

Agenda Including Addeds

Infrastructure and Corporate Services Committee

7th Meeting of the Infrastructure and Corporate Services Committee

April 20, 2026

1:00 PM

Council Chambers - Please check the City website for additional meeting detail information.

The City of London is situated on the traditional lands of the Anishinaabek (AUh-nish-in-ah-bek), Haudenosaunee (Ho-den-no-show-nee), Lūnaapéewak (Len-ah-pay-wuk) and Attawandaron (Add-a-won-da-run).

We honour and respect the history, languages and culture of the diverse Indigenous people who call this territory home. The City of London is currently home to many First Nations, Métis and Inuit today.

As representatives of the people of the City of London, we are grateful to have the opportunity to work and live in this territory.

Members

Councillors H. McAlister (Chair), S. Stevenson, P. Van Meerbergen, S. Franke, E. Pelosa

The City of London is committed to making every effort to provide alternate formats and communication supports for meetings upon request. To make a request specific to this meeting, please contact ICSC@london.ca or 519-661-2489 ext. 2425.

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6. Confidential (Provided to Members only.)

6.1 Land Acquisition / Solicitor-Client Privileged Advice / Position, Plan, Procedure, Criteria or Instruction to be Applied to Any Negotiations

A matter pertaining to the proposed or pending acquisition of land by the municipality, including communications necessary for that purpose; advice that is subject to solicitor-client privilege; commercial and financial information, that belongs to the municipality and has monetary value or potential monetary value and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality.

6.2 Solicitor-Client Privileged Advice / Position, Plan, Procedure, Criteria or Instruction to be Applied to Any Negotiations

A matter pertaining to advice that is subject to solicitor-client privilege including communications necessary for that purpose from the solicitor and officers or employees of the Corporation; and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality.

7. Adjournment

Report to Infrastructure and Corporate Services Committee

To: Chair and Members
Infrastructure and Corporate Services Committee

From: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment & Infrastructure

Subject: 2026 Renew London Infrastructure Construction Program and
2025 Review

Date: April 20, 2026

Recommendation

That, on the recommendation of the Deputy City Manager, Environment & Infrastructure, the following actions **BE TAKEN**,

- a) the following report concerning the 2026 Renew London Infrastructure Construction Program and 2025 Review **BE RECEIVED** for information; and
- b) the 2026 Local Road Reconstruction Program streets, Highland Heights and Barons Court **BE EXEMPTED** from active Mobility Policy 349 and constructed without new sidewalk.

Executive Summary

This report provides Committee and Council with an overview of the 2025 Renew London Construction Program, highlights major City construction projects planned for 2026 and outlines potential schedule and budget pressures being monitored for the year ahead.

Linkage to the Corporate Strategic Plan

This report supports the 2023-2027 Corporate Strategic Plan by contributing to the following strategic areas of focus;

- Mobility and Transportation:
 - Identifying the building of infrastructure that provides safe, integrated, connected, reliable and efficient transportation choices.
- Climate Action and Sustainable Growth:
 - London's infrastructure and systems are built, maintained, and operated to meet the long-term needs of the community.

Analysis

1.0 Background information

1.1 Previous Reports Related to this Matter

- Civic Works Committee – March 29, 2022 – 2022 Renew London Infrastructure Construction Program and 2021 Review
- Civic Works Committee – March 21, 2023 – 2023 Renew London Infrastructure Construction Program and 2022 Review
- Civic Works Committee – March 19, 2024 – 2024 Renew London Infrastructure Construction Program and 2023 Review
- Infrastructure and Corporate Services Committee – April 9, 2025 – 2025 Renew London Infrastructure Construction Program and 2024 Review

1.2 Context

Renew London delivers the City's annual infrastructure construction program, coordinating road, bridge, water, sewer, sidewalk, cycling, and intersection improvements across London. This work maintains and renews existing infrastructure, improves safety and mobility, and supports the city's continued growth.

Each year, dozens of construction projects are carefully planned and sequenced across the city. Coordinating this work helps reduce overlapping construction impacts and limits disruption for residents, businesses, and commuters.

Much of this work happens below the surface, including replacing aging watermains and sewers, upgrading utilities, and installing growth-ready services to ensure infrastructure can support new homes, businesses, and intensification. At the same time, above-ground improvements such as safer intersections, better transit infrastructure, sidewalks, and cycling connections help create a more accessible and connected transportation network.

As London grows and climate pressures increase, demand on infrastructure continues to rise. By 2051, London's population is expected to reach nearly 740,000 people. Renew London investments help ensure infrastructure keeps pace with this growth and continues to serve the community reliably.

2.0 Discussion and Considerations

2.1 Review: 2025 Renew London Infrastructure Construction Program

2025 Construction Program Overview

The 2025 construction season focused on delivering a large and complex infrastructure program across the city. Work included the completion of major projects, the advancement of several multi-year initiatives, and continued investment in core infrastructure renewal.

A major milestone was the completion of the Adelaide Street Rail Underpass, which received the 2025 Municipal Engineers Association Award. Several arterial corridor restorations and major intersection upgrades were also completed, along with a new roundabout and progress on multiple bridge projects. At the same time, Rapid Transit construction remained at peak levels along several of London's busiest corridors.

