



## Change Order: Additional Consulting Fees for Regent Park Phase 3 Site Servicing (RFP 12/12)

Item 4

March 26, 2021

Building Investment, Finance and Audit Committee

**Report:** BIFAC:2021-28

**To:** Building Investment, Finance and Audit Committee (“BIFAC”)

**From:** Senior Construction Manager, Development

**Date:** March 23, 2021

### PURPOSE:

The purpose of this report is to seek the BIFAC’s approval to approve a change order to Dillon Consulting Ltd. (“Dillon”) for additional fees for civil engineering services in Phase 3 of the revitalization of Regent Park.

BIFAC approval is required for the recommended change order, as the cumulative amount is beyond the financial approval limit of Toronto Community Housing’s (“TCHC”) Procurement Award Committee (“PAC”), which does not have authority to approve commitments that extend TCHC’s contracts beyond five years. The existing contract with Dillon is more than five years old and is valued at less than \$5 million.

### RECOMMENDATIONS:

It is recommended that the BIFAC:

- a) Approve fee increases for Dillon totaling **\$100,707.02** (exclusive of taxes) for civil engineering and contract administration work in Phase 3 of the Regent Park revitalization for additional work resulting from a winter delay in construction, assessment of damages to roadways not

yet assumed by the City, and contract administration of the required repairs; and

- b) Authorize the appropriate TCHC staff to take the necessary actions to give effect to the above recommendations.

### **REASONS FOR RECOMMENDATIONS:**

All the roadways (roads, curbs, boulevards and sidewalks) pertaining to this contract were newly constructed as part of Phase 3 of the Regent Park revitalization. Construction began in Q2 2015 and, excluding asphalt, was largely completed by Q2 2017, except for Dreamers Way, which was begun in summer 2019 and completed in summer 2020. TCHC remains responsible for maintenance of the roadways and municipal services until their Assumption by the City by mid-2023.

Dillon was approved as TCHC's civil engineer for the above work by the Building and Investment Committee ("BIC") at its August 8, 2012 meeting (BIC C2012-44). The original contract value was \$858,350; as a result of various change orders that contract is currently valued at \$1,375,093 (not including this request).

A change order is recommended for additional fees totaling \$100,707.02 for the following:

- |                                            |                    |
|--------------------------------------------|--------------------|
| <b>1. Additional work at Dreamers Way:</b> | <b>\$15,242.30</b> |
| Dillon Scope Change no. 29 (attached)      |                    |

Construction of Dreamers Way (a new roadway connecting Oak and Gerrard Streets) began in the summer of 2019. Work included digging a trench the length of the roadway and disposing of all contaminated soils; laying new sanitary and storm sewers, domestic water mains, hydro lines for street lights, and piping for the RPEI district energy system; and then back-filling the trench with clean soil. Several unforeseeable site conditions resulted in cumulating delays to the project, and by the time the site was ready for a new concrete road base and sidewalks, winter was setting in. The cold would require the use of cold-weather additives in the concrete at significant additional cost, so the project was put on hold until spring 2020.

Construction re-started in June, and after a few more relatively minor delays, was completed by August, 2020. Construction delays resulted in an additional eleven days of work for Dillon. Development staff find Dillon's requested amount to be fair and reasonable.

- 2. Assessment of damages to the Phase 3 roadways: \$8,042.22**  
Dillon Scope Change no. 31, Part 2 (attached)

The Phase 3 roads and services were constructed before work could begin on the buildings to be erected on the new city blocks created by those roads. As a result, the roads were exposed to a steady parade of heavy construction vehicles and suffered consequent wear and tear.

The roads have not yet been assumed by the City. The next step in the assumption process requires that TCHC repair sidewalks, boulevards (sod), curbs, and concrete road bases per municipal standards; and confirm that all underground sewers are in a good state of repair (CCTV inspection). As TCHC's design engineer for the project, Dillon was engaged to assess and quantify the damage in order for the contractor (RB Somerville) to effect the required repairs. Development staff find Dillon's requested amount to be fair and reasonable.

- 3. Contract administration of resulting repairs: \$77,422.50**  
Dillon Scope Change no. 32 (attached)

After Dillon assessed and quantified the damages outlined in point 2 above, RB Somerville was engaged to effect those repairs and Dillon was engaged to conduct the requisite contract administration of the work as required by their contract with TCHC. Development staff find Dillon's requested amount to be fair and reasonable.

With approval of this request, the total cumulative value of change orders issued to Dillon Consulting Ltd. will be \$617,449.15, equivalent to 71.9 % of the original contract value, as summarized in Table 1 below. The revised total contract value will be \$1,475,799.15.

