



Change Order: Additional Consultant Fees – Tenant Service Hubs (VAC 22150/RFP 19439)

Item 10E

June 17, 2022

Building Investment, Finance and Audit Committee

Report: BIFAC:2022-76

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

From: Vice President, Facilities Management

Date: May 11, 2022

PURPOSE:

The purpose of this report is to seek the BIFAC's approval of a change order to Architecture Counsel Inc. for \$223,417.90 (exclusive of taxes) for the additional permit liaison work performed and architectural, mechanical, electrical and structural costs associated with six Tenant Service Hubs award to them under RFP 19439.

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 Architecture Counsel Inc. for \$223,417.90 (exclusive of taxes) for additional consulting work and costs associated changes in the design, related to building permit application fees, unforeseen conditions uncovered during the demolition phase and modifications requested by TCHC staff at six Tenant Service Hubs; and

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

PROGRAM BACKGROUND:

In keeping with a commitment to continually improve service levels for tenants, TCHC has begun a restructuring of its on-site staff and operations model. Central to this restructuring is the establishment of 88 new Tenant Service Hub locations throughout the TCHC portfolio. In addition to being highly functional work spaces for TCHC staff, these Tenant Service Hubs will also serve as important points of local interaction with tenants.

To this end, TCHC issued public RFP 19439 in order to retain consultant teams, led by architects, to deliver design and contract administration services for approximately 55 TCHC locations. The Tenant Service Hub sites have been divided into 9 groups of approximately 8-12 sites per group.

Architecture Counsel Inc. was awarded eight locations including Moss Park, Pembroke Mews, Regent Park, River Street, Rivertowne, 180 Sackville St., Lower River St. and 230 Sackville.

REASONS FOR RECOMMENDATIONS:

This change order is required to support the costs incurred with permit application fees and permit liaison and architectural, mechanical, electrical and structural costs associated with six Tenant Service Hubs. These changes are TCHC directed, including (but not limited to) additional design iterations to meet regional requirements and unforeseen site conditions uncovered during construction. The nature of the above required changes could not have been anticipated at the time of the definition of the scope of work.

To date, \$268,272.38 in change orders have been issued to Architectural Counsel Inc. With approval of this request, total cumulative change orders equals \$491,690.28 and is equivalent to 245.95% of the originally awarded amount as shown in Table 1. The revised total contract amount is \$691,690.28.

Table 1: Change Order Summary

CO No.	Scope of Work	Reason for Change	Value
1	Fees to act as the liaison with the City of Toronto	TCHC Directed	\$19,250.00
2	Cash allowance to pay for building permit application fees	TCHC Directed	\$30,000.00
3	Changes in scope across multiple hubs	Unforeseen	\$213,022.38
4	Cash allowance to be billed against on an hourly basis for permit liaison services.	As needed	\$6,000.00
5	Additional permit costs and permit liaison services \$22,591.15	City requirement	\$223,417.90
	Hub 51 - Moss Park \$49,242.00 Hub 57 – Rivertowne \$15,898.25	Multiple designs for Region approval	
	Hub 52 - Pembroke Mews \$41,669.00	Scope changes directed by TCHC and unforeseen site conditions during construction.	
	Hub 64 - Regent Park \$33,755.00	Tenant Service Hub redesigned as per Region request; Partial redesign requested by Building inspector; Extended construction schedule.	
	Hub 65 - 110 River St \$35,181.50 Hub 67 - 230 Sackville \$25,081.00	Scope changes directed by TCHC; Unforeseen site conditions during construction; Extended construction schedule.	
Approved Change Orders to Date			\$268,272.38
Recommended Change Order			\$223,417.90
Total Cumulative Change Orders			\$491,690.28
Original contract awarded (VAC 19697) awarded on 8 hub locations			\$200,000.00
Revised contract award			\$691,690.28
Cumulative CO %			245.85%

IMPLICATIONS AND RISKS:

This change order addresses continued design and contract administration work initiated under the original scope of work. The consultant submitted these fees retroactively, after these services were underway or complete.

Staff have reviewed the submission, rejected portions of the claim, negotiated pricing and, ultimately, submitted these additional fees for approval by governance. The last of the listed six projects is scheduled to be completed in the fourth quarter of 2022. 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”

Allen Murray
Vice President, Facilities Management

STAFF CONTACT:

Allen Murray, Vice President, Facilities Management
(416) 981-6955
Allen.Murray@torontohousing.ca