



Direct Award for Additional Design Services and Contract Administration for Envelope and Mechanical work at 40 Teesdale Place (VAC22233)

Item 7E

July 27, 2022

Building Investment, Finance and Audit Committee

Report: BIFAC:2022- 103

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

From: Vice President, Facilities Management

Date: July 14, 2022

PURPOSE:

The purpose of this report is to seek BIFAC's approval for the direct award of work to Taylor Smyth Architects for \$676,700.00 (exclusive of taxes) for additional design services and contract administration related to the second tower retrofit at Teesdale Pharmacy (40 Teesdale Place. Dev. 099).

BIFAC approval is required for this contract award as it exceeds the \$500,000 financial approval limit of TCHC's President and CEO and the contract award does not arise from a competitive procurement call.

RECOMMENDATIONS:

It is recommended that the BIFAC:

(a) approve a direct award to Taylor Smyth Architects for \$676,700.00 (exclusive of taxes) for the additional scope design, redesign, tender and contract administration services related to the second tower retrofit at Teesdale Pharmacy (40 Teesdale Place. Dev. 099) ; and

(b) authorize the appropriate staff to take the necessary actions to

give effect to the above recommendation.

PROGRAM BACKGROUND:

In 2016, Taylor Smyth Architects was retained under RFQ 16196 to investigate and prepare a construction tender package for the over-cladding and window replacement projects at 30 and 40 Teesdale Place.

In 2017 funding for construction of 30 Teesdale Place was secured under the Social Housing Improvement Program (SHIP). At that time a Direct Award (DA 17022) was approved for Taylor Smyth Architects for contract administration and close-out services to be provided by the architect who prepared the design and construction tender documents. The retrofit at 30 Teesdale has since been delivered successfully with the project ultimately being nominated for a number of industry awards.

The construction project for 40 Teesdale Place has now been approved and the construction documents require revisions to reflect lessons learned through the delivery of 30 Teesdale Place. This includes additional design scope to include a complete roof replacement and in-suite mechanical work.

The design portion is expected to take approximately three months, while the contract administration is estimated to last three years, weather permitting and no delays due to COVID-19. Work will not commence until this award has been approved, a contract has been executed and the purchase order issued. Any significant delays in issuing the purchase order will impact the construction schedule.

REASONS FOR RECOMMENDATIONS:

A direct award is recommended to Taylor Smyth Architects to maintain liability for the original design work. Taylor Smyth Architects is the consultant that produced the current construction tender documents for the project. As the author of the current contract documents, they have a unique understanding of the existing conditions and the strongest capacity to ensure the contract documents are adhered to during the construction phase. This continuity is vital to quality control and consistency in project delivery. Further, the experience gained from delivering nearly identical at 30 Teesdale Place represents significant additional value for this second project.

Separating these duties between two architects would require additional time for procurement, lost time for project orientation, and most importantly would create inherent gaps between design and delivery which can pose a risk for TCHC. Architects are generally reticent to take over in-flight projects and TCHC would expect to see cost increases for consulting services relative to these liabilities.

The fees for the additional phases and services forming part of this Direct Award represent 4.5% of the estimated construction cost.

As a basis of comparison, Taylor Smyth Architects was awarded the design and contract administration services for a similar project in 2020 as part of a competitive public procurement (RFP 19066) and their submitted fees represented 5.9% for the same phases.

If a similar project were to be tendered to the current list of pre-qualified consultants under RPQ 20129 (which includes Taylor Smyth Architects), the equivalent fees for design and contract administration services would represent approximately 6.1% of the estimated construction cost.

Taylor Smyth Architects has agreed to hold design pricing consistent with what was negotiated in 2017 and pricing for contract administration services is consistent with 2017 pricing taking inflation into account.

PROCUREMENT PROCESS:

The direct award is recommended under the following justification under Section 4.3(a) of TCHC's Procurement Procedures:

- For work to be performed on a property by a vendor according to provisions of a warranty or guarantee held in respect of the property or the original work, or to maintain liability for original design work.

The Design Manager in consultation with other Facilities Management staff has determined that the recommended vendor has the capability and capacity to deliver the work within the timeline.

IMPLICATIONS AND RISKS:

Upon approval of this award, Strategic Procurement will pursue execution of an Ontario Association of Architects Standard Form of Contract for

Architect's Services (OAA 601). The recommended vendor has performed similar work for TCHC with satisfactory results.

Performance will be evaluated in accordance with TCHC's Vendor Compliance Evaluation System. Results gathered through project reviews can be used to support decisions to remove underperforming vendors from TCHC's rosters and/or future bidding opportunities.

Funding for this award is within the program budget of the 2022 Capital Budget. Funding for 2023-2025 will be requested in the future years' Capital Budget.

SIGNATURE:

"Allen Murray"

Allen Murray
Vice President, Facilities Management

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