

Award of Doc5471369482 to ASCO Construction (Toronto) Ltd. for Construction of Offline Storage Tank (DWST2) East Don Sanitary Trunk Sewer and Amendment to Purchase Orders 6045927, 6052716 and 6055600 with Associated Engineering (Ont.) Inc. for Detailed Design, Services During Construction and Post-Construction Services

Date: July 3, 2026

To: General Government Committee

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

Ward: 17 (Don Valley North)

SUMMARY

The purpose of this report is to advise of the results of Request for Tender Doc5471369482, Contract Number 23ECS-MI-01DC, for construction of Offline Storage Tank (DWST2) East Don Sanitary Trunk Sewer at 1236 and 1240 Sheppard Avenue East, and to request authority to award the contract to ASCO Construction (Toronto) Ltd., all in accordance with the terms, conditions and specifications contained in the Request for Tender documents in the amount of \$43,694,149 net of all applicable taxes and charges (\$44,463,166 net of Harmonized Sales Tax recoveries).

Authority is also being requested to amend three consulting Purchase Orders to Associated Engineering (Ont.) Inc.:

1) To amend Purchase Order 6045927 to Associated Engineering (Ont.) Inc. for the provision of Detailed Design in the amount of \$544,151 net of all applicable taxes and charges (\$553,728 net of Harmonized Sales Tax recoveries) and extend delivery date to December 31, 2028. This revises the existing Purchase Order value from \$2,498,326 net of all applicable taxes and charges (\$2,542,296 net of Harmonized Sales Tax recoveries) to \$3,042,477 net of all applicable taxes and charges (\$3,096,025 net of Harmonized Sales Tax recoveries);

2) To amend Purchase Order 6052716 to Associated Engineering (Ont.) Inc. for the provision of Services During Construction in the amount of \$1,937,953 net of all

applicable taxes and charges (\$1,972,061 net of Harmonized Sales Tax recoveries) and extend delivery date to December 31, 2029. This revises the existing Purchase Order value from \$3,051,458 net of all applicable taxes and charges (\$3,105,164 net of Harmonized Sales Tax recoveries) to \$4,989,411 net of all applicable taxes and charges (\$5,077,225 net of Harmonized Sales Tax recoveries);

3) To amend Purchase Order 6055600 to Associated Engineering (Ont.) Inc. for the provision of Post-Construction Services in the amount of \$237,877 net of all applicable taxes and charges (\$242,064 net of Harmonized Sales Tax recoveries) and extend delivery date to December 31, 2031. This revises the existing Purchase Order value from \$50,870 net of all applicable taxes and charges (\$51,765 net of Harmonized Sales Tax recoveries) to \$288,747 net of all applicable taxes and charges (\$293,829 net of Harmonized Sales Tax recoveries).

The amendments are required due to significant project scope changes, increased design and construction requirements, and the extension of the project schedule resulting from the phased delivery approach.

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 of Engineering and Construction Services to award and enter into an agreement with ASCO Construction (Toronto) Ltd., having submitted the lowest compliant bid and meeting the specifications in conformance with the Tender requirements of Request for Tender Doc5471369482, Contract Number 23ECS-MI-01DC, for construction of Offline Storage Tank (DWST2) East Don Sanitary Trunk Sewer at 1236 and 1240 Sheppard Avenue East, in the amount of \$43,694,149 net of all applicable taxes and charges (\$44,463,166 net of Harmonized Sales Tax recoveries).

2. The General Government Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law), grant authority to the Chief Engineer and Executive Director of Engineering and Construction Services to amend Purchase Order 6045927 with Associated Engineering (Ont.) Inc., for the provision of Detailed Design in the amount of \$544,151 net of all applicable taxes and charges (\$553,728 net of Harmonized Sales Tax recoveries), revising the current Purchase Order value from \$2,498,326 net of all applicable taxes and charges to \$3,042,476 net of all applicable taxes and charges (\$3,096,024 net of Harmonized Sales Tax recoveries) and extend delivery date to December 31, 2028.

