

MEETING DATE: July 18, 2001

SUBJECT: Procurement Authorization Sheppard Subway Structure Finishing - Contract SH-00-C6

RECOMMENDATION

It is recommended that the Commission:

- a. authorize acceptance of the tender submitted by Grascan Construction Ltd. in the amount of \$3,470,000 for Contract SH-00-C6 Structure Finishing; and
- b. pre-authorize an amendment allowance in the amount of \$694,000.00 for Contract SH-00-C6 to cover contract changes and claims within the overall scope of the contract.

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FUNDING

Sufficient funds to accommodate the contract award and amendment allowance expenditures are included in:

- a. RTEP projects under Sheppard Subway, Yonge to Don Mills, as set out on pages 695–714 in the Expansion category; and
- b. Program 3.9 Buildings and Structures - Electrical Substation Leak Remediation as set out on pages 721-723 of the State of Good Repair/Safety category

of the 2001–2005 Capital Program, which was approved by City Council on April 30, 2001.

BACKGROUND

This contract is intended to complete outstanding work prior to the opening of the Sheppard Subway in the fall of 2002.

The scope includes the closing of subway box structure drop shafts with associated road restoration, re-grading and restoration of various construction mobilization sites, the gating of Fairview Mall to facilitate TTC commuter parking, remedial grouting, provision of a bus loop at Bayview Station, electrical, mechanical and cleanup work at track level, and support services required during the commissioning of the subway. The scope also includes leak remediation work at the Sheppard Substation which is chargeable to Project 3.9 of the Capital Program.

DISCUSSION

Requests for tender for Contract SH-00-C6, Structure Finishing was publicly advertised in the Daily Commercial News on April 16, 2001 resulting in nine (9) contractors obtaining tender documents. Three tenders were submitted on June 27, 2001, and are summarized in Appendix A.

Grascan Construction Ltd. (Grascan) submitted the lowest priced tender and did not state any exceptions or qualifications. Grascan has satisfactorily completed work of a similar size for the Commission in the past. They are considered commercially compliant. Based on a review of the contractor's financial statements, it appears they have the financial capability to perform this contract.

Aecon Construction & Materials Ltd. submitted the second lowest priced tender and also did not state any exceptions or qualifications and is considered commercially compliant.

Ellis-Don Corporation submitted the third lowest priced tender and also did not state any exceptions or qualifications and is considered commercially compliant.

The Tender Documents included nine Specified Options to delete work, but none are recommended to be accepted.

Pre-Authorized Amendment Allowance

At its meeting of March 5, 1996, the Commission approved Authorization for Expenditure Guidelines, which included the provision for the Commission to approve a pre-authorized amendment allowance to be administered by staff for contract changes and claims within the overall scope of the contract. The amendment allowance for this contract is recommended at 20% (\$694,000.00) of the contract value. This is based on the assessment of the risk associated with the extensive and varied scope elements that comprise this contract and the related interfaces with other Sheppard Subway systems and contracts. Also, this contract as stated above is the close-out contract and will be required to service the Sheppard Subway facilities during commissioning and will capture any missing or clean-up scope items. Staff is requesting that the Commission pre-authorize this allowance to save on administration effort and costs and to expedite implementation of contract changes in an effort to eliminate any potential delay to Sheppard Subway commissioning.

JUSTIFICATION

The tender submitted by Grascan Construction Ltd. is the lowest priced compliant tender.

July 6, 2001

50-CE/RT

A0801/959941

Attachment: Appendix A

APPENDIX A
STRUCTURE FINISHING
CONTRACT SH-00-C6

| PROPONENT | TOTAL TENDERED PRICE |
|-------------------------------------|-----------------------------|
| Grascan Construction Ltd. | \$3,470,000.00 |
| Aecon Construction & Materials Ltd. | \$3,978,500.00 |
| Ellis Don Corporation | 4,180,000.00 |
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| Engineer's Estimate | \$2,700,000.00 |