Many of the projects highlighted in the 2025 program were multi-year contracts. Some were initiated in 2024 and continued through 2025, while others began construction last year and will continue over future construction seasons. Together, these projects reflect the scale and complexity of the City's current infrastructure investments.

In total, projects tendered in 2025 included the reconstruction of 61 lane kilometres of road, 11 kilometres of sanitary and storm sewers, and 9 kilometres of watermains. The cycling network expanded by 11 kilometres, including projects that filled several long-standing gaps in the network.

Investment in neighbourhood streets also continued through the Local Road Reconstruction and Infrastructure Renewal programs. In 2025, 30 neighbourhood streets were tendered for reconstruction across the city. These projects are typically triggered by deteriorating road conditions and often include coordinated replacement of underground infrastructure such as watermains and sewers. Maintaining local streets remains a key part of addressing the City's infrastructure renewal needs. Pavement condition data is collected on a rotating four-year cycle and used to support a data-driven, risk-based approach to prioritizing projects.

2025 Tendered Construction Value

Infrastructure construction planning is dynamic, and the value of projects tendered in a given year can change as projects advance toward construction. Schedules may shift due to factors outside the City's control, such as agency permits, property requirements, or coordination with railways and utilities. As a result, some projects may be deferred while others are advanced if they are ready to proceed. In addition, early projections are based on pre-tender cost estimates, and final contract values may vary once projects are tendered and tested by the construction market.

The initial 2025 construction plan anticipated approximately \$170 million in new tenders. By the end of the construction season, \$168.8 million in projects had been tendered and awarded. While several projects were deferred to future years, including Kilally Road and Nightingale Avenue works, additional projects were advanced to construction, including the Innovation Park industrial servicing project (approximately \$14 million) and several Traffic Engineering tenders (approximately \$6.5 million). Despite these adjustments throughout the year, the total tendered value remained closely aligned with the original construction plan.

Appendix A provides an update on the 2025 Top 10 infrastructure renewal list and highlights some noteworthy projects from last year.

Carryover Work into 2026

As with every construction season, some 2025 projects will carry over into 2026.

This includes finishing touches such as the top layer of asphalt, permanent pavement markings, and deficiency repairs. These elements are typically scheduled for the following spring to ensure optimal material placement and minimize settlement issues. In 2026, the top coat of asphalt will be placed on approximately 15 kilometres of road.

Some projects experienced schedule adjustments due to factors beyond the City's control, such as underground utility challenges, coordination with other agencies, or unforeseen site conditions. While the number of projects affected this year is higher than preferred, these adjustments are carefully managed to minimize impacts. Projects with additional work carrying over into 2026 include:

- Sunningdale Road and Richmond Street Intersection Improvement
- Downtown Sewer Separation Phase 4 – York Street
- Mud Creek Improvements
- Elizabeth Street Infrastructure Renewal
- Tartan Drive, Sovereign Road and Sovereign Court Mat Replacement Projects

In addition, several multi-year projects awarded in previous years are scheduled to continue into 2026 or beyond including:

- Bradley Avenue Road Extension
- London Downtown Sewer Capacity Expansion Project
- Wellington Gateway – Clark's Bridge Widening
- Wellington Gateway Phases 3 and 4
- East London Link – Highbury Bridge Widening
- East London Link – Oxford Street East
- Springbank Reservoir 2 Demolition and Expansion
- Florence Street, Elenor Street and York Street Infrastructure Renewal

Based on current progress, approximately \$100 million in previously awarded work is expected to be completed this year. All carryover work will be coordinated with the 2026 program to minimize conflicts with nearby projects and maintain a smooth construction season.

Winter Work

Some multi-year projects continue through the winter months, while others pause at the end of the construction season and will resume in the spring, which is consistent with what Londoners typically expect.

The focus each fall is to complete as much work as possible before winter conditions set in, while deferring temperature-sensitive activities, such as final asphalt and surface treatments, to the spring. Project sites are then stabilized to ensure they remain safe and accessible for residents, commuters, and winter maintenance operations.

Where practical, winter construction can help advance multi-year projects or recover schedule on projects that experienced challenges during the construction season. The City continues to assess opportunities to carry work through the winter, with each project evaluated based on the type of work, site conditions, and the ability to maintain safe travel and effective snow clearing.

While recent construction seasons have seen an increase in winter work on large, complex projects, the 2025–2026 winter reflected a more typical seasonal slowdown. That said, several major road projects continued where conditions allowed, including the Bradley Avenue Extension and East London Link works on Oxford Street and the Highbury Rail Bridge.

Work also continued on select projects outside of the road allowance that were well suited to winter construction. The London Downtown Sewer Capacity Expansion project progressed using microtunnelling, a method that allows work to continue below ground with minimal weather-related disruption. Similarly, the Springbank Reservoir 2 Remediation project advanced through planned concrete placements and structural work that could be carried out in controlled conditions.

Overall, the approach to winter construction is to either safely pause and stabilize sites for the season or, where appropriate, maintain active construction zones that can be safely managed throughout the winter months.