3. The General Government Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law), grant authority to the Chief Engineer and Executive Director of Engineering and Construction Services to

amend Purchase Order 6052716 with Associated Engineering (Ont.) Inc., for the provision of Services During Construction in the amount of \$1,937,953 net of all applicable taxes and charges (\$1,972,061 net of Harmonized Sales Tax recoveries), revising the current Purchase Order value from \$3,051,458 net of all applicable taxes and charges to \$4,989,411 net of all applicable taxes and charges (\$5,077,225 net of Harmonized Sales Tax recoveries) and extend delivery date to December 31, 2029.

4. The General Government Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law), grant authority to the Chief Engineer and Executive Director of Engineering and Construction Services to amend Purchase Order 6055600 with Associated Engineering (Ont.) Inc., for the provision of Post-Construction Services in the amount of \$237,877 net of all applicable taxes and charges (\$242,064 net of Harmonized Sales Tax recoveries), revising the current Purchase Order value from \$50,870 net of all applicable taxes and charges to \$288,747 net of all applicable taxes and charges (\$293,829 net of Harmonized Sales Tax recoveries) and extend delivery date to December 31, 2031.

FINANCIAL IMPACT

Award for Doc5471369482, Contract Number 23ECS-MI-01DC

The total value of the contract award is \$43,694,149 net of all applicable taxes and charges. The total cost to the City is \$44,463,166 including contingency and provisional allowances, and net of Harmonized Sales Tax recoveries.

Funding for this contract is available in Toronto Water's 2026 Capital Budget and 2027-2035 Capital Plan. Funding details with forecasted expenditures (net of Harmonized Sales Tax recoveries) are summarized in Table 1:

Table 1: Financial Impact Summary of Recommended Contract Award

WBS Element	2026	2027	2028	2029	Total (net of Harmonized Sales Tax recoveries)
CWW480-02 (WWF-DR&CW)	\$1,000,000	\$12,000,000	\$12,000,000	\$19,463,166	\$44,463,166

Amendment to Purchase Order 6045927

The requested amendment value for Purchase Order 6045927 is \$544,151 net of all applicable taxes and charges (\$553,728 net of Harmonized Sales Tax recoveries).

Amendment to Purchase Order 6052716

The requested amendment value for Purchase Order 6052716 is \$1,937,953 net of all applicable taxes and charges (\$1,972,061 net of Harmonized Sales Tax recoveries).

Amendment to Purchase Order 6055600

The requested amendment value for Purchase Order 6055600 is \$237,877 net of all applicable taxes and charges (\$242,064 net of Harmonized Sales Tax recoveries).

Funding for the requested Purchase Order Amendments is available in Toronto Water's 2026 Capital Budget and 2027-2035 Capital Plan. The combined total cost to the City is \$2,767,853 net of Harmonized Sales Tax recoveries. Funding details with forecasted expenditures are summarized in Table 2.

Table 2: Financial Impact Summary of Purchase Order Amendments for Detailed Design, Services During Construction and Post-Construction Services

WBS Element	2026	2027	2028	2029	2030	2031	Total (net of Harmonized Sales Tax recoveries)
DD: CWW480-02 (WWF-DR&CW)	\$100,000	\$225,000	\$228,728	\$0	\$0	\$0	\$553,728
CA: CWW480-02 (WWF-DR&CW)	\$200,000	\$750,000	\$750,000	\$272,061	\$0	\$0	\$1,972,061
PC: CWW480-02 (WWF-DR&CW)	\$40,000	\$40,000	\$40,000	\$55,000	\$55,000	\$12,064	\$242,064
Total	\$340,000	\$1,015,000	\$1,018,728	\$327,061	\$55,000	\$12,064	\$2,767,853

