

**Amendment to Purchase Order No. 6035502 – For Nathan Phillips Square Reflecting Pool and Ice Rink Renovation Project**

<b>Date:</b>	October 31, 2012
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Corporate Officer Director, Purchasing and Materials Management Division
<b>Wards:</b>	Ward 27 – Toronto Centre Rosedale
<b>Reference Number:</b>	P:\2012\Internal Services\Fac\Gm12019Fac- (AFS 16575)

**SUMMARY**

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The purpose of this report is to request authority to amend Purchase Order 6035502 issued to PCL Constructors Canada Inc. (PCL) for the Nathan Phillips Square (NPS) Reflecting Pool and Ice Rink Renovation Project at Toronto City Hall. The total Purchase Order amendment request is for \$750,000.00 net of all taxes (\$763,200.00 net of HST Recoveries). The report also seeks authorization for the reallocation of funds in the 2012 Facilities Management Approved Capital Budget for this purpose.

**RECOMMENDATIONS**

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**The Chief Corporate Officer and the Director of Purchasing and Materials Management Division recommend that City Council:**

1. Authorize the reallocation of funds in the 2012 Approved Facilities Management Capital Budget in the amount of \$750,000.00, as illustrated in Appendix 1 attached, with zero gross and net impact.

2. Grant authority to amend Purchase Order 6035502 with PCL Constructors Canada Inc. for the Nathan Phillips Square Renovation of the Reflecting Pool and Ice Rink Project at Toronto City Hall by \$750,000.00 net of all applicable taxes (\$763,200.00 net of HST recoveries), revising the current contract value from \$1,935,019.00 to \$2,685,019.00 net of all applicable taxes.

## **FINANCIAL IMPACT**

The amendment to Purchase Order 6035502 in the amount of \$750,000.00 net of all taxes (\$763,200.00 net HST recoveries) will increase the current contract value from \$1,935,019.00 to \$2,685,019.00 net of all taxes.

It is recommended that the reallocation of surplus and emergency funds within the previously approved 2012 Facilities Management/Design, Construction & Asset Preservation Capital Budget, as detailed in Appendix 1 attached, be approved to fund the requested Purchase Order amendment, resulting in a \$0.00 gross and net impact to the Capital Budget. Contingent upon this approval, funding in the amount of \$763,200.00 (net of HST recoveries) will be available in the 2012 Facilities Management Capital Budget for the requested amendment to Purchase Order 6035502.

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

## **DECISION HISTORY**

At its meeting on July 4, 2012, the Bid Committee awarded Tender 100-2012 for the Nathan Phillips Square reflecting pool and ice rink renovation project to PCL, in the amount of \$1,435,019.00 net of all taxes. The report can be found at the following link:

<http://www.toronto.ca/legdocs/mmis/2012/bd/bgrd/backgroundfile-48886.pdf>

Purchase Order 6035502 was subsequently issued to PCL with a reduced scope of work for general contracting services for this project in the amount of \$1,435,019.00 net of all taxes.

On September 20, 2012, Purchase Order 6035502 was amended by \$250,000.00, net of all taxes, in accordance with the City's Financial Control By-Law, Financial Code 71 for the installation of piping embedments and associated fittings in order to construct the exterior slab replacement. Adding this scope of work to the project at this time would minimize future disruption and downtime for the reflecting pool and ice rink at the NPS.

As allowed under staff authority, Purchase Order 6035502 was further amended by \$250,000.00, net of all taxes and was issued to enable work to proceed, which will incorporate the installation of fountain jets, nozzles, header, valves and associated piping as part of the project, in order to have the reflecting pool fountains fully operational for the 2013 season.

## **ISSUE BACKGROUND**

Tender Call No. 100-2012 closed on June 7, 2012 and the lowest tender submission significantly exceeded the available budget allocated for the project. To enable the necessary repairs to the NPS ice rink and reflecting pool to proceed in a timely manner, Facilities Management recommended a reduction to the project scope in order to award the project in part and within the available project budget for 2012.

