

Award of Doc5491818166 to Pomerleau Inc. for Ashbridges Bay Treatment Plant Digester Gas Compressors, Dryers and Chillers Installation and Amendment to Purchase Order 6052432 for Associated Engineering (Ont.) Ltd for Construction Administration Services

Date: May 19, 2026

To: General Government Committee

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

Wards: 14 (Toronto-Danforth)

SUMMARY

The purpose of this report is to advise of the results for Request for Tender Doc5491818166, Contract Number 25ECS-MI-04AB, for the Ashbridges Bay Treatment Plant Digester Gas Compressors, Dryers and Chillers Installation and to request request authority to award the contract to Pomerleau Inc., all in accordance with the terms, conditions and specifications contained in the Request for Tender documents in the amount of \$55,637,202 net of all applicable taxes and charges (\$56,616,416 net of Harmonized Sales Tax recoveries). This award includes the base scope of work, provisional item amounts, contingency, and a novated amount of \$8,755.373, net of all applicable taxes and charges (\$8,909,468 including Harmonized Sales Tax recoveries) from the prepurchase vendor, Aerzen Canada Inc.

Authority is also being requested to amend Purchase Order 6052432 issued to Associated Engineering (Ont.) Ltd for Request for Proposal No. 9117-18-7173 for the Design, Construction Administration and Post Construction Services for Heating and Air System Upgrades at the Ashbridges Bay Treatment Plant, in the amount of \$4,086,496, net of all applicable taxes and charges (\$4,158,419 net of Harmonized Sales Tax recoveries), revising the current value from \$1,548,956 net of all applicable taxes and charges (\$1,576,218 net of Harmonized Sales Tax recoveries) to \$5,635,452 net of all applicable taxes and charges (\$5,734,636 net of Harmonized Sales Tax recoveries).

The amendment is required to provide additional engineering services for Construction Administration for the Heating and Air Upgrades project at the Ashbridges Bay Treatment Plant.

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 195-8.4B of the Toronto Municipal Code Chapter 195 (Procurement By-Law), grant authority to the Chief Engineer and Executive Director, Engineering and Construction Services to award and enter into an agreement with Pomerleau Inc., having submitted the lowest compliant bid and meeting the requirements of Request for Tender Doc5491818166, Contract Number 25ECS-MI-04AB, for Ashbridges Bay Treatment Plant Digester Gas Compressors, Dryers and Chillers Installation contract, in the amount of \$55,637,202 net of all applicable taxes and charges (\$56,616,416 net of HST recoveries)..
2. The General Government Committee, in accordance with Section 71-11.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 6052432 with Associated Engineering (Ont.) Ltd. for the provision of Construction Administration Services increasing the value by \$4,086,496, net of all applicable taxes and charges (\$4,158,419 net of Harmonized Sales Tax recoveries), revising the current value of Purchase Order 6052432 from \$1,548,956 net of all applicable taxes and charges (\$1,576,218 net of Harmonized Sales Tax recoveries) to \$5,635,452 net of all applicable taxes and charges (\$5,734,636 net of Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

The total value of the contract award for Doc5491818166, Contract Number 25ECS-MI-04AB is \$55,637,202 net of all applicable taxes and charges. The total cost to the City is \$56,616,416 including contingency and provisional sums and net of HST recoveries.

Funding for this contract is available in Toronto Water's 2026 Capital Budget and 2027-2035 Capital Plan under WSB Element CWW019-46 (Heating and Air Systems).

Funding details with forecasted expenditures (net of HST recoveries) are summarized in Table 1 below.

Table 1: Financial Impact Summary of Recommended Contract Award to Pomerleau Inc.

WBS Element	2026	2027	2028	2029	2030	Total (Net of HST Recoveries)
CWW019-46	\$3,140,806	\$11,612,035	\$15,272,552	\$22,489,453	\$4,101,570	\$56,616,416*

*Includes novated amount of \$8,909,468 (including HST recoveries) that will be transferred from Purchase Order 6055102 with Aerzen Canada Inc. and added to the Purchase Order of Pomerleau Inc.

Table 1 includes the construction contract base scope of work and provisional amounts, totalling \$51,671,248, and a contingency allowance of \$4,945,168, all net of HST Recoveries. The contingency allowance will be allocated and added into the contract as and when required to address any future unforeseen changes which may arise during the construction stage of the project.

