

### Section I – Items for Board of Directors Action

**TO:** Chair and Members of the Board of Directors  
Meeting #11/19, Friday, January 24, 2020

**FROM:** Michael Tolensky, Chief Financial and Operating Officer

**RE:** **ASHBRIDGES BAY TREATMENT PLANT LANDFORM PROJECT:  
CONSTRUCTION OF EAST AND CENTRAL BREAKWATERS –  
CONTRACT PRICE INCREASE**

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#### KEY ISSUE

Price increase to Contract No.10021138 due to the associated delays in execution of the implementation Agreement for the Ashbridges Bay Treatment Plant Landform Project, in the City of Toronto.

#### RECOMMENDATION

**WHEREAS** Toronto and Region Conservation Authority (TRCA) and the City of Toronto have an executed construction Agreement to allow TRCA to implement the Ashbridges Bay Treatment Plant Landform in partnership and/or on behalf of the City of Toronto (Toronto Water);

**AND WHEREAS** TRCA requires marine based general contracting services to deliver the construction of the east and central breakwaters;

**AND WHEREAS** TRCA solicited tenders through a publicly advertised process and awarded Contract No. 10021138 to H.R. Doornekamp Construction Ltd. for \$27,363,894 at Board of Directors Meeting #6/19 RES.#A146/19;

**AND WHEREAS** Toronto Water has approved the extension of the contract and assumed all financial implications of the extension in the construction agreement with TRCA;

**AND WHEREAS** the bid validity period for the H.R. Doornekamp Construction Ltd. approved in Board of Directors Meeting #6/19 RES. A#A146/19, expired on October 19, 2019 and upon review of the City of Toronto and TRCA request to extend the validity period, to December 20, 2019, bid prices were increased;

**THEREFORE, LET IT BE RESOLVED THAT** Contract No. 10021138 for marine based general contracting services awarded to H.R. Doornekamp Construction Ltd. be increased by a total cost not to exceed \$3,185,866, plus applicable taxes, for a total revised contract value of \$ 30,549,760, to be expended as authorized by TRCA staff;

**THAT** TRCA staff be authorized to approve additional expenditures to a maximum of \$318,587 (approximately 10% of the project cost), plus applicable taxes, in excess of the contract cost as a contingency allowance if deemed necessary;

**AND FURTHER THAT** authorized TRCA officials be directed to take whatever action may be required to implement the contract extension, including the obtaining of necessary approvals and the signing and execution of any documents.

## Item 7.2

### BACKGROUND

On May 2, 2012, TRCA was notified of the Toronto Council decision on April 10 and 11, 2012 to direct Toronto Water to enter into a joint initiative with TRCA to lead an Environmental Assessment Study that considers a landform south of the Ashbridge's Bay Wastewater Treatment Plant, to provide for the construction of the Coatsworth Cut stormwater treatment wetland and combined sewer overflow high-rate treatment facility, and that integrates these projects with other projects planned for the area.

At Authority Meeting #5/12, held on June 22, 2012, RES.#A96/12 provided staff direction to lead the Environmental Assessment Study, in collaboration with Toronto Water, Parks, Forestry and Recreation, Toronto Waterfront Secretariat, and Toronto Waterfront Revitalization Corporation. TRCA then proceeded to undertake a Conservation Ontario Class Environmental Assessment (Class EA) to support the advancement of the project, resulting in the study entitled "Ashbridges Bay Erosion and Sediment Control Project – Conservation Ontario Class EA". This Class EA study identified a preferred alternative that consists of erosion and sediment control structures that integrate with the lakefill area required for the City's planned facilities and provides a long-term solution to address the sedimentation issue within the Coatsworth Cut navigation channel which TRCA currently maintains through a \$250,000 per year dredging program.

