



Change Order: Addition to Contract as per Various Unforeseeable Site Conditions to the Sanitary Project at 275, 285, & 295 Shuter Street

Item 6G

December 8, 2022

Board of Directors

Report: TCHC:2022-76

To: Board of Directors (the “Board”)

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

Date: November 10, 2022

PURPOSE:

The purpose of this report is to seek the Board’s approval of a change order of \$34,867.86 (exclusive of taxes) to Martinway Contracting Ltd. (“Martinway”) for various unforeseeable site conditions to the sanitary project at 275, 285, & 295 Shuter Street.

BIFAC approval is required for this change order, as the cumulative amount of all change orders is both greater than \$250K and greater than 20% of the original contract amounts. The Board’s approval is required as the revised contract amount exceeds the \$5M financial approval limit of the BIFAC.

RECOMMENDATIONS:

It is recommended that the Board approve the following recommendations:

1. approve a change order to Martinway Contracting Ltd. for \$34,867.86 (exclusive of taxes) for extra costs associated with electrical work requested by the Electrical Safety Authority (“ESA”) due to unforeseeable site conditions at 275, 285, & 295 Shuter Street; and

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

BIFAC:

This report was approved by the BIFAC via unanimous written resolution on November 10, 2022.

REASONS FOR RECOMMENDATIONS:

A change order for \$1,031,270.54 was presented to BIFAC on September 2, 2021 and was approved by the Board on October 7, 2021. That change order was required to expand the scope of work to address the state of townhouse finish interiors, which were discovered to be in poor repair.

During the course of work, the ESA conducted a site inspection and requested additional electrical work that was not part of the original scope. The new work includes installing in each unit a new counter receptacle, running a separate bonding conductor for the stove receptacle, relocating an existing receptacle, and the addition of one extension box to the fridge receptacle.

To date, \$1,089,303.67 in change orders have been issued to Martinway. With approval of this request, total cumulative change orders equals \$1,124,171.53 and is equivalent to 27.93% of the original purchase order issued as shown in the tables below. The revised total contract amount is \$5,149,106.53.

PROGRAM BACKGROUND:

Moss Park (275, 285 and 295 Shuter Street) consists of three 16-storey buildings and was built in 1964. There are 41 townhouse units across all three buildings.

In August of 2020, the BIFAC awarded Martinway the contract for plumbing sanitary replacement at Moss Park, based on the outcome of Request for Proposal (“RFP”) 19173. Moss Park was identified as a plumbing project to replace the sanitary drains in the townhouse units, lobbies and basements. For the 41 townhouse units, the following work is part of the original scope of work:

- Kitchens: replacing sanitary piping, supply piping, plumbing valves, sinks, plumbing fixtures (p-traps, faucets, and aerators), kitchen cabinets, lighting fixtures, and tile flooring

- Bathrooms: replacing sanitary piping, supply piping, plumbing valves, toilets, tubs, pedestal sinks, plumbing fixtures (p-traps, sink & shower faucets, aerators, and shower heads), towel racks, medicine cabinets, tile backsplash, and tile flooring
- Interior finishes: painting the entire unit

The original interior work was planned to be limited in scope in order to minimize disruption to tenants during the delivery of critical, but highly invasive, plumbing repairs.

Prior to the commencement of work, Operations staff recommended a strategy for full relocation based on consultation with tenants. With this approach, tenants and their belongings and furniture were moved to other vacant units in the portfolio during the course of construction, leaving the units entirely empty and available for more complete interior renovations. The additional scope of work (approximately \$25,000 per unit) included the full replacement of flooring throughout the unit, interior doors, baseboards, lighting and electrical cover plates, stair refinishing and additional washroom renovations.

Table 1: Change Order Summary

Description	Reason for Change	Value
Replace existing in unit domestic water piping branches and fittings to match existing	TCHC Directed	\$32,203.13
Revise kitchen millwork	TCHC Directed	\$25,830.00
Expanded scope at 41 units to include replacement of flooring, interior doors, baseboards, lighting and electrical cover plates, stair refinishing and additional washroom renovations	TCHC Directed	\$1,031,270.54
Additional electrical work and an increase cost for plumbing material	ESA/Unforeseen site conditions	\$34,867.86
Approved Change Orders to Date		1,089,303.67
Change order as requested in this report		\$34,867.86

Description	Reason for Change	Value
Total Cumulative change orders		\$1,124,171.53
Original contract awarded (VAC 18111)		\$4,024,935.00
Revised total contract amount		\$5,149,106.53
Cumulative CO % of contract award/purchase order		27.93%

IMPLICATIONS AND RISKS:

The project, including work related to this change order if approved, is expected to be completed in approximately five months, weather permitting and no delays due to COVID-19. Work related to this change order will not commence until this change order has been approved and the change order issued.

The extra work cannot be disassociated from the original scope of work. Martinway, as the general contractor awarded this project, is best positioned to perform the additional scope of work.

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

Funding for the change order award is within the project budget from the 2022 Capital Budget.

SIGNATURE:

“Allen Murray”

Allen Murray
Vice President, Facilities Management

STAFF CONTACT:

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