



## **Change Order: Addition to Contract to Reflect Extension of Construction Schedule at 14 Rayoak and 51 Parkwoods (VAC22149)**

Item 10D

June 17, 2022

Building Investment, Finance and Audit Committee

**Report: BIFAC:2022-75**

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

**From:** Vice President, Facilities Management

**Date:** May11, 2022

### **PURPOSE:**

The purpose of this report is to seek the BIFAC's approval of a change order of \$149,400.00 (exclusive of taxes) to LGA Architectural Partners for (RFP 18016) for extra contract administration costs incurred due to the extension of the construction schedule at 14 Rayoak and 51 Parkwoods (Parkwoods Rayoak).

BIFAC approval is required for the recommended change order, as the cumulative amount of all change orders is both greater than \$250K and greater than 20% of the original contract amounts.

### **RECOMMENDATIONS:**

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

1. approve a change order to LGA Architectural Partners for \$149,400.00 (exclusive of taxes) for the extra contract administration costs associated with the extension of the construction schedule at Parkwoods Rayoak (Dev. 005); and

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

**PROGRAM BACKGROUND:**

In March 2018, the Vendor Award Committee (VAC) approved a contract award to LGA Architectural Partners for architectural services for cladding, window and roof replacement at Parkwoods/Rayoak (51 Parkwoods Village Drive and 14 Rayoak Drive, Dev. 005) based on the outcome of Request for Proposals (RFP 18016) as follows:

- \$163,822.00 for design (including contract administration) for 14 Rayoak Drive
- \$119,956.00 for design only for 51 Parkwoods Village Drive
- \$79,971.00 for contract administration for 51 Parkwoods Village Drive subject to confirmation of construction funding

Parkwood Rayoak consists of:

- 14 Rayoak is an 8 storey-high building with 63 units and built in 1962.
- 51 Parkwoods is a 7 storey-high building with a 2 storey-high townhouse building attached, totaling 83 units and built in 1962.

Due to age and the deteriorated condition of the building envelope, the original scope of retrofit work included structural repairs, insulation and over cladding of the envelope, new windows and balcony doors, balcony guardrails, new roof and extensive interior accessibility upgrades including vestibules, mailroom and laundry room accessibility renovations at both 14 Rayoak and 51 Parkwoods and an exterior drop off and ramp at 14 Rayoak.

**REASONS FOR RECOMMENDATIONS:**

The original contract administration scope of work included services for 16 months at Rayoak and 18 months at Parkwoods.

Over the past two years, many of TCHC's planned projects have been slowed due to the COVID-19 health pandemic. This has included challenges such as limited access to tenant units, modified construction protocols, scarcity of labour, and long lead times for materials and equipment.

The project, including work related to this change order, is expected to be completed in approximately 14 months. The requested changes are part of the ongoing construction of the two buildings. It is a continuation of work and it is not financially or time wise advantageous for TCHC to retain another consultant to complete.

To date, \$234,804.30 in change orders have been issued to LGA Architecture Services at the 2 locations awarded. With approval of this request, total cumulative change orders equals \$384,204.30 and is equivalent to 105.62% of the original purchase order issued as shown in the tables below. The revised total contract amount is \$762,953.30.

**Table 1: Change Order Summary**

<b>Location</b>	<b>Reason for Change</b>	<b>Value</b>
Rayoak	City building permit fee reimbursement	\$3,791.20
Parkwood	City building permit fee reimbursement	\$3,442.10
Parkwood	TCHC directed additional mechanical and electrical scope of work	\$189,430.00
Rayoak	TCHC directed design and contract administration for Tenant Service Hub	\$33,250.00
Rayoak	Replacement of the damaged water line serving the building	\$3,900.00
Parkwood	City permit fees application for Building and Mechanical	\$397.18
Rayoak	City permit application fees for Building and Plumbing	\$593.82
Both	Additional contract administration due to construction delays	\$149,400.00
<b>Approved Change Orders to Date</b>		<b>\$234,804.30</b>
Change order as requested in this report		\$149,400.00
<b>Total Cumulative change orders</b>		<b>\$384,204.30</b>
Original contract awarded (VAC 18111)		\$363,749.00
<b>Revised total contract amount</b>		<b>\$762,953.30</b>
<b>Cumulative CO % of contract award/purchase order</b>		<b>105.62%</b>

**IMPLICATIONS AND RISKS:**

Contract administration services fees requested by this change order date back to June 2021 (the original contract's completion date). The consultant submitted their fees for consideration in November 2021, at which point staff reviewed the submission, negotiated pricing and, ultimately, submitted the attached costs for governance approval. Going forward, FM will not complete any work until the associated change order has been approved by the applicable approval level.

To mitigate risks, staff will continuously and rigorously monitor the performance of the contractors during the course of the contract.

Funding for this change order is within the program budget of the 2022 Capital Budget.

**SIGNATURE:**

*“Allen Murray”*

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Allen Murray  
Vice President, Facilities Management

**STAFF CONTACT:**

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