Budgets and Schedules

The City continues to prioritize delivering the annual construction program on time and on budget. This is supported through clear contract documents, active project management, and ongoing monitoring of schedule and budget performance throughout construction. Project management dashboards are used to track progress against approved budgets and planned working days, while also supporting timely invoice review and compliance with prompt payment requirements.

Construction contracts include contingency allowances to address typical risks, such as unforeseen underground conditions and utility coordination challenges. The use of contingency is monitored across the full program each year. In 2025, overall contingency use remained low across the program, including on several large and complex projects. 2025 did see an increase in both the number and total value of change orders compared to 2024. The change orders as a percentage of overall contract value increased from 4.3% in 2024 to 5.61% in 2025.

The increase was largely attributable to a limited number of higher-value contingency items, including major dewatering requirements and post-tender additions for underground infrastructure replacement due to field conditions. It also reflects the scale of the program, which extended construction into late fall and resulted in additional winterization costs and temporary asphalt placement. Any unused contingency funds are returned to program budgets at project closeout and can be reallocated to future infrastructure priorities.

A small number of projects are being closely monitored as they complete carryover work in 2026, including:

- Sunningdale Road and Richmond Street Intersection Improvement
- Craig Street Infrastructure Renewal
- Florence Street and Eleanor Street Infrastructure Renewal
- Lyle Street and Elizabeth Street Infrastructure Renewal

Project teams are actively managing these files and exploring options to keep costs within approved budgets. Should additional funding be required, it will be addressed in accordance with the City's Procurement of Goods and Services Policy.

2.2 2026 Renew London Infrastructure Construction Program

2026 Construction Program Overview

London continues to make significant investments in infrastructure to maintain reliable services, improve safety, and support growth across the city. The 2026 Renew London program includes road, water, and sewer improvements in neighbourhoods and major corridors throughout London.

Approximately \$285 million in construction work is planned for tender in 2026. Combined with about \$100 million in carryover work from 2025, this represents another substantial year of infrastructure investment.

As one of the fastest growing cities in Canada, London continues to advance projects that support new housing and expanding communities. The 2026 program includes major growth-related projects, supported in part by development charges and external funding. Key examples include the Sunningdale Road Widening and Kilally Road upgrades, which will improve capacity, support new development, and add active transportation infrastructure. Rapid Transit projects are also a key part of this investment, supported by development charges and provincial and federal funding, and will help support housing growth by providing more reliable and accessible transit.

The 2026 program includes the reconstruction of 100 lane kilometres of road, 15 kilometres of sanitary and storm sewers, and 15 kilometres of watermains. More than 20 intersection improvements are planned to address safety needs, particularly in growing areas. The City will also continue to expand active transportation infrastructure, with over 25 kilometres of new bike lanes, 10 kilometres of new sidewalks, and approximately 22 kilometres of sidewalk renewals.

Trenchless technologies will continue to play an important role in the program. In 2026, approximately 3.67 kilometres of watermain and 11.6 kilometres of sewer will be rehabilitated using methods that reduce the need for excavation. This approach helps limit disruption to residents and businesses while reducing overall project costs.

The City will also begin a multi-year program to increase watermain capacity in key growth areas. Work is planned in 2026 on Pond Mills Road, Wonderland Road South, and Gainsborough Road East to support long-term servicing needs in south and west London.

Downtown Construction

Downtown London has seen steady construction activity since 2018 as the City has worked to renew aging infrastructure and support growth in the core. Many of the major core projects have now been completed, with fewer but still significant projects underway in 2026.

Work has begun on the Queen's Bridge Rehabilitation project. This project includes replacement of the bridge deck and key structural elements, along with improvements to support future rapid transit, enhanced pedestrian connections, and shoreline protection.

Construction will require lane reductions for westbound traffic leaving downtown, along with short-term full closures later in the construction season.

Construction continues on the York Street Sewer Separation project, which is advancing the City's sewer separation program by replacing some of the remaining sections of combined sewer. This work will improve water quality in the Thames River and increase capacity to support continued intensification in the downtown core.

The London Downtown Sewer Capacity Expansion project will also continue through 2026. This project will increase sanitary capacity to support intensification and future housing in the core. While most of the work occurs outside the road network, construction will impact nearby park areas and includes extended work hours to maintain progress.

Since 2018, this sustained investment has rebuilt approximately 25 blocks of downtown streets and replaced over 2.85 kilometres of combined sewer infrastructure, some dating back to the 1800s. As this work nears completion, construction impacts in the downtown core are expected to decrease in the coming years.

Road Closures and Lane Reductions

Managing the City's construction program requires balancing the need to renew infrastructure with minimizing disruption to residents, businesses, and commuters. In 2026, a higher-than-typical number of projects will require full road closures across the city. These impacts are planned and managed through a coordinated approach focused on scheduling, communication, and mitigation.

The Renew London construction program is coordinated to minimize overlapping closures and maintain key travel routes. Individual projects are staged where possible to keep portions of roads open, with detour routes in place to support traffic flow. Coordination with transit, emergency services, schools, and utility providers helps ensure critical services remain accessible throughout construction.

Advance notice of closures is provided through the City's website, social media, email updates, and local media. Project updates include timelines and expected impacts to help residents and businesses plan ahead. On-site signage and digital message boards are also used to provide real-time information to road users.