In June 2014, Toronto City Council authorized the finalization of the Environmental Study Report for the Class EA and authorized Toronto Water to undertake the detailed design of the Ashbridges Bay Treatment Plant Landform Project as a joint initiative to be led by TRCA. In 2017, TRCA coordinated the detailed design for the Ashbridges Bay Treatment Plant Landform, incorporating the approved design concepts as outlined in the City of Toronto's Coatsworth Cut and Don River and Central Waterfront EAs and TRCA's Ashbridges Bay Erosion and Sediment Control EA.

The final design of the Ashbridges Bay Treatment Plant Landform Project consists of approximately 27 ha of new land (lakefill) and is composed three distinct elements:

- a 16.4 ha land base protected by an armourstone headland-cobble beach system and a rip rap revetment;
- a 710 m long central breakwater, constructed from the west side of Coatsworth Cut; and
- a smaller 100 m long east breakwater, constructed from the southernmost headland of Ashbridges Bay Park.

At Board of Directors meeting #4/19, held on April 26, 2019, RES.#A58/19 provided staff with direction to negotiate and enter into and execute one or more service agreements with the City of Toronto to construct the Ashbridges Bay Treatment Plant Landform. Simultaneously, the City of Toronto authorized TRCA staff to initiate the prequalification for general contractors and preparation of tender documents prior to the finalization of the construction Agreement in order to commence work for this project on July 1, 2019 to align with restricted activity fisheries timing windows.

### RATIONALE

At Board of Directors meeting #6/19, held on July 26, 2019, RES.#A146/19 awarded Request for Tender No.10021138 to H.R. Doornekamp Construction Ltd. for the marine based construction of the Central and East Breakwaters. The formal award of the contract would be contingent on the execution of the final agreement between TRCA and the City of Toronto. As specified in the tender documents, the bid validity period allowed TRCA to secure the bid prices for H.R. Doornekamp Construction Ltd. for 120 days from the tender closing date of June 21, 2019.

## Item 7.2

TRCA continued working with Toronto Water to finalize the construction Agreement through their respective legal counsels. As draft Agreements were being circulated, the bid validity period expired on October 19, 2019. This added a level of risk which included the withdrawal of the bid, thus delaying the procurement process with adverse impact on the delivery of services for the Project. At the request of Toronto Water, TRCA issued a formal request to H.R. Doornekamp Construction Ltd. to extend their bid validity.

H.R. Doornekamp Construction Ltd. responded with a revised bid validity date of December 20, 2019 with a change in their bid prices. The increased bid prices were directly attributed to the project schedule changes from what was previously outlined in the tender. They included higher costs for site preparation during winter conditions and securement of aggregate stone. The increased bid prices were reviewed by TRCA and City of Toronto staff and deemed reasonable. It should also be noted the additional costs would not surpass the bid value of the second lowest bid during the procurement process.

The response was reviewed by Toronto Water and approval was given for TRCA to move forward with H.R. Doornekamp Construction Ltd.'s revised bid price. As there was still opportunity to refine the budget associated with the construction Agreement between TRCA and Toronto Water this increase in cost was incorporated prior to finalization.

### **Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan**

This report supports the following strategies set forth in the TRCA 2013-2022 Strategic Plan:

**Strategy 2 – Manage our regional water resources for current and future generations**

**Strategy 7 – Build partnerships and new business models**

**Strategy 12 – Facilitate a region-wide approach to sustainability**

### **FINANCIAL DETAILS**

The estimated project cost for construction of the Ashbridges Bay Treatment Plant Landform Project is \$96.0 million net of all applicable taxes (\$97.7 million net of HST recoveries). TRCA had refined the budget to reflect the additional costs associated with H.R. Doornekamp Construction Ltd.'s revised bid price prior to executing the construction Agreement. The construction Agreement will facilitate the transfer of funds from Toronto Water to TRCA allowing the recovery of all implementation expenses on a cost recovery basis plus an administrative fee (to not exceed 5%). Funds to support the contract for RFT 10021138 will be tracked under account code 183-02.

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**Date: January 12, 2020**