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

DECISION HISTORY

On September 6, 2017, Request for Proposal Number 9117-17-7046 for the provision of professional engineering services to undertake Detailed Design, Services During Construction, and Post-Construction Services related to Sheppard Avenue East and Leslie Street Sanitary and Watermain Upgrades work, was awarded by the Bid Award Panel (Item BA39.2) to Associated Engineering (Ont.) Inc.;
<https://secure.toronto.ca/council/agenda-item.do?item=2017.BA39.2>

On August 20, 2020, Engineering and Construction Services issued a Detailed Design Purchase Order Amendment for 6045927, in accordance with the City's approved Purchasing authorities due to additional scope, in the amount of \$400,000 (\$407,040 net of HST recoveries), revising the total value to \$1,909,123 net of all applicable taxes and charges (\$1,942,724 net of Harmonized Sales Tax recoveries).

On May 25, 2022, the Infrastructure and Environment Committee (Item IE30.2) authorized a Detailed Design Purchase Order Amendment, for 6045927, in accordance with the City's approved Purchasing authorities, due to additional scope, in the amount of \$589,202 (\$599,572 net of Harmonized Sales Tax recoveries), increasing the total value to \$2,498,326 net of all applicable taxes and charges (\$2,542,296 net of Harmonized Sales Tax recoveries).

<https://secure.toronto.ca/council/agenda-item.do?item=2022.IE30.2>

COMMENTS

Background

This project originated from recommendations in the City's 2003 Wet Weather Flow Master Plan and the 2012 Don River and Central Waterfront Class Environmental Assessment (<https://www.toronto.ca/wp-content/uploads/2023/07/9033-2023-Wet-Weather-Flow-Master-Plan-Implementation-Update-with-Attachment-1.pdf>). Following from these recommendations, the Sheppard Avenue East and Leslie Street Sanitary and Watermain Upgrades Request for Proposal (RFP) No. 9117-17-7046 was issued on April 10, 2017 and included the following three main work scope components:

- Replacement of the existing Sheppard Avenue 300 mm dia. sanitary sewer (passing under the East Don River) with a 675 mm sanitary sewer to allow for population growth and development.
- Construction of a 4500 cubic metre underground offline storage tank (DWST2) and above ground pump station, as well as the associated 1200 mm dia. tank inflow and twin 250 mm dia. tank outflow sewers connecting to the East Don Trunk Sewer.
- Construction of a new 300 mm dia. watermain along Old Leslie Street to 20m west of the CNR railroad tracks. This work scope was deleted early in the project and was transferred to, and completed by, another group within Engineering and Construction Services.

In accordance with the Class Environmental Assessment and the Preliminary Design Report (which was completed before the RFP for this project was issued), the original RFP envisioned the following main work scope design elements:

- The tank would be constructed under the existing East Don Parklands parking lot (located at 1236 and 1240 Sheppard Avenue East) with the pump station building located on the east side of the tank. This would avoid impacts to the existing Parks and Recreation public washroom building located on the west side of the parking lot and tank.

- The pump station would incorporate a wet well pumping system with 2-pump (duty and standby) design.
- The sanitary and tank sewers would be constructed via tunnelling under the East Don River using an inverted syphon design to avoid having to bypass the river and related impacts to the river and permitting requirements.
- The entire work scope (i.e. all sewers, the tank, pump station and watermain) would be completed as one design package and one tender package.

During the design process, the original scope of work was significantly revised as follows:

- The pump station location had to be relocated to the west side of the tank and parking lot due to Toronto Region Conservation Authority floodplain restrictions. This created the need to demolish the existing and interfering Parks and Recreation public washroom building and construct a new washroom building south-west of the tank.
- The pump station design was re-evaluated and a dry well pumping system with 3-pump (duty-duty-standby) design was selected. Also, an additional automated sanitary sewer bypass control gate was added to the design.
- Due to operations maintenance concerns, the inverted syphon design for the tunnelled sanitary and tank sewers under the East Don River was abandoned. Instead, a traditional gravity design using open-trench construction across the East Don River was selected. This necessitated extensive Regional, Provincial and Federal permitting for required horizontal and vertical realignment of an approximate 200 m length of river as well as river bypassing via coffer dam during the construction period.
- As a result of development pressures requiring early construction of the sanitary sewer and extensive permitting delays, a City decision was made to divide the project into the following three construction phases:
 - Phase 1 – construction of under-river crossing of sanitary and tank sewers and river realignment. This construction work was completed on December 31, 2025.
 - Phase 2 – construction of the underground offline storage tank and underground local utility connections (for sanitary, storm, and electrical service connections)
 - Phase 3 – above-ground pump station and washroom building.