Project teams prioritize maintaining access and traffic flow through construction zones wherever possible, often using lane reductions instead of full closures. However, in some cases, full road closures are required to complete work safely and efficiently. When closures are necessary, their duration is minimized and, where appropriate, extended hours or weekend work is used to help accelerate construction.

In addition to major projects, the 2026 program includes 25 intersection upgrades to renew traffic signals and address lifecycle needs. These shorter-duration projects can still affect traffic through lane reductions and temporary sidewalk closures. Work is staged where possible, and projects are coordinated with nearby construction to limit disruptions. Planned intersection upgrades with notable impacts include Springbank Road at Wonderland Road and Gore Road at Veterans Memorial Parkway.

The City continues to focus on clear communication, coordinated construction planning, and active traffic management to reduce impacts and maintain access throughout the construction season.

New Sidewalk Construction

New sidewalks are installed on both sides of most streets as part of road reconstruction and underground infrastructure renewal projects, in accordance with London Plan Policy 349. In 2026, a few Local Road Reconstruction projects involve streets with no existing sidewalks.

To guide sidewalk installation in legacy areas with limited connectivity, staff developed the Neighbourhood Connectivity Plan (NCP) community engagement strategy. NCPs provide a blueprint for future sidewalks and associated infrastructure to enhance neighbourhood connections.

The Barrymont Drive and Lauderdale Avenue reconstruction projects currently lack sidewalks (except for a 70 m section on Barrymont Drive). These streets were identified for new sidewalks under the Council-approved Northridge NCP, as they provide direct connections to Lucas High School. Reconstruction will fill gaps in the sidewalk network and improve mobility choices in alignment with the Northridge NCP.

Highland Heights and Baron Court, which will also be rebuilt in 2026 due to poor road conditions, are not part of an approved NCP. Following a review of feasibility and connectivity needs, staff recommend these streets be exempt from Policy 349, and no sidewalks will be installed.

Beyond infrastructure renewal projects, the New Sidewalk Program responds to resident requests and prioritizes installations based on traffic exposure, proximity to schools and transit, and access to key destinations such as parks, libraries, and shopping centres. The current list includes 145 requested streets. In 2026, the program will construct over 2 km of new sidewalks on four streets: Manitoulin Drive, Montebello Drive, Leathorne Street, and McGregor Avenue.

Rapid Transit Update

Rapid Transit remains a major component of London's construction program, but more of the work is behind us now than ahead. The Downtown Loop is complete and already benefiting transit users, while large portions of the East London Link and Wellington Gateway continue to progress, with final phases beginning in 2026. Rapid Transit service is expected to start in 2027 and 2028. By summer 2026, all three corridors will be fully tendered, with the final 3 of 15 construction contracts awarded.

Downtown Loop

Construction of the Downtown Loop, which began in 2021, is now complete. Buses operate in dedicated lanes with coordinated signals, improving travel times and reliability. This marks the first fully operational segment of London's Rapid Transit network, with existing LTC bus routes already using the infrastructure ahead of full Rapid Transit service.

East London Link

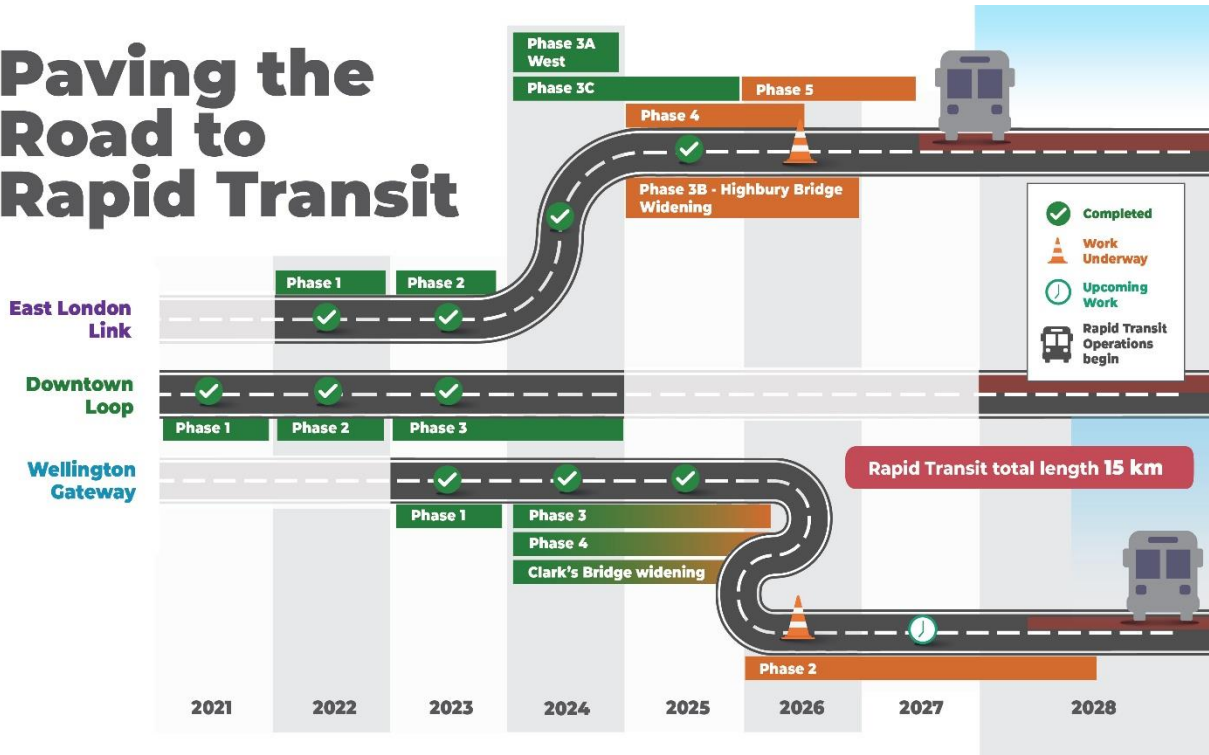
Phases 1 and 2 of the East London Link are complete, including permanent pavement markings and red transit lanes. Multiple Phase 3 contracts and Phase 4 are currently underway and expected to finish in 2026. Phase 5, the final phase of East London Link, begins in spring 2026 with completion expected in 2027. Buses are already traveling in both directions on King Street between Old East Village and Wellington Road using the new contraflow transit lane, with existing LTC routes running on the lanes to help Londoners get used to the new traffic patterns ahead of full Rapid Transit service. RT operations are planned to start in Fall 2027.