On August 7, 2012, Purchase Order 6035502 was issued to PCL, with a reduced scope of work for general contracting services for the project in the amount of \$ 1,435,019.00 net of all taxes.

Subsequently, two Purchase Order amendments, each in the amount of \$250,000.00 net of all taxes, were issued under staff authority to enable additional work to proceed so that the NPS ice rink and reflecting pool would be fully operational during the applicable seasons of the year and future disruption and downtime of these facilities would be minimized.

## **COMMENTS**

While the NPS ice rink and reflecting pool renovations have been underway, several hidden existing site conditions have been exposed, including the failed post-tensioning cables at the Freedom Arches, the need for additional waterproofing and the need for new perimeter curbs, which could not be foreseen and incorporated when the initial design work for the renovations was undertaken.

These hidden and unforeseen site conditions have resulted in the need to perform additional work that cannot be delayed and must be completed in conjunction with the current work being performed on the ice rink and reflecting pool. Due to the magnitude of the unforeseen site conditions, design modifications were necessary and costs could not be immediately determined, until recently. To ensure the safety of the public, the structural integrity of the heritage Freedom Arches cannot be compromised, resulting in the need to replace the failed post-tensioning cables for the Freedom Arches at the same time that the ice rink and reflecting pool renovations are underway.

As a result of these hidden unforeseen site conditions requiring additional scope of work to be performed, the project has incurred additional costs in the amount of \$750,000.00 net of all taxes.

The requested Purchase Order amendment will address the concerns related to the identified unforeseen site conditions and allow for the completion of the project as scheduled. It is critical that the ice rink renovations be completed in time for the commencement of the Cavalcade of Lights, the 2012/2013 skating season, and to have the renovations of the reflecting pool completed as scheduled for the 2013 summer season.

## **CONTACT**

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## **SIGNATURE**

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Josie Scioli  
Chief Corporate Officer

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Michael Pacholok  
Director  
Purchasing and Materials Management

## **ATTACHMENTS**

Appendix 1– Facilities Management 2012 Capital Budget and 2013-2021 Capital Plan  
Adjustments – Nathan Phillips Square Renovation of the Reflecting Pool and Ice  
Rink Project



**Appendix 1**  
**Facilities Management**  
**2012 Capital Budget and 2013 to 2021 Capital Plan Adjustments**  
**Nathan Phillips Square Renovation of the Reflecting Pool and Ice Rink Project**  
**(\$ Million)**

CAPTOR #	SAP #	Sub-project Description	Project Cost	2012		2013		Total		Reason for Adjustment
				Gross Expenditure	Debt Funding	Gross Expenditure	Debt Funding	Gross Expenditure	Debt Funding	
<b>Facilities Management</b> <i>Additional funding is required address unforeseen site conditions discovered while completing the Nathan Phillips Square Pool / Rink project. Funding is available in alternate Facilities Management projects to offset this funding need.</i>										
FAC906395-675	CCA186-06	Various Loc - Elevators SOGR	(0.084)	(0.084)	0.084	0.000	0.000	(0.084)	0.084	Elevator work at 455 Dovercourt was cancelled, therefore funding included in CCA186-06 for this location is available to be used for alternate issues.
FAC906399-10	CCA206-01	Various Locations- Emergency Capital Repairs	(0.679)	(0.679)	0.679	0.000	0.000	(0.679)	0.679	Emergency funds identified for emergency issues that arise during the year. Remaining balance will be used for the unforeseen conditions discovered while completing the NPS Reflecting Pool / Rink project.
TRP907009-9	CCA909-01	Nathan Phillips Square - Pool/ Rink	0.763	0.763	(0.763)	0.000	0.000	0.763	(0.763)	Unforeseen site conditions were discovered while completing the reflecting pool / rink project. Additional funding is required to amend the contractor's contract to address these issues to ensure timely completion of work.
<b>Total for Facilities Management</b>			<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	