Separate and sequential Detailed Design, Services During Construction and Post-Construction Services phases are now required, expanding the work scope into three sequentially executed contracts. Therefore, in addition to requesting authorization to award the Phase 2 tender contract, this staff report requests authorization to make Purchase Order Amendments to Associated Engineering (Ont.) Inc.'s Detailed Design, Services During Construction and Post-Construction Services Purchase Orders as described in subsequent sections.

On May 26, 2026, the Ministry of Housing, Infrastructure and Communities Canada (HICC) notified the City that this project was approved in principle as one of the first projects under the terms and conditions of the Government of Canada's Build

Communities Strong Fund (BCSF) for federal funding in an amount up to \$21,768,000 (see Attachment 1).

Award and Amendments

Award for Doc5471369482, Contract Number 23ECS-MI-01DC

Request for Tender Doc5471369482, Contract Number 23ECS-MI-01DC, for construction of Offline Storage Tank (DWST2) East Don Sanitary Trunk Sewer at 1236 and 1240 Sheppard Avenue East was issued by Purchasing and Materials Management Division and advertised on both the City's and Ariba Discovery websites on December 24, 2025, with a closing date of March 27, 2026, and an issuance of 14 addenda. A total of three Suppliers responded as listed in Table 3:

Table 3: Suppliers and Bid Prices for Doc5471369482

Suppliers	Bid Price excluding Harmonized Sales Tax *
ASCO Construction (Toronto) Ltd.	\$38,695,702.28
EllisDon Civil Ltd.	\$46,180,521
Clearway Construction Inc.	\$46,654,731.89

*Pursuant to the Request for Tender document the contract award price 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 Doc5471369482, Contract Number 23ECS-MI-01DC is ASCO Construction (Toronto) Limited.

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, is approximately 12 percent lower than the engineering estimate of \$43,942,350.

A contingency allowance has been added to the proposed contract award for additional work and/or services which may be required to address any unforeseen conditions and restrictions which may arise during construction. This contingency is deemed necessary to address the significant flooding and groundwater management risks associated with this work. The flooding risks are due to the site location in the East Don River valley in an area within the Toronto Region Conservation Authority regulatory floodplain and the groundwater management risks are due to artesian groundwater conditions and non-homogeneous subsurface soil conditions making characterization of groundwater dewatering quality and quantity difficult to predict accurately.

The Tender submission from ASCO Construction (Toronto) Limited for Doc5471369482, includes their agreement to complete the works within 130 weeks from the date that the written order to commence work is issued by the City.

A single Purchase Order will be issued to ASCO Construction (Toronto) Limited for Doc5471369482 in the amount of \$43,694,149 net of all taxes.

The Fair Wage Office reported that the recommended Supplier, ASCO Construction (Toronto) Limited, indicated they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and the recommended Supplier has agreed to comply fully.

Amendment to Purchase Orders 6045927, 6052716 and 6055600 for Detailed Design, Services During Construction and Post-Construction Services

In the original Request for Proposal (RFP) it was assumed that the design for the required sanitary sewer, tank inflow and outflow sewers, underground offline storage tank and above-ground pump station building would be completed under one design phase and one construction contract.

The work scope is now being completed in three phases: Phase 1 (sanitary sewer and tank inflow and outflow sewers); Phase 2 (underground offline storage tank) and Phase 3 (above-ground pump station building and Parks and Recreation washroom building). These require three design and tender packages and three sequential construction periods.