Wellington Gateway

Wellington Gateway Phase 1 is complete. Phases 3 and 4 at the south end of Wellington Road will continue through 2026, with most underground infrastructure now complete. Work this year will focus on finishing the corridor, including transit stations, permanent traffic signals, the multi-use path, landscaping, final asphalt, and red bus lane markings. Clark's Bridge Widening is in its second year, with completion expected in 2026. Phase 2, which includes the S-curve and Commissioners Road intersection, begins this year and is expected to finish in 2028. RT operations are planned to start in Fall 2028.

Looking ahead, two new corridors, the West and North routes, have been identified in the Mobility Master Plan. Planning and design work begins in 2026 to prepare for the next phase of Rapid Transit, with construction anticipated around 2029.

Paving the Road to Rapid Transit



Above: picture showing milestones completed and scheduled according to year for all three rapid transit projects

2026 Renew Top 10 Construction Projects

Each year, the City highlights the top 10 construction projects to showcase the largest, most impactful work planned for the upcoming construction season. The 2026 program continues to focus on strengthening key road corridors, improving intersections, upgrading bridges, and expanding capacity to support growth. These projects also enhance safety, reduce congestion, and extend the life of critical infrastructure. Plus, investment in Rapid Transit and active transportation continues to connect neighbourhoods and support sustainable travel options for Londoners.

The top 10 projects for 2026 are:

- Highbury Avenue Reconstruction – Supports regional economic development by improving the connection south of the Thames River and north of Highway 401.
- Philip Aziz Avenue / Western Road / Sarnia Road Corridor and Intersection Improvements – Enhances safety and travel efficiency near Western University for motorists, cyclists, and pedestrians, with construction impacts expected in 2026 and 2027.
- Queen's Bridge Rehabilitation – Rebuilds the bridge deck and key structural elements, adds a multi-use path for active transportation, upgrades pedestrian crossings, and improves shoreline protection.
- Sunningdale Road West Upgrades – Expands road capacity, enhances safety, and supports future development in northwest London.
- Kilally Road Improvements – Urbanizes the corridor to support growth and improve active transportation options.
- Bradley Avenue Extension – Completes a key corridor connection to support mobility and growth.
- Wellington Gateway Phases 2A / 2B – Final phases of the south Rapid Transit corridor, including road, transit and underground infrastructure improvements.
- East London Link Phase 3B – Highbury Bridge – Improves regional connections and supports transit infrastructure while replacing aging bridge structures.
- East London Link Phase 4 – Oxford Street East – Advances construction along the corridor, including roadway, active transportation, and transit improvements.

- East London Link Phase 5 – Dundas Street – Completes the East London Link corridor, enabling full transit operations and supporting surrounding intensification.

Many of these projects coordinate critical underground infrastructure work, road reconstruction, and continued expansion of the cycling network across London.

For more details on the 2026 Top 10 projects, and to explore the interactive web map, visit london.ca/roadconstruction.

2.3 Emerging Construction Industry Pressures

The 2026 construction season continues at a high level of investment and complexity. While the program is well planned, several external factors may influence delivery. City teams actively monitor these conditions and adjust planning, procurement, and coordination strategies to manage risk and maintain progress.

Industry Capacity and Labour Availability

With another large construction program underway, the volume of work in the local market remains high. Delivering multiple major projects at the same time requires careful coordination to support consistent progress across all sites and avoid situations where work slows or appears inactive.

Municipal construction contracts are awarded through a compliant low-bid Request for Tender (RFT) process, which means the City does not control which contractor is ultimately awarded the work. To support a competitive and balanced market, the City aims to bring forward a mix of contract sizes and complexities to help distribute work across the local industry.

The City continues to coordinate project timing across the network, set clear contract expectations, and actively monitor contractor performance to support steady progress.