Table 1: Purchase Order and Change Order Summary

C.O. No.	Approval Date	Description	C.O. Amount
1	11/24/2015	Change in Scope 1	\$12,000.00
2	09/15/2016	Change in Scope 2	\$15,500.00
3	01/27/2017	Changes in Scope 3 – 11	\$65,786.00
4	03/08/2017	Change in Scope 12	\$17,055.00
5	12/06/2017	Change in Scope 13	\$33,979.90
6	08/01/2019	Changes in Scope 14 – 19	\$83,798.20
7	06/10/2019	Changes in Scope 20 – 28	\$288,623.03
Cumulative value of change orders approved to date			\$516,742.13
Total value of change orders requested in this report (Dillon Scope Changes 29, 31, and 32)			\$100,707.02
<b>Cumulative value of change orders</b>			<b>\$617,449.15</b>
Original contract value			\$858,350.00
Cumulative CO value as a % of the original contract value			71.9 %
<b>Revised contract amount</b>			<b>\$1,475,799.15</b>

**IMPLICATIONS AND RISKS:**

None of the work described in Dillon's request was anticipated in their original contract. All of it represent additional scope and Dillon's request for additional fees is therefore reasonable. The amounts requested are based on hourly rates agreed to in their contract with TCHC. Their claimed time (effort) spent on the work was compared against the actual project construction schedule and found to be accurate.

The extra work cannot be disassociated from Dillon's original scope of work for two reasons:

1. All of the work on the roads and municipal services (sewers, watermains) in Regent Park are undertaken by TCHC on the City's

behalf per TCHC's Subdivision Agreement with the City. That agreement prohibits TCHC from engaging a new engineer before the roadways have been completed and assumed by the City.

2. All three of the work items described above are related to engineering designs by Dillon. It would not be appropriate to engage a new or different engineer as that new engineer would never assume responsibility for a previous engineer's work.

Funding for the requested fees is within the total Board-approved spending authority of \$27,127,060 for Regent Park Phase 3 Site Servicing (TCHC:C2014-24 and TCHC:C2019-37).

**SIGNATURE:**

*"Vincent Tong"*

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Vincent Tong  
Chief Development Officer

**ATTACHMENTS:**

1. Dillon Scope Change 29
2. Dillon Scope Change 31
3. Dillon Scope Change 32

**STAFF CONTACT:**

Peter Zimmerman, Senior Development Director  
416-981-4345  
Peter.zimmerman@torontohousing.ca

Robert Boyd, Senior Construction Manager  
647-218-9409  
Robert.Boyd@torontohousing.ca



**CHANGE IN SCOPE #29 Rev. 1 – CLIENT APPROVAL**

**Client:** Toronto Community Housing Corporation (TCHC)  
**Project Name:** Regent Park Phase 3 – Dreamers Way Road Construction  
**Project number:** 12-6942-8400  
**Date:** January 7, 2021

Dillon Consulting Limited (“Dillon”) requests authorization to proceed with the work outlined below (the “Additional Services”) for the above-mentioned project. The Additional Services shall be governed by the agreement entered into between Dillon and the Client for the project and any amendments thereto expressly agreed to in writing by Dillon and the Client.

<b>Description of Services:</b>										
<p>The following additional services associated with the Regent Park Phase 3 Dreamers Way road construction Contract Administration (CA) and Construction Observation (CO) beyond the original 121 working day schedule are detailed below.</p> <p>Reasoning for additional change in scope: As per Amendment #2, dated October 16, 2019, Item 2c states: “In the event RB Somerville does not execute its work in accordance with the Schedule or Additional Work is added, the Consultant may submit for TCHC consideration an application(s) for Change(s) in Scope for additional payment for the Additional Work”.</p> <p>The construction schedule provided by RB Somerville on June 4, 2020, indicated a total of 121 working days to completion. The sewer installation was completed in 2019 and the roadway backfill up to the granular elevation was completed by January 8, 2020. The construction of the concrete flatworks and completion of the roadway to base concrete was undertaken in 2020 and substantially completed by July 22, 2020 for a total of 132 working days.</p> <p>Therefore, there are a total of 11 working days beyond the original agreed to schedule. Additional costs are as follows:</p>										
<table border="1"> <tbody> <tr> <td>1.</td> <td>Construction Observation/Contract Administration for 11 days @ \$1,340.00/day.</td> <td>\$14,740.00</td> </tr> <tr> <td>2.</td> <td>Additional work performed between March 1, 2020 and May 20, 2020 as agreed to by TCHC in email dated June 8, 2020. Items 1.5 and 1.8 for a total of 3 hours. 3 hours x \$167.40 /hr.</td> <td>\$502.20</td> </tr> <tr> <td colspan="2"><b>Total of items 1 and 2 above:</b></td> <td><b>\$15,242.20</b></td> </tr> </tbody> </table>	1.	Construction Observation/Contract Administration for 11 days @ \$1,340.00/day.	\$14,740.00	2.	Additional work performed between March 1, 2020 and May 20, 2020 as agreed to by TCHC in email dated June 8, 2020. Items 1.5 and 1.8 for a total of 3 hours. 3 hours x \$167.40 /hr.	\$502.20	<b>Total of items 1 and 2 above:</b>		<b>\$15,242.20</b>	
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<b>Total of items 1 and 2 above:</b>		<b>\$15,242.20</b>								
<b>The compensation for the Additional Services shall be:</b>										
<p>The compensation for the Additional Services noted above is <b>\$15,242.20</b>, exclusive of HST.</p>										

