

Toronto Community Housing

**Change Order: Additional Construction Costs associated with the CSU Station Renovation at 90 Wildcat Rd (fm-450034)**

Item 8M

November 3, 2021

Building Investment, Finance and Audit Committee

Report: BIFAC:2021-119**To:** Building Investment, Finance and Audit Committee
("BIFAC")**From:** Vice President, Facilities Management**Date:** October 26, 2021**PURPOSE:**

The purpose of this report is to seek the BIFAC approve a change order to 2462304 Ontario Inc. o/a Joe Pace & Sons Contracting Inc. (Joe Pace) for \$487,345.18 (exclusive of taxes) for additional costs associated with the Community Safety Unit (CSU) Station renovation performed by the landlord at 90 Wildcat Road (Dev. ao90w).

BIFAC approval is required for the recommended change order, as the cumulative amount exceeds the financial approval limit of Toronto Community Housing's (TCHC's) Procurement Award Committee (PAC).

RECOMMENDATIONS:

It is recommended that the BIFAC approve the following recommendations to:

1. approve a change order to 2462304 Ontario Inc. o/a Joe Pace & Sons Contracting Inc. for \$487,346.18 (exclusive of taxes) for

additional costs associated with the CSU Station renovation performed by the landlord at 90 Wildcat Road (Dev. ao90w); and

2. authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

REASONS FOR RECOMMENDATIONS:

Background

90 Wildcat Road is a commercial building leased by TCHC from 2462304 Ontario Inc. o/a Joe Pace & Sons Contracting Inc. It is located near the intersection of Steeles and Keele and is approximately 19,346 Sq. F. This property forms a part of TCHC's northern campus and serves as CSU's headquarters with accommodations for 150 staff including training facilities.

CSU has traditionally occupied satellite spaces at various locations across the TCHC portfolio. A number of these locations had been the subject of frequent staff complaints including capacity and health and safety concerns.

To this end, the board approved the lease of 90 Wildcat in July of 2020. The space is leased for five years and, in addition to CSU headquarters, serves as the corporation's COVID 19 supply outpost and distribution point for PPE and provides large, flexible meeting space able to accommodate corporate wide meeting and training requirements.

As part of the leasing agreement, the landlord delivered the fit out renovation work and contributed 15% of established costs.

Change Order Recommendation

The space at 90 Wildcat Rd. was contributing to a less productive working environment. The CSU Station requires renovations to accommodate growing staff numbers and changing operational needs A change order is

requested for additional costs associated with the CSU Station renovation performed by the landlord at 90 Wildcat Rd, that includes:

- **Business Unit Requests: \$75,456.00**
Additional project requirements from Business Unit (CSU) not identified during initial design sign off.
- **Emergency Generator: \$237,186.90**
Although allowances were carried in the project budget for items whose costs were not yet known, the budget did not include for a new emergency generator. The generator is a requirement in order to house the unit's Canadian Police Information Centre (CPIC) crime database station and dispatch unit.
- **Unforeseen Costs: \$22,236.14**
Due to the water demand caused by the significant amount of showers, change rooms and washrooms in the facility, an upgrade to the municipal water connection was required. An additional set of doors were also required at the new washrooms due to an unintended sightline issue.
- **Budgeted Costs Requiring Inclusion: \$152,466.14**
IT and Communications costs were excluded from the landlord's deliverables. These costs were anticipated and allowances for these items were carried as part of the global project budget. These costs now need to be included formally into the project expenses.

Table 1: Purchase Order and Change Order Summary

CO No.	VAC #	Approval Date	Description	Reason	Individual CO Amount
1	21066	03/24/2021	Additional Construction Costs at 90 Wildcat per Fully Executed Signed lease Pg 49, Schedule D, signed November 30th, 2020: Remainder of CSU Renovation portion added after Board Report: \$53,030.44 Cost of warehouse renovation to be covered by TCHC: \$244,760	TCHC Directed	\$297,790.44
2		Pending	Business Unit Requests: Window Coverings/Blinds:19,369.85 Acrovyn/Dry Erase: \$35,076.15 Ceiling height adjustment in the dispatch room: \$5,100.00 RCMP Rooms: \$15,910.00 Back Up Emergency Generator, UPS: \$237,186.90 Unforeseen Costs: Water line upgrade: \$18,036.14 Washroom doors added: \$4,200.00 Budgeted Costs, Requiring Inclusion: Bell Connections: \$49,215.54 Permit Fee: \$9,052.62 CCTV Cameras and Access Control: \$94,197.98	TCHC Directed	\$487,346.18
Cumulative approved change orders to date					\$297,790.44
Change order as requested in this report					\$487,345.18
Total Cumulative change orders					\$785,135.62
Original contract awarded (Board Report TCHC 2020:54)					\$2,128,500
Revised total contract amount					\$2,913,635.62
Cumulative CO % of contract award/purchase order					36.89%

IMPLICATIONS AND RISKS:

The change order is recommended for the delivery of the project, addressing additional costs associated with the renovation. The recommended change order is in accordance with TCHC's current Procurement Policy. The Procurement Award Committee has reviewed and recommends that the change order be approved by BIFAC.

Performance will continue to be evaluated in accordance with TCHC's Vendor Compliance evaluation system. Results gathered through project reviews can be used to support decisions to remove underperforming vendors from TCHC's rosters and/or future bidding opportunities.

Funding is confirmed within the 2021 Capital Budget as approved by the TCHC Board (TCHC:2020-88).

SIGNATURE:

"Allen Murray"

Allen Murray

Vice President, Facilities Management

STAFF CONTACT:

Allen Murray, Vice President Facilities Management

416-981-6955

Allen.Murray@torontohousing.ca