Procurement and Material Lead Times

While supply chains have stabilized, some specialized materials continue to require longer lead times. For select projects, the City is exploring early procurement or advance material purchases where appropriate to reduce schedule risk. This approach is being applied to items such as large-diameter watermain, select electrical components, and aluminum traffic poles helping to improve delivery certainty and avoid delays once construction is underway.

Changes to Ontario's Construction Act

Recent amendments to Ontario's Construction Act introduce new requirements for annual holdback release on multi-year contracts and expanded adjudication timelines. These changes affect how construction payments are administered and how disputes are managed. City teams are updating internal processes and coordinating across departments to ensure compliance while maintaining timely payments and effective contract management.

Utility Coordination and Underground Risk

Many projects involve complex underground work and coordination with third-party utilities. While efforts are made to align work in advance, unforeseen conflicts or delays can still arise once construction begins. The City continues to work closely with utility partners to complete relocation work early where possible and reduce the risks associated with integrating multiple systems within the same construction area.

Traffic Management and Intersection Construction

A significant amount of arterial road work in 2026 includes final asphalt placement on major corridors. To ensure long-term pavement performance, this work is completed using echelon paving, where multiple lanes are paved at the same time to maintain a continuous hot asphalt seam. This approach is important on high-volume roads to improve durability and extend the life of the pavement.

When this work occurs at signalized intersections, the Highway Traffic Act requires either a paid duty police officer to direct traffic or a temporary closure of the intersection. For larger paving operations, coordinating traffic control for the full duration of the work can be challenging. In addition, raised medians on many arterial roads limit the ability to shift traffic around the work zone. As a result, temporary intersection closures may be required to complete this work safely and efficiently. Where possible, closures will be scheduled during off-peak periods or overnight to reduce impacts.

Late Season Work and Scheduling

Project schedules are developed to complete as much work as possible within the primary construction season. Where projects extend beyond one season, contracts clearly define expectations for either winter shutdown and site stabilization or continued work through the winter, where appropriate. Managing this transition carefully helps control costs, maintain safety, and reduce prolonged impacts on residents and businesses.

2.4 Leading Construction Delivery in London

Construction and Infrastructure Services (CIS) brings together Construction Administration, Major Projects, and Geomatics to support the delivery of the City's capital construction program. These teams coordinate project delivery, provide technical and data services, and support construction across the organization—from annual infrastructure renewal work to major city-building projects like Rapid Transit.

CIS plays a key role in ensuring projects are delivered safely, efficiently, and in alignment with approved plans, while supporting collaboration across City teams, contractors, and the community.

Strategies to Manage Project Budgets and Schedules

Delivering a large and complex construction program requires consistent oversight of project budgets and schedules. Construction Administration supports this work through standardized project management tools, including dashboards, checklists, and templates that are used across Environment and Infrastructure.

Most construction contracts are administered by the Construction Administration team while some specialized projects are managed by the design teams during construction. These tools support tracking progress, budgets, and key milestones, help identify risks early, and allow teams to respond proactively to keep projects on schedule and within budget.

By applying these practices across both CIS-administered and design-managed projects, the City ensures a consistent and disciplined approach to successfully delivering infrastructure projects.

Strategies to Mitigate Construction Impacts

Construction projects across the city are carefully coordinated to reduce overall impacts on residents, businesses, and the transportation network. Project teams take a city-wide approach, considering how individual projects interact and affect travel, access, and daily activities.

Planning begins well in advance of the construction season. Projects from across Environment and Infrastructure are reviewed together to confirm timing, identify potential conflicts, and prioritize work based on coordination, risk, and impact. This early alignment helps avoid overlapping disruptions and supports more efficient delivery. During construction, coordination continues through regular meetings with City divisions, the London Transit Commission, and utility partners. These discussions help manage lane restrictions, protect key travel routes, and maintain effective detours as conditions change throughout the season.

In 2025, this coordinated approach supported a high volume of construction across the city, including continued progress on Rapid Transit. Project teams focused on maintaining access and clear communication with residents and businesses throughout construction.

A range of tools are used to help people navigate construction zones safely and with as little disruption as possible. These include traffic control plans, clear signage and wayfinding, Public Service Announcements, social media updates, and direct outreach to affected properties. Maintaining pedestrian access, supporting deliveries, and ensuring site safety remain key priorities on all projects.

Communications and Customer Service Strategies

Communications for the 2026 construction program are already underway, with both city-wide and project-specific updates planned throughout the season. While projects are coordinated to reduce disruption, construction will impact travel across the city. Residents are encouraged to plan ahead and allow extra time when moving through construction areas.