The Client hereby agrees to and authorizes Dillon to proceed with the Additional Services in accordance with the terms of this agreement.	
DILLON CONSULTING LIMITED	TORONTO COMMUNITY HOUSING CORPORATION
<p>Signature:  _____  <i>I/We have authority to bind the Client.</i></p> <p>Name (print): Bill Allison            Title: Partner            Date: January 7, 2021</p> <p>Signature: _____  <i>I/We have authority to bind the Client.</i></p> <p>Name (print):            Title:            Date:</p>	<p>Signature: _____  <i>I/We have authority to bind Dillon Consulting Limited.</i></p> <p>Name (print):            Title:            Date:</p> <p>Signature: _____  <i>I/We have authority to bind Dillon Consulting Limited.</i></p> <p>Name (print):            Title:            Date:</p>



## CHANGE IN SCOPE #31 – CLIENT APPROVAL

**Client:** Toronto Community Housing Corporation (TCHC)  
**Project Name:** Regent Park Phase 2 and 3 – Contract Administration  
**Project number:** 12-6942-9019/9020  
**Date:** September 21, 2020

Dillon Consulting Limited (“Dillon”) requests authorization to proceed with the work outlined below (the “Additional Services”) for the above-mentioned project. The Additional Services shall be governed by the agreement entered into between Dillon and the Client for the project and any amendments thereto expressly agreed to in writing by Dillon and the Client.

### Description of Services:

The following additional services associated with the Phase 2 and 3 Contract Administration (CA) to mark out all removals and replacements to the concrete works are detailed below. Table 1 below summarizes the tasks and effort based on the actual number of hours spent by the Dillon project team to complete the work.

1. **Additional fees for Contract Administration for reviewing the Phase 2 site to mark out the removals and replacements required to concrete curbs, sidewalks and roadbase.**

- Attend site to mark out all concrete items requiring removal and replacement in Phase 2.
- Attend site to measure all concrete items requiring removal and replacement and mark them on drawings.
- Summarize areas and prepare tables for contractor pricing.

██████████ @ 35.0 x hours x \$167.40/hr = \$5,859.00.

██████████ @ 26.7 x hours x \$140.40/hr = \$3,748.68.

Total for Task 1 = \$9,607.68.

2. **Additional fees for Contract Administration for reviewing the Phase 3 site to mark out the removals and replacements required to concrete curbs, sidewalks and roadbase.**

- Attend site to mark out all concrete items requiring removal and replacement in Phase 3.
- Attend site to measure all concrete items requiring removal and replacement and mark them on drawings.
- Summarize areas and prepare tables for contractor pricing.

██████████ @ 28.5 x hours x \$167.40/hr = \$4,770.90.

██████████ @ 23.3 x hours x \$140.40/hr = \$3,271.32.

Total for Task 2 = \$8,042.22.

Note that the above tasks 2 and 3 only cover the review and summarizing of the removals and replacements required to the existing concrete curbs, sidewalks and roadbase within Regent Park Phase 2 and Phase 3.

**Table 1: Tasks and Estimate of Additional Fees**

Task	Estimate of Additional Fees
1. Phase 2 - To review, mark out and summarize removals and replacement to existing concrete curbs, sidewalks and roadbase.	\$9,607.68
2. Phase 3 - To review, mark out and summarize removals and replacement to existing concrete curbs, sidewalks and roadbase.	\$8,042.22
<b>Total (exclusive of HST):</b>	<b>\$17,649.90</b>

**The compensation for the Additional Services shall be:**

The compensation for the additional services noted above is **\$17,649.90**, exclusive of HST.

**The Client hereby agrees to and authorizes Dillon to proceed with the Additional Services in accordance with the terms of this agreement.**

**DILLON CONSULTING LIMITED**

**TORONTO COMMUNITY HOUSING CORPORATION**

Signature:  \_\_\_\_\_

*I/We have authority to bind the Client.*

Name (print): Bill Allison

Title: Partner

Date: September 21, 2020

Signature: \_\_\_\_\_

*I/We have authority to bind the Client.*

Name (print):

Title:

Date:

Signature: \_\_\_\_\_

*I/We have authority to bind Dillon Consulting Limited.*

Name (print): Robert Boyd

Title: Senior Construction Manager

Date: Nov. 23, 2020

Signature: \_\_\_\_\_

*I/We have authority to bind Dillon Consulting Limited.*

Name (print):

Title:

Date:



### CHANGE IN SCOPE #32 – CLIENT APPROVAL

**Client:** Toronto Community Housing Corporation (TCHC)  
**Project Name:** Regent Park Phase 3 – Contract Administration/Construction Observation for Repairs to Base Works  
**Date:** November 2, 2020

Dillon Consulting Limited (“Dillon”) requests authorization to proceed with the work outlined below (the “Additional Services”) for the above-mentioned project. The Additional Services shall be governed by the agreement entered into between Dillon and the Client for the project and any amendments thereto expressly agreed to in writing by Dillon and the Client.

