

## TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** April 3, 2009

**SUBJECT:** NOTICE OF AWARD - PROCUREMENT AUTHORIZATION  
AMENDMENT – INGLIS BUILDING FLOOD – MOULD  
REMEDIATION

### INFORMATION ITEM

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#### RECOMMENDATION

It is recommended that the Commission receive the notice of award of the Chair, Vice-Chair and the Chief General Manager:

1. the amendment of a contract to I&I Construction Ltd., in the upset limit amount of \$770,000.00, resulting in a revised upset limit amount of \$1,020,000.00 for the completion of the emergency flood and mould remediation and restoration work required in the Inglis Building basement; and
2. unbudgeted expenditures up to \$1,020,000.00.

#### FUNDING

No funds were provided in the 2009 TTC Operating Budget for this item. Consequently, Commission authorization is required. TTC staff is pursuing full recovery of all expenditures incurred as a result of this flood from the responsible party or parties.

#### BACKGROUND

At its meeting of July 13, 2005, the Commission approved the revisions and updates to the Authorization of Expenditures Policy/Instruction, which states that *"The Commission delegates authority to the Chair, Vice-Chair and Chief General Manager to authorize itmes on an interim basis that would normally be authorized by the Commission when the approval is required before the next Commission meeting. In the event that the Chair and/or Vice-Chair are not available, authority would be delegated to any 2 Commissioners and the Chief General Manager."* These authorizations are to be followed up by a notice of award Commission report that is to be submitted to the next scheduled Commission meeting for information.

As a result of a flood in the basement of the Inglis Building from a broken fire main in a nearby third party property on Sunday February 1, 2009, it was essential that staff respond quickly to remove the water and dry the basement to minimize the formation of mould. It was then necessary to immediately proceed with mould remediation to prevent migration of mould spores to the upper floors of the building. Staff from various departments and their associated materials that were not water damaged were temporarily relocated from the basement.

Staff obtained approval from the Chief General Manager to award a contract to I&I Construction Limited for an interim upset amount of \$250,000.00 on a sole source basis to begin clean up and mould remediation as per Ministry of Labour requirements. I&I Construction Ltd. was recommended by the Commission's consultant, Pinchin Environmental Ltd., and they were the sub-contractor to the general contractor for the flood remediation at Davisville Carhouse and are considered experts in this type of work.

Due to the nature of the remediation, all work is being performed on a time-and-material basis with established labour rates.

The various departments have temporarily relocated their operations into their existing operations at other locations. This relocation has reduced productivity, created crowded working conditions and created difficult access to material storage. An extended timeframe for this relocation may result in unsafe working conditions and additional unbudgeted costs.

Contract details are as follows:

Original Upset Limit Amount:	\$250,000.00
Previous Amendments:	\$Nil
Amount of this Amendment:	\$770,000.00
Revised Upset Limit Amount:	\$1,020,000.00

## **DISCUSSION**

Based on the scope of work completed to date and unit costs provided by I&I Construction Ltd., it is estimated that the mould remediation work will be completed by early April 2009. In addition to the flood and mould remediation work, the wall plaster in the northwest stairwell contains asbestos. The plaster will therefore be removed on a sole source basis under Type 3 asbestos removal procedures as per Ministry of Labour Regulations. I&I Construction Ltd. is experienced in asbestos removal work and has successfully completed similar work for the Commission in the past. Staff are working with I&I Construction Ltd. to establish costs to complete this work upon completion of the flood and mould remediation.

Upon completion of the flood, mould and asbestos remediation and removal work, it will be necessary to restore wall and floor finishes to their previous condition. This work includes extensive drywall installation, floor tile replacement, carpet replacement and painting.

It is the Commission's intention to pursue recovery of these costs from the third party property owner.

Completion of the above work will restore the Inglis Building basement to a safe and operational condition.

The Revised Upset Limit Amount includes an allowance to cover any unanticipated work.

**JUSTIFICATION**

Continuation of flood and mould remediation work is required to return the Inglis Building to a safe working condition. Restoration of the basement wall and floor finishes is required to allow the various Commission departments to relocate back to their facilities.

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March 11, 2009  
6-75-171