

Amendment to Purchase Order 6049957 and 6053507 with AECOM Canada ULC for the Ashbridges Bay Treatment Plant Existing Pelletizer Upgrades Project

Date: November 24, 2025

To: General Government Committee

From: Chief Engineer and Executive Director, Engineering and Construction Services and the Chief Procurement Officer

Wards: 14 (Toronto-Danforth)

SUMMARY

This report is seeking authority to amend Purchase Order 6049957 and 6053507 issued to AECOM Canada ULC (formerly AECOM Canada Ltd.) for Professional Engineering Services for Pelletizer Upgrades at Ashbridges Bay Treatment Plant.

The Purchase Order 6049957 was issued to AECOM Canada ULC through Request for Proposal Number 9117-17-7197 for Service During The Construction Phase. The amendment is needed for additional services resulting from an extended construction completion date and reviewing and processing of contractor claims. The total value of the Purchase Order Amendment for Service During Construction that is being requested is \$96,815 net of all applicable taxes and charges (\$98,519 net of HST recoveries), revising the current value of Purchase Order 6049957 from \$2,127,111 net of all applicable taxes and charges (\$2,164,548 net of HST recoveries) to \$2,223,926 net of all applicable taxes and charges (\$2,263,067 net of HST recoveries).

Purchase Order 6053507 was issued to AECOM Canada ULC through Request for Proposal Number 9117-17-7197 for post-construction and warranty period. The amendment is needed to replace funds previously transferred to the Service During Construction Purchase Order 6049957, and for additional funds to enable provision of post construction services for the full two years required.

The total value of the Purchase Order Amendment for post construction services that is being requested is \$160,000 net of all applicable taxes and charges (\$162,816 net of HST recoveries), revising the current value of Purchase Order 6049957 from \$8,537 net of all applicable taxes and charges (\$8,688 net of HST recoveries) to \$168,537 net of all applicable taxes and charges (\$171,503 net of HST recoveries).

RECOMMENDATIONS

The Chief Engineer and Executive Director, Engineering and Construction Services and the Chief Procurement Officer, recommend that:

1. The General Government Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to the Chief Engineer and Executive Director, Engineering and Construction Services to amend Purchase Order 6049957 issued to AECOM Canada ULC for additional administration services during construction by increasing the overall value by \$96,815 net of all applicable taxes and charges (\$98,519 net of HST recoveries) from \$2,127,111 net of all applicable taxes and charges (\$2,164,548 net of HST recoveries) to \$2,223,926 net of all applicable taxes and charges (\$2,263,067 net of HST recoveries).
2. The General Government Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to the Chief Engineer and Executive Director, Engineering and Construction Services to amend Purchase Order 6053507 issued to AECOM Canada ULC for additional administrations services post construction by increasing the overall value by \$160,000 net of all applicable taxes and charges (\$162,816 net of HST recoveries) from \$8,537 net of all applicable taxes and charges (\$8,687 net of HST recoveries) to \$168,637 net of all applicable taxes and charges (\$171,503 net of HST recoveries).

FINANCIAL IMPACT

Funding for the Amendment to Purchase Order 6049957 for AECOM Canada ULC is included in the Toronto Water 2025 Capital Budget and 2026-2034 Capital Plan under WSB Element CWW043 (Ashbridges Bay Wastewater Treatment Plant Solids & Gas Handling - Pelletizer Truck Loading Facility Upgrades) with forecasted expenditures as shown in Table 1 (net of HST recoveries).

Table 1. Projected Cash Flows for Amendment to Purchase Order Number 6049957 (Net of HST Recoveries)

Year	Disinfection System Construction
2025	\$0
2026	\$98,519
Total	\$98,519

Funding for the Amendment to Purchase Order 6053507 for AECOM Canada ULC is included in the Toronto Water 2025 Capital Budget and 2026-2034 Capital Plan under WSB Element CWW043 (Ashbridges Bay Wastewater Treatment Plant Solids & Gas Handling - Pelletizer Truck Loading Facility Upgrades) with forecasted expenditures as shown in Table 2 (net of HST recoveries).

Table 2. Projected Cash Flows for Amendment to Purchase Order Number 6053507 (Net of HST Recoveries)

Year	Services During Construction for Effluent Disinfection System Upgrades
2025	\$0
2026	\$101,760
2027	\$21,370
2028	\$39,686
Total	\$162,816

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

DECISION HISTORY

In March 2014, the City initiated a technical condition assessment of the biosolids Pelletizer Facility located at Ashbridges Bay Treatment Plant. The objective of the condition assessment was to allow the City to better understand the condition of the Pelletizer Facility and the capital investments, maintenance and upgrades required to ensure operation of the Facility for the next 10 to 20 years. At its meeting held on May 14, 2014, the Bid Committee granted authority to enter into an agreement with Associated Engineering (Ont.) Ltd. to Provide Professional Engineering Services for the Pelletizer Facility Condition Assessment Study at the Ashbridges Bay Treatment Plant, being the highest scoring proponent meeting the requirements of Request for Proposal 9117-14-7036, in the amount of \$1,325,314 net of all applicable taxes and charges (\$1,348,640 net of HST recoveries). A copy of the Bid Committee Decision can be found at:

<https://secure.toronto.ca/council/agenda-item.do?item=2014.BD180.4>

The condition assessment study was completed in July 2017 (by Associated Engineering (Ont.) Ltd), and numerous recommendations were developed and compiled into a capital upgrades project, to be implemented at the Pelletizer Facility. These recommendations were to ensure that all the equipment would be rated for the required area hazard classification, would improve worker safety, and reduce operation and maintenance costs.

At its meeting held on November 1, 2017, the Bid Committee granted authority to enter into an agreement with AECOM Canada Limited for Professional Engineering Services for Design, Construction Administration, and Post Construction Services for Pelletizer Upgrades at Ashbridges Bay Treatment Plant, being the highest scoring proponent meeting the requirements of Request for Proposal 9117-17-7197, in the amount of \$2,618,220 net of all applicable taxes and charges (\$2,664,301 net of HST recoveries). The total award value consists of three Purchase Orders, one for design, one for services during construction, and one for post construction services. A copy of the Bid Committee Decision can be found at:
<https://secure.toronto.ca/council/agenda-item.do?item=2017.BA48.2>

COMMENTS

Background

The Existing Pelletizer Upgrades Project involves the replacement of a complicated system with explosion-proof equipment to improve worker safety and maintain the operating life of the existing pelletizer facility at the Ashbridges Bay Treatment Plant.

The Service During Construction and Post Construction services contract for the Existing Pelletizer Upgrades Project was awarded to AECOM Canada ULC, on December 12, 2019, aiming for a project completion on December 31, 2023. The additional funding requested is required to provide the engineering services during construction to enable completion of the second contract.

Although the RFP envisioned a single construction contract, delivery has occurred through two separate contracts:

- Contract 20ECS-MI-01AB (Pelletizer Fans Upgrades): Awarded December 2020, substantially performed June 29, 2022.
- Contract 21ECS-MI-04AB (Pelletizer Upgrades): Tendered April 2022, awarded August 2022. This contract is currently under construction.

The overall contract administration duration has increased due to the scope of work being delivered through two contracts and the extended duration of the Pelletizer Upgrades contract.

The contract 21ECS-MI-04AB has been delayed due to:

- Relocation of the electrical room;
- Procurement challenges related to non-conforming equipment;
- Installation restrictions tied to planned system shutdowns requiring coordination with the third-party operator (Veolia).

As of October 2025, approximately 73% of the project was complete. Based on the Contractor's most recent schedule update, the estimated Final Completion is June 30, 2026. Subsequently, an extension of the Post-Construction Services Purchase Order (PO

No. 6053507) from December 31, 2026 to December 31, 2028 to complete the warranty period was processed under POA (1) on October 30, 2025.

Consultant Purchase Order Amendments for AECOM

The history of consultant purchase orders for this project outlines how AECOM Canada ULC's scope and duration of services have been adjusted to reflect scope changes and challenges with the project. Purchase Order 6049957 (Services During Construction) has been amended four times, with a fifth amendment now requested. Purchase Order 6053507 (Post-Construction and Warranty Services) has been amended once, with a second amendment now requested.

On May 17, 2023, Purchase Order 6049957 to AECOM Canada ULC was amended (POA 1) in the amount of \$70,364 net of applicable taxes and charges, increasing the overall value of the PO from \$1,473,027 to \$1,543,391, net of all applicable taxes and charges. Funds were reallocated from the Pre-Design PO 6046168. All other terms and conditions remained unchanged.

On February 14, 2024, Purchase Order 6049957 to AECOM Canada ULC was amended (POA 2) to extend the delivery date of the PO from December 31, 2023, to June 30, 2025, to complete the original scope of work. Total value of the PO remained unchanged.

On October 11, 2024, Purchase Order 6049957 to AECOM Canada ULC was amended (POA 3) in the amount of \$480,535 net of all applicable taxes and charges. Total purchase order value was increased to \$2,023,926 from \$1,543,391 net of all applicable taxes and charges. Delivery date of the PO was also extended from June 30, 2025, to December 31, 2025, to enable continuation of contract administration services for the Existing Pelletizer Upgrades. All other terms and conditions remained unchanged.

The current construction contract was intended to have a single full services shutdown to complete certain required electrical and safety upgrades. Partial consecutive shutdowns were performed in March through April of 2025, but a subsequent full facility shutdown is required to complete the work, planned for November 2025. As contractor activities are projected to extend to the beginning of 2026, additional funding is required to maintain consultant contract administration services for the duration of the construction contract. As existing funds were insufficient to cover the imminent shutdown period, funds were reallocated from the Post Construction PO 6053507 to the Service During Construction PO 6059957.

On October 30, 2025, Purchase Order 6049957 was increased (POA 4) in the amount of \$103,185 net of all applicable taxes and charges from the original purchase order value of \$2,023,926 to \$2,127,111 net of all taxes and charges, and the delivery date extended to June 30, 2026. Funds have been reallocated from the Post- Construction PO 6053507. All existing terms and conditions of the agreement (RFP 9117-17-7197) remain unchanged.

As noted above, the construction duration is now projected to be extended to June 2026. This report is to request an additional Purchase Order Amendment (POA 5) to include funds to provide extended services and to replenish contingency to enable change orders

Amendment to PO6049957 and PO 6053507 with AECOM Canada ULC: Existing Pelletizer Upgrades at Ashbridges Bay Treatment Plant

required to complete contract administration services, and funds for reviewing and processing potential payment of contractor claims. Accordingly, another Purchase Order Amendment (POA 2) for post construction services is requested to replace those previously reallocated funds and funds to replenish contingency to minimize risk for additional work that may be required to complete post construction services.

The total AECOM Canada ULC Purchase Order Amendment being requested to complete contract administration services is \$96,815 (net of all applicable taxes and charges), which will increase the value of Purchase Order Number 6049957 from \$2,127,111 net of all applicable taxes and charges (\$2,164,548 net of HST recoveries) to \$2,223,926 net of all applicable taxes and charges (\$2,263,067 net of HST recoveries).

The total AECOM Canada ULC Purchase Order Amendment being requested to complete post construction services is \$160,000.00 (net of all applicable taxes and charges), which will increase the value of Purchase Order Number 6053507 from \$8,537 net of all applicable taxes and charges (\$8,687 net of HST recoveries) to \$168,537 net of all applicable taxes and charges (\$171,503 net of HST recoveries).

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SIGNATURE

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