



City of
Peterborough

To: Members of the General Committee

**From: W. H. Jackson
Commissioner of Infrastructure and Planning Services**

Meeting Date: September 17, 2018

**Subject: Report IPSCOM18-011
Increase of Budget and Contract Amount Awarded to JR
Certus Construction Company Ltd. and Reinders + Rieder Ltd.
for the Peterborough Operations Centre**

Purpose

A report to recommend increasing the budget and contract awarded to JR Certus Construction Company Ltd. and Reinders + Rieder Ltd. for the Peterborough Operations Centre (Public Works facility).

Recommendations

That Council approve the recommendations outlined in Report IPSCOM18-011, dated September 17, 2018 of the Commissioner of Infrastructure and Planning Services as follows:

- a) That the Capital Budget for the Peterborough Operations Centre be increased by \$1,001,859 from \$22,529,600 to \$23,531,459 and that \$237,375 of the additional funds be transferred from the Waste Management Reserve Fund and \$764,484 from the Public Works Fleet Reserve;
- b) That the contract with JR Certus Construction Co. Ltd., 81 Zenway Boulevard, Unit #3 – 2nd Floor, Vaughan, Ontario, L4H 0S5, for the construction of the Peterborough Operations Centre, be increased by \$1,198,679 from \$20,607,264 to \$21,805,943 plus HST of \$2,834,773 for a total cost of \$24,640,716;
- c) That the contract with Reinders + Rieder Ltd., 64 Ontario Street North, Milton, Ontario, L9T 2T1, for Contract Administration Services for the Peterborough

Operations Centre, be increased by \$15,000 from \$179,625 to \$194,625 plus HST of \$25,301 for a total cost of \$219,926; and

- d) That Administrative Staff Committee be authorized to adjust the purchase order value to JR Certus construction C. Ltd. by an additional \$250,000 to an upset limit of \$22,055,943 plus HST as necessary to cover the costs of any change orders required to complete the project.

Budget and Financial Implications

Detailed Cost Breakdowns for the Peterborough Operations Centre

Line	Description	Amount
1	Current JR Certus Construction Co. Ltd. Contract Amount	\$20,607,264
2	Consultant Design and Project Management Costs	\$ 733,164
3	Insurance, Building Permit and Miscellaneous Costs	\$ 320,361
4	Chart 1 - Current Additional Change Order Costs	\$ 1,198,679
5	Project Administration Increase	\$ 15,000
6	Additional Contingency Request	\$ 250,000
7	Sub-Total Current Project Costs	\$23,124,468
8	City's Portion of HST	\$ 406,991
9	Total Project Costs	\$23,531,459
10	Current Project Budget	\$22,529,600
11	Additional Budget Increase Requested	\$ 1,001,859

The additional \$1,001,859 requirement is proposed to be funded from the following sources:

Line	Description	Amount
1	Transfer of Tipping Fees from Landfill Account	\$ 237,375
2	Pubic Works Fleet Reserve	\$ 764,484
3	Total	\$1,001,859

Background

RFT T-19-17 for the Peterborough Operations Centre (Operations Centre) closed on April 13, 2017. Council approved Report CPPS17-027 on July 31, 2017 to award the work to JR Certus Construction Company Ltd. at an amount of \$19,776,186 plus HST.

City Council at its meeting of April 30, 2018 in considering Report USDIR18-006 authorized an increase in the contract for JR Certus Construction Co. Ltd. in the amount of \$450,000 from \$19,776,186 to \$20,226,186 plus HST. This increase in the contract was for the supply and installation of a new generator at the Operations Centre at a cost of \$458,600, funding for which was pre-committed from the 2019 Capital Budget.

Administrative Staff Committee at its meeting of May 2, 2018 in considering Report CPPS18-011 authorized an increase per their delegated authority in the contract for JR Certus Construction Co. Ltd. in the amount of \$481,078 from \$20,226,186 to \$20,607,264 plus HST. This increase in the contract was for thirty-eight change orders as detailed in the report and was funded from the current contingency for the project.

Additional Change Orders Processed

The contractor has successfully overcome a number of challenges related to both the site and the buildings that were on the site. Some of the challenges that have resulted in increased costs to the project are:

- Contaminated soil;
- Additional soil and drainage issues on site;
- Water infiltration from drainage swales;
- The roof structure on the office building; and
- The condition of the structural steel in the existing Vehicle Storage building

Since Report CPPS18-011 was approved on May 2, 2018, additional change orders have been processed for the project as listed in Appendix 1. The additional work was discussed with the Facilities & Energy Manager, Manager of Public Works and Reinders + Rieder Ltd., the City's Contract Administrator for the project. City staff is in agreement with the required additional work and agree these are changes to the original scope of work.

Change Order to Project Administrator Contact

During the project there were several roofing installation issues that arose. Since the City has a Roofing and Building Envelope Consultant of Record, Accent Building Sciences, (ABS). Reinders + Rieder Ltd., the Project Administrator, was asked by City staff to engage ABS as the Roofing Consultant under their contract with the City for the roofing contract administration and the design of the new roofing system on the existing Office Building. Reinders + Rieder Ltd. incurred additional fees for this work in the

amount of \$15,000 and City staff is in agreement with the required additional work and agree this is a change to the original scope of work.

Outstanding Change Orders

Line 98 of Appendix 1 includes \$200,000 for Additional Contaminated Soils. The process for determining this amount started with seven additional Requests for Change Orders from the contractor (JR Certus) totaling \$1,080,496 (see Table 1) for the removal and disposal of contaminated soil found during the excavation of the new buildings as well as extra work required because of wet conditions due to the poor drainage of the site.

