capital Budget and 2026-2034 Capital Plan. Funding details with forecasted expenditures (net of Harmonized Sales Tax Recoveries) are summarized in Table 1.

Table 1: Financial Impact Summary of Purchase Order Number 6048288

WBS Element	Description	2025	2026	Total (net of Harmonized Sales Tax recoveries)
CSW500-18-01	Dufferin Staff Facility	$1,017,600	$634,791	$1,652,391

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting held on December 5, 2018, the Bid Award Panel adopted the recommendations in the staff report from the Chief Purchasing Officer dated November 28, 2018, and approved Item BA1.2 Award of Request for Proposal Number 9150-18-0145 to AECOM CANADA ULC for the Dufferin Staff Facility Project.

A copy of the Bid Award Panel document can be found at:
https://secure.toronto.ca/council/agenda-item.do?item=2019.BA1.2

COMMENTS

Background

Solid Waste Management Services (SWMS) has office space in various waste processing buildings at the Dufferin Waste Management Facility (35 and 75 Vanley Crescent), with some spaces at capacity and others deemed inadequate due to various health and safety concerns, resulting in a number of staff working out of a temporary modular trailer onsite. In 2018, RFP Number 9117-18-0145 was awarded to AECOM CANADA ULC for the engineering design, contract administration, and post construction services of a new Dufferin Staff Facility.

The project has evolved significantly from its original scope - which included a two-storey building and expansion of an existing structure - to a standalone five-storey facility. This change accommodates anticipated growth within the Solid Waste Management Services division and considers interest from other City divisions, expressed through Corporate Real Estate Management (CREM), in occupying office space. The scope was also expanded to incorporate the City's Toronto Green Standard, which requires City-owned facilities to be designed and built to Net Zero Emissions.

The Dufferin Staff Facility Project is in the final stage of design and is scheduled to be tendered the first quarter of 2026. The new five-storey office building will be located at the northeast corner of Chesswood Drive and Vanley Crescent. Designed to meet the Toronto Green Standard, including Net Zero requirements, the facility will feature a closed-loop geothermal system for heating and cooling, as well as photovoltaic panels to generate on-site electricity and offset energy consumption.

Purchase Order Amendment Detailed Design Services PO 6048288

As a result of the expanded scope and substantial material price escalation through and post the COVID-19 pandemic, the estimated construction value has increased to nearly three times the cost estimated at the time the RFP was awarded. To complete the design and meet Site Plan Control Application and Building Permit requirements, additional engineering services are required. These services will ensure compliance with current City of Toronto guidelines and support the technical evaluation of bids during the tender process. Further details on the required engineering services are provided in the sections that follow.

Design Revisions for Site Plan and Building Permit Approval

As part of the Site Plan Control Approval and Building Permit review process, City Planning staff conducted a comprehensive assessment of the entire site - including both the Dufferin Yard and the Dufferin Transfer Station. This broader review beyond the office building site was not anticipated at the time of the RFP - it prompted multiple iterations to the design and extensive coordination efforts that extend well beyond the original scope of work outlined in the RFP.

Permit reviewers identified several site-wide requirements that necessitated significant design revisions, including:

Office space compliance across the site:

To meet the maximum allowable office space limit of 5,000 square metres across the site, the existing modular office trailer must be removed. This triggered new engineering scope involving subsurface utility surveys, design for utility capping, pavement rehabilitation under the modular trailer for future parking use, and a designated substances survey to ensure compliance with the Ontario Occupational Health and Safety Act. Full architectural, electrical, mechanical, landscape, civil, and structural documentation will be prepared, along with the associated building permit application.

Additional parking requirements:

The review determined that additional parking is required based on the total gross floor area for both office and industrial uses across the site. Engineering efforts are required for taking inventory and tabulating all existing and proposed spaces, updating permit drawings, and coordinating with reviewers to finalize the parking calculation methodology. The scope includes identifying suitable locations for new parking, supported by an arborist assessment and topographic survey to inform updates to architectural, landscape, and civil drawings.

Public realm enhancements:

Permit reviewers also requested that features within the public right-of-way adjacent to the site - such as pedestrian sidewalks, traffic signage, and street parking - be incorporated into the project. This required expanding the topographic survey area and revising the design to ensure compliance with municipal standards for public realm improvements.

This change in scope resulting from permit coordination and design changes beyond the RFP scope is estimated to cost $457,677.

Updated City Guidelines Requiring Design Modifications

Following the execution of the consulting contract, the City released and adopted a ModernTO Workplace Standard (ModernTO Guidelines) to help transition and standardize the City's work environment. The ModernTO Guidelines are subject to periodic revisions, and recent updates introduced new requirements for office Audio-Visual (AV) infrastructure and floor plan revisions.

