



STAFF REPORT ACTION REQUIRED

Purchase Order Amendment to Contract 47012290 - Toronto Water Contract 07TE-305WS – Tender Call 236- 2006.

Date:	December 12, 2007
To:	Public Works and Infrastructure Committee
From:	General Manager Toronto Water Director Purchasing & Materials Management
Wards:	All Wards in Toronto East York District
Reference Number:	P:\2007\Internal Services\pmmd\pw07040pmmd (AFS #6626)

SUMMARY

The purpose of this report is to request authority to amend Contract 47012290 for the Installation of Water and Sewer Service Connections in Toronto East York District. The City of Toronto Municipal Code Chapter 71 (Financial Control By-law), requires that if costs for a capital project exceed the original funding by more than 10 percent or \$500,000, approval must be obtained by Standing Committee and Council. As such, ratification of these contract amendments is required by the Public Works and Infrastructure Committee and Council.

RECOMMENDATIONS

The General Manager of Toronto Water and the Director of Purchasing and Material Management recommends that:

1. Authority be granted to amend Contract 47012290 issued to Rabcon Contractors by \$1,900,000.00 to the revised total value of \$6,366,954.00, net of GST.
2. The appropriate officials be authorized and directed to take the necessary actions to give effect thereto.

FINANCIAL IMPACT

The total amendment for Contract 47012290, Toronto Water Contract 07TE-305WS - Tender Call 236-2006 identified in this report is \$1,995,000.00 including all applicable taxes and charges. The cost to the City, net of GST is \$1,900,000.00. Funding is available in the approved 2008 Toronto Water Capital Budget, WBS Element CPW600-01 – New Service Connections.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

ISSUE BACKGROUND

Toronto Water issues contracts to install water and sewer service connections for builders, homeowners and developers on an as required basis. Contract 47012290 - Toronto Water Contract 07TE-305WS - Tender Call 236-2006, was issued to Rabcon Contractors to cover the period January 1, 2007 to March 31, 2008 in the amount of \$4,466,954.00 net of GST.

As a result of the increased number of water and sewer service applications and projected installations to the end of the contract period, an amendment of \$1,900,000.00 net of GST is requested to the Contract.

COMMENTS

Prior year estimates on the number of new service connection required were used to establish the current contract estimate. Actual demand however is dependant on development demands and trends. Due to an increase in requests for service installations in the Toronto East York District the current contract amount requires amendment to fulfill the obligation of Toronto Water to install service connections to newly constructed buildings. In addition, several large scale development projects were serviced during this year placing additional demands on timely installation and overall expenditures associated with the program.

New tender document are being prepared for the 2008/2009 time period and it is anticipated that they will be in place by March 1, 2008.

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SIGNATURE

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