After examining the claims of the Contractor as well as an analysis undertaken by GHD Ltd. (the testing and inspection consultant), the City's project administrator, Reinders + Reider Ltd. has recommended the Contractor be offered \$200,000 (See Appendix 2) as payment in full for the seven outstanding change orders.

Table 1
Request for Change Orders for Additional Site Related Issues

No.	Description of Work	Amount Requested
1	Additional Deleterious, Contaminated Soils	\$554,467.75
7	Drainage Issue at Subgrade of Salt Building	\$ 70,224.18
34	Sub-excavation of Site Services	\$ 88,518.62
36R1	Materials Bunker- mud slab, additional peat material	\$ 76,800.29
37	Sub-excavation and U-fill at west hoist pit	\$102,983.07
38	Sub-excavation at paved areas	\$134,305.82
40R1	Salt Dome sub-excavation for footings	\$ 53,196.28
	Total	\$ 1,080,496

Summary

During the construction of the Peterborough Operations Centre a number of changes to the contract have been processed that have caused the overall budget as of May 2, 2018 to be increased from \$19,776,186 to \$20,226,186 exclusive of taxes. Almost half of this increase was the pre-authorization of 2019 funding to install the necessary generator at the Operations Centre.

Since May, 2018, further change orders as listed in Appendix 1 have been processed in the amount of \$1,198,679. Funding for these further change orders is proposed to come from a transfer of tipping fee revenue received because of the Operations Centre project and the Public Works Fleet Reserve.

Submitted by

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Commissioner of Infrastructure and Planning Services

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Attachment:

- Appendix 1: Additional Change Orders Processed Since May, 2018.
- Appendix 2: Letter Dated August 28, 2018 from Reinders & Rieder Ltd. Dealing with Requests for Change Orders Related to Contaminated Soil

**Appendix 1
Additional Change Orders for the Peterborough Operations Centre**

No.	Description of Change Orders	Amount
7A	Site Plan and Grading Changes part A	\$ 89,500.00
11	Office elevator structural framing revisions	\$ 1,779.75
19	Fire rated partitions (Crane Bay)	\$ 8,042.31
20	Office Bldg exterior light changes	\$ 6,165.92
28	Delete culverts at entrance driveway	-\$ 1,500.00
43	Create bulkhead at 2nd floor ceiling Office Bldg	\$ 1,307.76
46	Perimeter fencing credit	-\$ 15,451.89
47	Vehicle Service building structural rework GHD field report	\$ 20,862.60
48	Delete 750 Computrol C600 Fuel Cards	-\$ 7,800.00
49	Additional fire alarm req. for roll-up doors	\$ 18,316.31
50	Concrete curb east and west wall vehicle bldg	\$ 6,682.76
51	Fuel Island soffit support	\$ 13,038.80
52	Tipping Fees Contaminated Soils	\$474,750.76
53	Furring wall in women's shower, pipe interference	\$ 217.98
54	Install exhaust fan in Storage Room	\$ 1,881.50
55	Door Hardware schedule changes	\$ 3,064.68
59	Additional Shoring required	\$ 3,388.43
60	Concrete Apron around fuel island	\$ 35,604.98
61	Vector Bunker additional plumbing trap	\$ 1,573.10
62	Remove large concrete boulders	\$ 2,817.95
63	Additional bracing for crane columns	\$ 22,045.02
64	Spray foam on exist vehicle storage bldg	\$ 3,280.78
65	North Wall block curb and new metal liner	\$ 25,524.12
66	Relocate hose bib Office Bldg	\$ 2,017.45
67	Install transition strips at showers	\$ 1,396.35
69	Furring wall in men's shower, pipe interference	\$ 1,443.77
70	Raise ceiling height in Rms. 101, 103 & 155	\$ 1,260.32
71	Generator pad modifications	\$1 6,696.16

No.	Description of Change Orders	Amount
72	Existing oil interceptor repairs	\$ 4,027.32
73	Revised ceiling layout open office #203	\$ 9,522.98
74	Enbridge Gas meter pad and bollards	\$ 7,682.40
75	Wash Bay block curb and new metal liner	\$ 20,295.35
76	Increase width of security gate	\$ 1,454.25
77	Replace window sills in Office Bldg.	\$ 19,480.34
79	Add generator back into contract – additional budget requirement	\$ 8,600.00
80	Office wall and electrical changes	\$ 16,006.56
81	Salt Dome additional weeping tile	\$ 51,719.47
82	Add geogrid to Service building from poor soils	\$ 13,441.30
83	Changes to hoist pit size	\$ 10,137.20
84	Add plate over grating in materials bunker	\$ 1,023.75
85	Additional power requirements for BAS	\$ 4,220.35
86	Structural changes to support hose reels	\$ 5,464.71
87	Structural details for other pads	\$ 1,518.60
88	Remove 8 bollards by Vehicle Service Bldg	\$ 4,400.00
89	Changes to breathing air equipment	\$ 5,000.00
90	Structural changes at elevator shaft Office Building 2 nd floor	\$ 4,346.94
91	Office Building fire rate stairwells	\$ 4,500.00
92	Salt Dome Hydrant Relocation	-\$ 6,909.81
93	Multi Purpose Room additional metal ceiling	\$ 10,000.00
94	Multi Purpose Room mechanical changes	\$ 5,500.00
95	Multi Purpose Room light fixture change	\$ 20,000.00
96	Upgrade erosion control (Terrafix products)	\$ 15,377.31
97	Revised domestic water connection	\$ 10,000.00
98	Additional Contaminated Soils	\$200,000.00
	Sub Total	\$ 1,198,679
	City's Portion of HST	\$ 21,097
Total Additional Construction Costs as of September 7, 2018		\$ 1,219,776