The most significant design change involves aligning the office layout with the revised space allocation metrics outlined in the ModernTO Guidelines: 40% focus rooms, 40% enclosed collaboration space, 10% open collaboration space and 10% social space. To comply, the consultant must revise architectural, electrical and mechanical drawing sets. Additionally, the design of AV infrastructure per ModernTO Guidelines was not included in the consultant's scope of work at the time of the RFP. These changes will

enable seamless use across all SWMS units and any other City divisions occupying the office space. This change in scope is estimated to cost $263,814.

Implementation of Circular Economy Design Considerations

Toronto City Council has adopted the Long-Term Waste Management Strategy, which included an aspirational goal to work toward zero waste and a circular economy. A key implementing measure to support these goals was the introduction of a Circular Procurement Framework and Implementation Plan ("the Framework"). The Framework outlines the vision and guiding principles for how City staff can leverage the purchasing process to incentivize circular innovation in the market while reducing waste and achieving circular outcomes in City projects and services. As such, the client division (Solid Waste Management Services) requests for engineering consulting efforts to incorporate elements of the Building as Material Bank (BAMB) concept in the design documents to support waste reduction and resource stewardship outcomes. The BAMB approach consists of a system designed for the future general contractor to follow so they can catalogue the construction materials as the building is constructed, such that the catalogue of building material information can be used to guide future waste diversion or resource recoveries when the building reaches the end of its useful life. This change in scope is estimated to cost $46,154.

Additional Engineering Support Required During Tendering for Negotiated Request for Proposal (nRFP) Approach

The Negotiated Request for Proposals (nRFP) procurement approach will be used for the procurement of the construction agreement with a General Contractor for this project. Unlike traditional procurement methods that prioritize lowest cost, nRFPs enable a value-based, flexible approach where proponents can propose tailored solutions and alternatives that align with broader objectives. As such, compared to traditional procurement methods, additional engineering support will be required during the tender stage of the nRFP approach for proponent meetings, proposal evaluation, and negotiation. Furthermore, while the proposal of alternatives can encourage innovation, reveal diverse strategies for achieving project goals, and explore value engineering options, it is crucial that the proposed alternatives are evaluated to ensure technical soundness and adequate integration with other project components. As such, allowance is required for the engineering efforts that may be required for the assessment of proponent suggested alternatives during the tender stage of the project. This change in scope is estimated to cost $160,257.

Engineering Consultant Rate Adjustment

As per the Request for Proposal Number 9150-18-0145 that was awarded to AECOM CANADA ULC in 2018 and the project schedule submitted by AECOM CANADA ULC at the time of bid, AECOM staff rates for the project expired in June 2023. AECOM has requested for an annual rate adjustment, such that their staff rates are adjusted in the subsequent years until the end of the project per the Toronto - All Items Consumer Price Index, in accordance with Clause 5.2.8 in the Request for Proposal. This change is estimated to cost $70,910.

Additional Project Management Effort

The evolution of project scope since the RFP stage has considerably increased the complexity of the design and significantly extended the project's design schedule, from initial anticipated design completion in 2020. The increased complexity of the project has demanded the need for the involvement of a project director and senior management in the consultant team to provide appropriate oversight for the larger group of technical experts now engaged in the design process. The change resulting from the extended design timeline and added senior oversight is estimated to cost $275,000.

In addition, a contingency allowance of $350,000 net of all taxes and charges ($356,160 net of Harmonized Sales Tax Recoveries) is being included to provide allowance for additional work that may arise during the remainder of the detailed design, ModernTO Guidelines approval process and nRFP negotiation process.

The total Purchase Order Amendment being requested is $1,623,812 net of all taxes and charges ($1,652,391 net of Harmonized Sales Tax recoveries) to cover scope changes that require additional design engineering services.

This is the third purchase order amendment request for additional funding. The first purchase order amendment was for an amount of $241,955 net of all taxes ($246,254 net of Harmonized Sales Tax recoveries), which was primarily for the incorporation of a geothermal system in the design to help reduce the energy consumption of the building and achieve Net Zero. The second purchase order amendment was for an amount of $257,045 net of all taxes ($261,569 net of Harmonized Sales Tax recoveries), which was initiated by the new excess soil management regulation requirements, design of the additional photovoltaic (PV) panels required to ensure Net Zero compliance, and design modifications to suit future building occupant operation needs.

After the authorization of this Purchase Order Amendment, the revised PO value for professional engineering services becomes $3,607,182, which is approximately 5.7% of the latest estimated cost of construction and represents fair market value and is within industry standard.

CONTACT

Simon Hopton, P. Eng., Director, Design and Construction, Major Infrastructure, Engineering and Construction Services, Telephone: 416-395-6270, Email: Simon.Hopton@toronto.ca

Matthew Caschera, P.Eng., PMP, Director, Infrastructure and Resource Management Solid Waste Management Services, Telephone: 416-392-3948 , Email: Matthew.Caschera@toronto.ca

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

SIGNATURE

Matt Keliher
General Manager, Solid Waste Management Services

Jennifer Graham Harkness, P.Eng.
Chief Engineer and Executive Director, Engineering and Construction Services

Geneviève Sharkey
Chief Procurement Officer