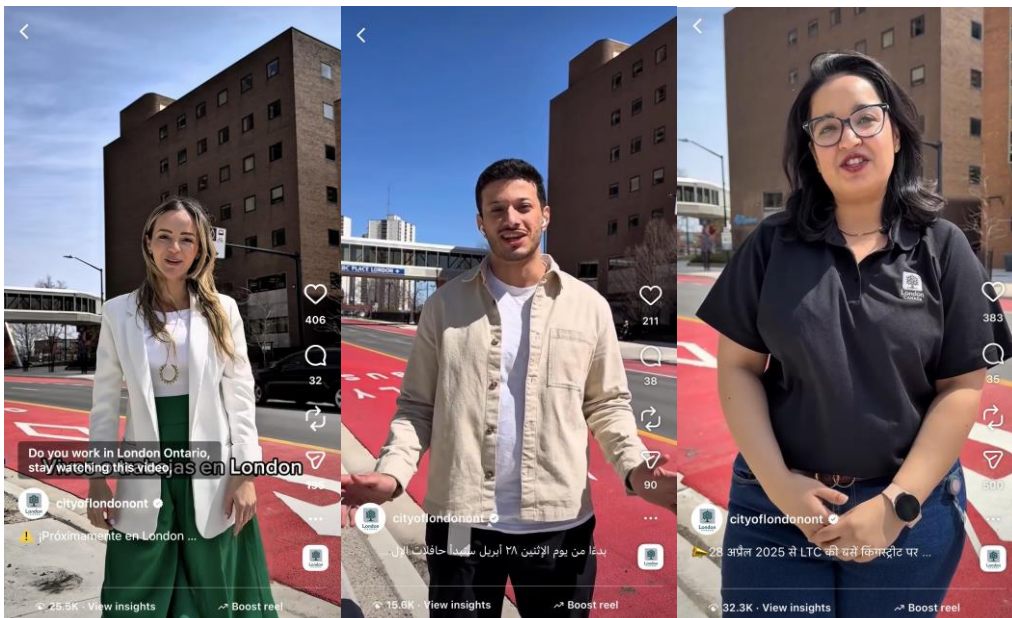
In 2025, the City continued to deliver timely and accessible communications to keep Londoners informed about construction impacts, support local businesses, and help road users adapt to new infrastructure. A range of tools were used, including on-site signage and maps, Public Service Announcements, email updates, and social media.

Construction Business Relations Coordinators played an important role through regular, in-person outreach with businesses. This on-the-ground approach helped share updates, respond to questions, gather feedback, and build strong relationships with those most directly impacted.

Expanded use of video and visual content, including drone footage and before-and-after comparisons, helped clearly communicate construction progress. This approach was especially important for projects like the King Street contraflow bus lanes, where targeted education—including signage, radio, and multilingual videos—helped road users understand new traffic patterns ahead of future Rapid Transit service.



Above: An aerial drone photo of the King Street contraflow bus lanes between Maitland Street and William Street.



Above: Social media videos in multiple languages which explained the two-way bus operations and new traffic patterns on King Street.

Maintaining safe and respectful construction sites remained a priority. Communications included regular safety messaging and timely updates during key travel periods throughout the year. When major projects were completed, the City also recognized these milestones through media, digital content, and community events, including the 2025 celebration of the Adelaide Street Underpass.

Conclusion

The Renew London Construction Program continues to play a key role in maintaining and improving the City's infrastructure, supporting both lifecycle renewal and the needs of a growing community.

The 2025 construction season delivered a large and complex program that remained closely aligned with planned investment levels, while advancing a number of significant multi-year projects. As in recent years, a higher volume of carryover work will extend into 2026 and is being actively managed and coordinated to minimize impacts. Overall,

project budgets remain stable, with only a small number requiring ongoing monitoring as work is completed.

The 2026 program represents another substantial year of infrastructure investment, with approximately \$285 million in planned tenders and an additional \$100 million in carryover work. These investments will continue to improve mobility, enhance safety, and support growth across London, while expanding active transportation and renewing critical underground infrastructure. Staff will continue to monitor program delivery and respond as needed to support schedules, budgets, and coordination across the construction program.

A coordinated communications approach is underway to keep residents, businesses, and stakeholders informed throughout the construction season and to help minimize disruption.

Overall, the Renew London program continues to deliver critical infrastructure in a planned, coordinated, and financially responsible manner.

Prepared by: **Ugo DeCandido, P.Eng., Division Manager,
Construction Administration**

Submitted by: **Jennie Dann, P.Eng., Director,
Construction, and Infrastructure Services**

Recommended by: **Kelly Scherr, P. Eng., MBA, FEC, Deputy
City Manager, Environment & Infrastructure**

Appendix A – 2025 Renew construction program top 10 list and project highlights
Appendix B – 2026 Renew construction program top 10 list

APPENDIX A – Update on the 2025 Renew construction program Top 10 list

The chart below looks back at the Top 10 City projects identified for 2024 and provides an update on the status and tendered contract amount.