The total value of the requested amendment for Purchase Order 6052432 is \$4,086,496 net of all applicable taxes and charges (\$4,158,419 net of HST recoveries).

Funding for the Amendment to Purchase Order 6052432 is included in the Toronto Water 2026 Capital Budget and 2027-2035 Capital Plan under WSB Element CWW019-46 (Heating and Air Systems).

Funding details with forecasted expenditures (net of HST recoveries) are shown in Table 2 below.

Table 2: Projected Cash Flows for Amendment to Purchase Order 6052432 for Construction Administration Services

WBS Element	2026	2027	2028	2029	2030	Total (Net of Harmonized Sales Tax Recoveries)
CWW019-46	\$581,000	\$1,009,000	\$1,040,000	\$665,000	\$863,419	\$4,158,419

Table 2 includes the base contract scope of work and contingency amounts for construction administration services, totalling \$4,158,419, all net of HST Recoveries. The contingency allowance will be allocated and added into the contract as and when required to address any future unforeseen changes which may arise during the construction stage of the project.

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

DECISION HISTORY

At its meeting of April 10, 2019, the Bid Award Panel granted authority to enter into an agreement with Associated Engineering (Ont.) Ltd through a competitive selection process, for the provision of Professional Engineering Services for the Design, Construction Administration and Post Construction Services for Heating and Air System Upgrades at the Ashbridges Bay Treatment Plant in the amount of \$3,608,642 net of all applicable taxes and charges (\$3,672,154 net of Harmonized Sales Tax recoveries). The total award value was made up of three (3) Purchase Orders: one (1) for design, one (1) for services during construction and one (1) for post-construction services. The Bid Award Panel Decision Document can be found at:
<https://secure.toronto.ca/council/agenda-item.do?item=2019.BA20.4>

At its meeting of February 10, 2021, the Bid Award Panel granted authority to retain Bell Combustion Ltd. (Bell) through a competitive selection process, for the purchase of Hot Water Boiler Package Systems for Ashbridges Bay Treatment Plant in the amount of \$4,956,289 net of all applicable taxes and charges (\$5,040,520 net of Harmonized Sales Tax recoveries). The Bid Award Panel Decision Document can be found at:
<https://secure.toronto.ca/council/agenda-item.do?item=2021.BA121.4>

At its meeting of November 2, 2022, the Bid Award Panel granted authority to retain Black & McDonald Limited., for the Ashbridges Bay Treatment Plant Heating and Air System Upgrades Boiler Demolition and Installation Contract 21ECS-MI-02AB / Ariba Doc3577102697, in the amount of \$10,938,593 net of all applicable taxes and charges (\$11,131,112 net of HST recoveries). The Bid Award Panel Decision Document can be found at:
<https://secure.toronto.ca/council/agenda-item.do?item=2022.BA212.2>

At its meeting of May 10, 2023, the Bid Award Panel granted authority to retain Aerzen Canada Inc. (Aerzen) through a competitive selection process, for the Pre-Purchase of Digester Gas Dry Screw Compressors for the Ashbridges Bay Treatment Plant in the amount of \$11,174,078 net of all applicable taxes and charges (\$11,370,742 net of HST recoveries). The Bid Award Panel Decision Document can be found at:
<https://secure.toronto.ca/council/agenda-item.do?item=2023.BA26.3>

COMMENTS

Background

The Ashbridges Bay Treatment Plant is one (1) of four (4) wastewater treatment plants operated by the City of Toronto under the responsibility of Toronto Water.

In June 2016, the City initiated a study for Heating and Air Systems at the Ashbridges Bay Treatment Plant. The study assessed alternative technologies for the heating systems, chillers and digester gas compressors. The study was completed in 2018 by Associated Engineering (Ont.) Ltd. In November 2018, Request for Proposal 9117-18-7173 was issued for Professional Engineering Services for Heating and Air System Upgrades and was awarded to Associated Engineering (Ont.) Ltd. on April 10, 2019.

The Heating and Air Systems Upgrades is an infrastructure initiative to primarily replace the Boilers, Compressors, Dryers and Chillers, and all critical components to the plant's heating and air systems.