Description of Services:
<p>The following additional services associated with the Phase 3 repairs to the base works within portions of the municipal right-of-way - Contract Administration (CA) and Construction Observation (CO) up to the request for start of maintenance for the base works by the City are detailed below. <b>Table 1</b> below summarizes the tasks and estimated effort. Please note that the estimated costs are based on an assumed number of hours for the Dillon project team for budgeting purposes, where noted. If more effort is required, Dillon will provide a revised scope and cost estimate to TCHC for review and approval before proceeding.</p> <p>The completion of the base works repairs are detailed in the RBS schedule dated October 7, 2020, which indicates a total of 29 working days for completion of the concrete repairs on Wyatt Avenue, Nicholas Avenue, Tubman Avenue (between Dundas Street and Wyatt Avenue) and Oak Street (between Sackville Street and Sumach Street) within Phase 3. TCHC has stated that the Phase 3 streets not noted above are to be completed in 2021, and therefore are not included in this scope change. Note that the RBS schedule does not include for topsoiling and sodding of boulevards, line painting, street signage repairs, streetlighting repairs, etc.</p> <p><b>1) Estimated additional effort for construction of base works</b></p> <ol style="list-style-type: none"><li>1. Construction Observation from October 5, 2020 to November 11, 2020 (Based on RB Somerville schedule) assuming construction duration of 29 working days x 10 hrs/day x \$167.40 = \$48,546.00.</li><li>2. Additional construction observation for items not included in the RBS schedule beyond November 12, 2020, that are required for start of maintenance of the base works (topsoil and sodding of boulevards as required, line painting as required, street signage repairs, streetlighting deficiencies, etc.). Assuming construction duration of 7 working days x 7.5 hrs/day x \$167.40 = \$8,788.50.</li><li>3. Contract Administration = based on a 36 day total construction duration, assuming 120 hours x \$167.40 = \$20,088.00. Note that all preconstruction activities and as well as 30 hours is included above for review of the start of maintenance CCTV sewer videos.</li></ol> <p><b>Total 1 to 3 = \$77,422.50.</b></p> <p>The above includes the following:</p> <ul style="list-style-type: none"><li>• Construction Observation and Contract Administration for the construction of the repairs to the base works for a portion of Phase 3 roads as indicated above.</li></ul>

- Review of a new set of Start of Maintenance sewer videos and provide report and package of videos to the City.
- Preparation, issuing and obtaining approval of change orders for the repairs to the base works.
- Preparation of three additional payment certificates for completion of the base works in 2020 (one progress, one final and one for holdback release).
- Issuing substantial performance for base works to the Contractor.
- Issue one general conformance letter for base works to the City for the "Start of Maintenance" period.
- Our estimated effort is based on 36 working days of construction. If construction extends beyond these assumed 36 working days of construction, additional scope and cost will be discussed with TCHC.

Note that this scope change is for work that is to be completed in 2020 only. This scope change does not include construction administration/construction observation for roads not noted above and does not include any review of top works, etc. that are to be completed beyond 2020.

The review of landscaping and/or tree installation is not included for in this scope change, items 1 to 3 above. This work is to be performed by others.

**Table 1: Summary of Phase 3 fees:**

Task	Fees
1. Phase 3 Repairs to Base Works (Fall 2020)	\$77,422.50
<b>Total (exclusive of HST):</b>	<b>\$77,422.50</b>

**The compensation for the Additional Services shall be:**

The compensation for the additional services noted above is **\$77,422.50**, exclusive of HST.

**The Client hereby agrees to and authorizes Dillon to proceed with the Additional Services in accordance with the terms of this agreement.**

DILLON CONSULTING LIMITED	TORONTO COMMUNITY HOUSING CORPORATION
Signature:  <i>/We have authority to bind the Client.</i> Name (print): Bill Allison Title: Partner Date: November 2, 2020	Signature: _____ <i>/We have authority to bind Dillon Consulting Limited.</i> Name (print): Title: Date:
Signature: _____ <i>/We have authority to bind the Client.</i> Name (print): Title: Date:	Signature: _____ <i>/We have authority to bind Dillon Consulting Limited.</i> Name (print): Title: Date: