

Amendment to Purchase Order 6053845 with Maple Reinders Constructors Limited for the Biosolids Master Plan Implementation Project and South Facility Upgrades Project at Highland Creek Treatment Plant

Date: May 19, 2026

To: General Government Committee

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

Wards: 25 (Scarborough-Rouge Park)

SUMMARY

This report is seeking authority to amend Purchase Order Number 6053845 issued to Maple Reinders Constructors Limited for work awarded through Request for Tender Doc3320202763 for the Biosolids Master Plan Implementation Project and South Facility Upgrades Project at Highland Creek Treatment Plant.

The amendment is needed to allow payment for additional work discovered during construction which is required for the completion of the project. The required additional work attributing to the additional funding request includes Heating, Ventilation and Air Conditioning changes, Process Mechanical changes, electrical cable removals and addressing other anticipated unforeseen site conditions.

The total value of the Purchase Order Amendment for Maple Reinders Constructors Limited that is being requested is \$9,827,044 net of all applicable taxes and charges (\$10,000,000 net of Harmonized Sales Tax recoveries), revising the current value of Purchase Order Number 6053845 from \$267,115,742 net of all applicable taxes and charges (\$271,816,979 net of Harmonized Sales Tax recoveries) to \$276,942,786 net of all taxes and charges (\$281,816,979 net of Harmonized Sales Tax recoveries).

RECOMMENDATIONS

The Chief Engineer and Executive Director, Engineering and Construction Services and the Chief Procurement Officer, Purchasing and Materials Management, 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 Number 6053845 with Maple Reinders Constructors Limited for the Biosolids Master Plan Implementation Project and South Facility Upgrades Project at Highland Creek Treatment Plant in the amount of \$9,827,044 net of all applicable taxes and charges (\$10,000,000 net of Harmonized Sales Tax recoveries), revising the current Purchase Order 6053845 value from \$267,115,742 net of all applicable taxes and charges (\$271,816,979 net of Harmonized Sales Tax recoveries) to \$276,942,786 net of all taxes and charges (\$281,816,979 net of Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

Funding for the Amendment to Purchase Order 6053845 for Maple Reinders Constructors Limited is included in the Toronto Water 2026 Capital Budget and 2027-2035 Capital Plan under WSB Element CWW047-03 (Biosolids Master Plan Implementation, Construction) with forecasted expenditures as shown in the Table 1 (net of Harmonized Sales Tax recoveries).

Table 1 - Projected Cash Flows for Amendment to Purchase Order Number 6053845

Year	Biosolids Master Plan Implementation (Net of Harmonized Sales Tax Recoveries)
2026	\$3,505,693
2027	\$3,691,400
2028	\$1,401,453
2029	\$1,401,453
Total	\$10,000,000

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

DECISION HISTORY

At its meeting of November 13, 14, 15 and 18, 2013, City Council adopted the preparation of a Schedule B Class Environmental Assessment to examine all reasonable and feasible biosolids management alternatives for the Highland Creek Wastewater Treatment Plan. The Council decision document can be found at: <https://secure.toronto.ca/council/agenda-item.do?item=2013.PW25.6>

At its meeting of May 3, 4 and 5, 2016, City Council adopted and requested that the General Manager, Toronto Water, finalize the Schedule B Class Environmental Assessment report associated with the implementation of the preferred biosolids management alternative for the Highland Creek Treatment Plant and submit it to the Ontario Ministry of Environment, Conservation and Parks in accordance with the requirements of the Environmental Assessment Act. Council also directed that the General Manager, Toronto Water, include enhanced emissions scrubbing technologies for the proposed Fluidized Bed Incinerators in order to meet United States Environmental Protection Agency requirements with respect to air emissions. The Council-adopted decisions can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.PW11.4>

At its meeting held on December 20, 2017, the Bid Award Panel adopted the recommendations in the staff report from the Director of Purchasing and Materials Management dated November 24, 2017, and authorized the retention of CH2M Hill Canada Limited to provide Engineering services during design and construction for the Biosolids Master Plan Implementation Project at the Highland Creek Treatment Plant. The scope included the replacement of aging obsolete incinerators with modern Fluidized Bed Incinerators including state of the art emissions scrubbing technology. The Bid Award Panel decision can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BA55.2>

At its meeting held on May 23, 2019, the Infrastructure and Environment Committee adopted the recommendations in the staff report from the Chief Procurement Officer dated May 7, 2019, and authorized the retention of SUEZ Water Technologies and Solutions Canada to provide design, fabrication, supply, supervision of installation and commissioning of Fluidized Bed Incinerators and associated air emissions monitoring and control equipment at the Highland Creek Treatment Plant. The Equipment Purchase includes two units and associated peripherals including emissions monitoring and control equipment. The Infrastructure and Environment Committee decision can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.IE5.3>

At its meeting held on April 8, 2020, the Bid Committee adopted the recommendations in the staff report from the Chief Procurement Officer dated March 23, 2020, and authorized the retention of CH2M Hill Canada Limited to provide Engineering services during design and construction for the South Facility Upgrades Project at the Highland Creek Treatment Plant. The South Facility Upgrades Project scope includes state-of-

good-repair work to the aging treatment process infrastructure. The Bid Award Panel decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.BA75.7>

At its meeting held on July 19, 20, 21 and 22, 2022, City Council adopted the award of Contract 21ECS-MI-02HC, Tender Ariba Doc3320202763, for the Biosolids Master Plan Implementation Project and South Facility Upgrades Project at the Highland Creek Treatment Plant to Maple Reinders Constructors Limited in the amount of \$266,655,654 net of all applicable taxes and charges (\$271,348,793 net of Harmonized Sales Tax recoveries). The Council-adopted decisions can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.IE31.5>

COMMENTS

Background

The Biosolids Master Plan Implementation Project and South Facility Upgrades Project involve the replacement of the existing 40-year-old multiple hearth incinerators with state-of-the-art fluidized bed incinerators incorporating ultra-advanced air quality emission controls and state-of-good-repairs and the implementation of critical upgrades to the existing Dewatering Building to be in compliance with the current building code requirements at the Highland Creek Treatment Plant. This project will be completed in four sequential phases: Phase 1 Dewatering Relocations, Phase 2 Demolition, Phase 3 New Fluidized Bed Incinerator Building and Phase 4 South Facility Upgrades.

The construction contract for the Biosolids Master Plan Implementation Project and South Facility Upgrades Project was awarded to Maple Reinders Constructors Limited, on July 22, 2022, allowing for 339 weeks of construction, with a completion date of April 6, 2029. The Order to Commence was issued on October 11, 2022.

The construction contract includes a Novation Agreement between the City, SUEZ Water Technologies and Solutions Canada and Maple Reinders Constructors Limited for the Equipment Purchase. Through the Novation Agreement, the City assigned all remaining Equipment Pre-Purchase obligations by Veolia (formally SUEZ Water Technologies & Solutions Canada) to Maple Reinders Constructors Limited.

CH2M Hill Canada Limited were contracted to provide professional services during design, construction and post construction for the Biosolids Master Plan Implementation Project and South Facility Upgrades Project.

Amendment of Purchase Order Number 6053845 with Maple Reinders Constructors Limited

On December 15, 2022, Purchase Order Number 6053845 with Maple Reinders Constructors Limited was amended (POA#1) in the amount of \$460,088 net of all applicable taxes and charges increasing the overall value of the purchase order from

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\$266,655,654 net of all applicable taxes and charges (\$271,348,793 net of Harmonized Sales Tax recoveries) to \$267,115,742 net of all applicable taxes and charges (\$271,816,979 net of Harmonized Sales Tax recoveries). All other terms and conditions remained unchanged. This amendment value represents the remaining unused contingency allowance funds from the Equipment Pre-Purchase Agreement, which was transferred to the contingency allowance under Purchase Order Number 6053845.

Work remaining includes completing Phase 1 base scope of work in addition to the construction of additional scope items, followed by Phase 1 commissioning. Once Phase 1 is completed, Maple can proceed to the next Phase, which is Phase 2, the Demolition of the existing Heat Treatment Building.

The contingency allowance in the contract is mostly depleted due to the additional work identified during construction as a result of unforeseen conditions and design gaps. Additional funding is being requested to allow several upcoming Change Orders for additional work under the contract to be executed to allow for the completion of the project.

The required additional work attributing to the additional funding request includes:

- 1) Building Mechanical modifications (additional Exhaust Fans and modification to existing Heating, Ventilation, and Air Conditioning units)
- 2) Mechanical modifications for operations (sanitary water diversion, effluent water piping modifications, additional potable water pipeline, fire suppression modifications, supply of high-pressure water pipelines)
- 3) Electrical modifications (inclusion of ARMS into MCC, investigations and removal of unknown cables)
- 4) Additional unforeseen buried obstructions or conditions anticipated during Phase 2 Demolition
- 5) Miscellaneous equipment tagging changes

The total estimated cost to complete all of the above work is \$10,000,000.

The requested amendment to Maple Reinders Constructors Limited Purchase Order Amendment is \$9,827,044 net of all applicable taxes and charges (\$10,000,000 net of Harmonized Sales Tax recoveries), revising the current value of Purchase Order Number 6053845 from \$267,115,742 net of all applicable taxes and charges (\$271,816,979 net of Harmonized Sales Tax recoveries) to \$276,942,786 net of all taxes and charges (\$281,816,979 net of Harmonized Sales Tax recoveries).

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SIGNATURE

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