The project was initially intended to be delivered as one construction contract, however there was a need to expedite the boiler upgrades as the existing boilers were requiring increasingly costly maintenance due to their age and condition. As a result, it was decided to split the general contract into two separate contracts as Contract 1, Boiler Demolition and Installation Project, (construction complete); and Contract 2, replacement of the digester gas compressors, desiccant dryers and chillers (Tender closed on March 30, 2026).

Tender Doc5491818166 Ashbridges Bay Treatment Plant Digester Gas Compressors, Dryers and Chillers Installation Contract

Contract 2 includes upgrades to the digester gas compressor and dryer systems, chiller systems and additional scope of work items added during the design phase.

The primary components of Contract 2 include the following:

- Digester Gas Control Building
 - o Remove and replace existing digester gas compressors, desiccant dryers and outdoor chillers and condensers.
 - o Electrical, automation and control upgrades associated with the new equipment in the Digester Gas Control Building
- New electrical substation
 - o Construct new transformer area including pile foundations.
 - o Supply, install, test and commission new 600V outdoor secondary unit-substation.
- Z-Building Upgrades
 - o Remove and replace rooftop chillers and associated equipment.

- Electrical, automation and control upgrades associated with the new equipment in Z-Building
- Plant Water Pumping Station
 - Remove and replace rooftop chillers and condensers and air handling units.
 - Electrical, automation and control upgrades associated with the new equipment in the Plant Water Pumping Station

Award of Request for Tender Doc5491818166

A Request for Tender Doc5491818166 for Ashbridges Bay Treatment Plant Digester Gas Compressors, Dryer and Chillers Installation was issued by Purchasing and Materials Management Division and was advertised on both the City's and Ariba Discovery websites on January 14, 2026, with a closing date of March 30, 2026 and an issuance of 11 addenda. A total of two (2) Suppliers responded as listed in Table 3 below.

Table 3: Summary of Bids Received Including Bid Price

Supplier Name	Bid Price Excluding HST (including novated amount)
Pomerleau Inc.*	\$50,777,563.11
ASCO Construction (Toronto) Ltd.	\$55,304,943.94

*Pursuant to the Request for Tender document the contract award value includes contingency.

The bids were reviewed for compliance by staff from Purchasing and Materials Management Division and the Engineering and Construction Services Division and were found to be in conformance with the Tender requirements. The recommended lowest compliant bid meeting requirements of the solicitation for Request for Tender Doc5491818166, Contract 25ECS-MI-04AB is Pomerleau Inc.

The Engineering and Construction Services Division staff compared the bid to the engineering estimate. The bid price of the recommended Supplier, excluding all applicable taxes and charges and the novated amount of \$8,755,373 from the prepurchase supplier, is approximately 19 percent lower than the engineering estimate of \$57,666,300 net of all applicable taxes and charges .

The Bid submission from Pomerleau Inc., for Doc5491818166 includes their agreement to complete the works within a period of 1072 Calendar Days from the date that the written Order to Commence work is issued by the City.

The Fair Wage Office reported that the recommended Supplier has indicated they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and the recommended supplier has agreed to comply fully.

Construction Administration Services Purchase Order Amendment

The original Construction Administration budget for Associated Engineering (Ont.) Ltd. was \$1,664,231.95 and this budget was intended to deliver one Construction Contract. During the design phase and in consultation with Toronto Water, as noted above, a decision was made to deliver the project in two contracts to expedite the boiler upgrades. With the addition of the second contract and additional scope added the total construction duration has been significantly extended.

Associated Engineering (Ont.) Ltd. submitted a proposal for the fees required for Construction Administration of Contract 2, for an estimated duration of 175 weeks, requesting \$3,931,068, net of all applicable taxes and charges (\$4,000,255 net of HST recoveries). An additional contingency amount is also included for any unexpected issues or delays during construction.

Therefore, the total Purchase Order Amendment being requested is \$4,086,496, net of all applicable taxes and charges (\$4,158,419 net of HST recoveries), which will increase the value of Purchase Order 6052432 from \$1,548,956 net of all applicable taxes and charges (\$1,576,218 net of HST recoveries) to \$5,635,452 net of all applicable taxes and charges (\$5,734,636 net of Harmonized Sales Tax recoveries).

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SIGNATURE

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