In addition to the revised three phase project delivery approach, significant work scope changes were also made including: a change to the East Don River crossing method from tunneled construction of the sanitary and tank sewers under the river to open-trenched construction of the sanitary and tank sewers under the river; addition of approximately 200 m of horizontal and vertical river realignment work requiring coffer dam bypassing of the river; and the need to demolish the existing Parks and Recreation public washroom building and reconstruct it in an alternate location.

Consequently, the scope of the Detailed Design, Services During Construction and Post-Construction services has significantly expanded from that in the original RFP and agreement.

The existing Purchase Orders with Associated Engineering (Ont.) Inc. for Detailed Design, Services During Construction, and Post-Construction Services need to be amended to adequately respond to the requirements of the three-phase project delivery approach and the added/amended scope of work.

- 1. Detailed Design Amendment** – The design changes for the Phase 1 open-trenched sanitary and tank sewers, the river realignment and the addition of the Phase 3 new Parks and Recreation public washroom building were funded through previous Purchase Order Amendments. Additional design and project management effort is required for the Pumping Station and includes: additional pumping system

redundancy; control gate automation; additional design and specification submissions; additional project management during the extended design period; and additional tendering effort for a third tender.

An amendment to Purchase Order 6045927 to Associated Engineering (Ont.) Inc. is therefore requested to provide for additional Detailed Design beyond the original RFP scope. This amendment reflects the scope changes, increased project complexity, extended schedule and staff rate adjustments that will be required during the project. The amendment value represents an increase of \$544,151 net of all applicable taxes and charges (\$553,728 net of Harmonized Sales Tax recoveries), revising the Purchase Order value from \$2,498,326 net of all applicable taxes and charges (\$2,542,296 net of Harmonized Sales Tax recoveries) to \$3,042,476 net of all applicable taxes and charges (\$3,096,024 net of Harmonized Sales Tax recoveries) and extending the Detailed Design delivery date to December 31, 2028.

- 2. Services During Construction Amendment** – Phase 2 to construct the underground offline storage tank will require Associated Engineering (Ont.) Inc. to provide 30 months of additional Services During Construction.

An amendment to Purchase Order 6052716 with Associated Engineering (Ont.) Inc. is therefore requested in the amount of \$1,937,953 net of all applicable taxes and charges (\$1,972,061 net of Harmonized Sales Tax recoveries), revising the Purchase Order value from \$3,051,458 net of all applicable taxes and charges (\$3,105,164 net of Harmonized Sales Tax recoveries) to \$4,989,411 net of all applicable taxes and charges (\$5,077,225 net of Harmonized Sales Tax recoveries) and extending the Phase 2 Services During Construction delivery date to December 31, 2029.

- 3. Post-Construction Services Amendment** – Phase 2 post-construction warranty period will require Associated Engineering (Ont.) Inc. to provide 24 months of additional post-construction warranty services. In addition, the Toronto Region Conservation Authority has asked for an extended and extensive 5-year monitoring period of the completed Phase 1 river realignment work and provide annual data reports related to its resilience to high river flow and river flooding events.

An amendment to Purchase Order 6055600 with Associated Engineering (Ont.) Inc. is therefore requested in the amount of \$237,877 net of all applicable taxes and charges (\$242,064 net of Harmonized Sales Tax recoveries), revising the Purchase Order value from \$50,870 net of all applicable taxes and charges (\$51,765 net of Harmonized Sales Tax recoveries) to \$288,747 net of all applicable taxes and charges (\$293,829 net of Harmonized Sales Tax recoveries) and extending the Phase 2 Post-Construction Services delivery date to December 31, 2031.

The amendment also includes contingency allowances for each Purchase Order should any unknown additional work be required during the design and construction phases noted above.

CONTACT

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SIGNATURE

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Geneviève Sharkey
Chief Procurement Officer

ATTACHMENTS

Attachment 1 – Building Communities Strong Funding (BCSF)