Project	Tendered contract amount (millions)	Status
Clark’s Bridge Widening – Wellington Gateway	\$18.3M	Ongoing: 2-year project All lanes of Clark’s Bridge were opened in 2025. Restoration work, landscaping and top asphalt is expected in 2026.
East London Link Phase 3 - 3A Dundas Street - 3B Highbury Avenue North Rail Bridge - 3C Highbury Avenue North and Oxford Intersection	\$80M	Carryover: two 1-year projects + 3-year bridge 3A - Work on Dundas Street was completed in 2025 3B - Progress on track for Highbury Avenue North bridge, project completion is expected in 2027. 3C - Top coat is anticipated on Oxford Street and Highbury Avenue North intersection in 2026
East London Link 4 - Oxford Street East	\$26.3M	Ongoing: 2-year project Work continuing on the north side of Oxford Street. Project completion is expected late 2026.
Wellington Gateway Phases 3 and 4	\$56.4M	Ongoing: 2.5-year project Underground work completed and traffic lanes reopened ahead of winter 2025/2026. Project completion is expected in 2026 including top coat asphalt, multi-use path and median RT infrastructure.
York Street and Wellington Street Infrastructure Renewal	\$15.6M	Carryover: 2-year project All lanes of Wellington Underpass were opened including Wellington and York intersection. Work continuing on York Street from Wellington to Colborne. Some year one schedule impacts pushed completion into 2026.
London Downtown Sewer Capacity Expansion Project	\$17.7M	Ongoing: 1-year project Progress continued over the winter of 2025/2026. Microtunnelling operation successfully completed. Thames Valley Parkway detours will be in place until project completion in summer 2026.
Sunningdale Road and Richmond Street Intersection Improvements	\$7.5M	Carryover: 1-year project Encountered schedule impacts. Work progressing through spring for completion in 2026.
Adelaide Street North Bridge Rehabilitation	\$3.9M	Completed: 1-year project All lanes of Adelaide Bridge were opened in 2025. Asphalt resurfacing and minor restoration is expected in 2026.
Colonel Talbot Road Upgrades	\$17.6M	Ongoing: 3-year project On track for 2026 for completion including top coat asphalt and final restoration.
Bradley Avenue Road Extension	\$21.1M	Ongoing: 3-year project Progress continued over the winter and on track for 2026 completion with top coat asphalt in 2027.

2025 Project Highlight: Adelaide Street North Underpass

The community gathered to celebrate the completion of this transformational project in August 2025. The event included historical displays, community booths, fun for all ages at the park's wading pool and playground, along with music and entertainment in partnership with London Arts Council.



Above: A ribbon is cut in McMahan Park together by Adrian Hey, granddaughter of Thornton Archibald McMahan; Councillor Susan Stevenson, Ward 4; Mayor Josh Morgan; Arielle Kayabaga, Deputy House Leader of the Government and MP for London West; Peter Fragiskatos, Parliamentary Secretary to the Minister of Immigration, Refugees and Citizenship and MP for London Centre; and Joel Kennedy, Executive Director of N'Amerind.

The Adelaide Underpass improves mobility in one of the city's busiest commercial transportation corridors better connecting the Woodfield, Old East Village, and Piccadilly neighbourhoods. The underpass also enhances access to nearby destinations, such as McMahan Park, with new multi-use paths, safer intersections, and improved infrastructure for all modes of transportation.



Above: Aerial view of the Adelaide Underpass, eliminating train-related traffic interruptions on Adelaide Street.

Londoners have used the new underpass since it opened to traffic in spring of 2024. Work in 2025 completed the restoration of McMahan Park adjacent to the underpass and finished the new gateway features and park landscaping.

2025 Project Highlight: Key Intersection Improvements

Strategic intersection improvements were completed to enhance safety, mobility, and long-term reliability across London's transportation network. This included a new roundabout, geometric and operational upgrades at key signalized intersections, and traffic signal modernization. Together, these improvements enhance safety for all users, increase intersection capacity, support growth, strengthen connectivity between neighbourhoods, and improve the overall efficiency and resilience of the transportation system.

Oxford Street West and Gideon Drive Roundabout

A new roundabout at Oxford Street and Gideon Drive is now complete, providing improved traffic flow, enhanced safety, and upgraded sidewalks and cycle tracks. The project also included upgrades to water and sewer infrastructure. With daily traffic volumes of up to 18,500 vehicles on Oxford Street West and 2,500 on Gideon Drive, the roundabout will help manage growth in the area by improving capacity, reducing wait times, and calming traffic.



Above: Aerial view of the Oxford Street and Gideon Drive roundabout

Fanshawe Park Road West and Richmond Street

Improvements to the intersection at Fanshawe Park Road West and Richmond Street were completed in 2025 to enhance safety for all road users, accommodate current and future traffic demands, and upgrade aging underground infrastructure. The project introduced significant active transportation enhancements, including in-boulevard asphalt bike paths and new concrete sidewalks. Existing dedicated right-turn islands were removed to improve pedestrian safety and create a more accessible crossing.

Overall, the completed project improves safety for pedestrians, cyclists, and motorists, and enhances connectivity to adjacent neighbourhoods and businesses. Turn lane reconfigurations at signalized intersections increase capacity and improve traffic operations. The project also included critical water and sewer infrastructure upgrades, supporting long-term service reliability and planned growth in the area.



Above: Birds-eye view of the improvements to the intersection at Fanshawe Park Road West and Richmond Street

Oxford Street East and Richmond Street

Upgrades to the intersection of Oxford Street East and Richmond Street were completed in 2025. The project rebuilt the traffic signal infrastructure, replaced aging underground electrical conduits, and installed new signal poles, curbs, gutters, sidewalks, and replaced asphalt. These improvements modernize critical infrastructure, and the project enhances accessibility and safety for everyone of the intersection.



Above: Completed Oxford Street East and Richmond Street intersection improvements

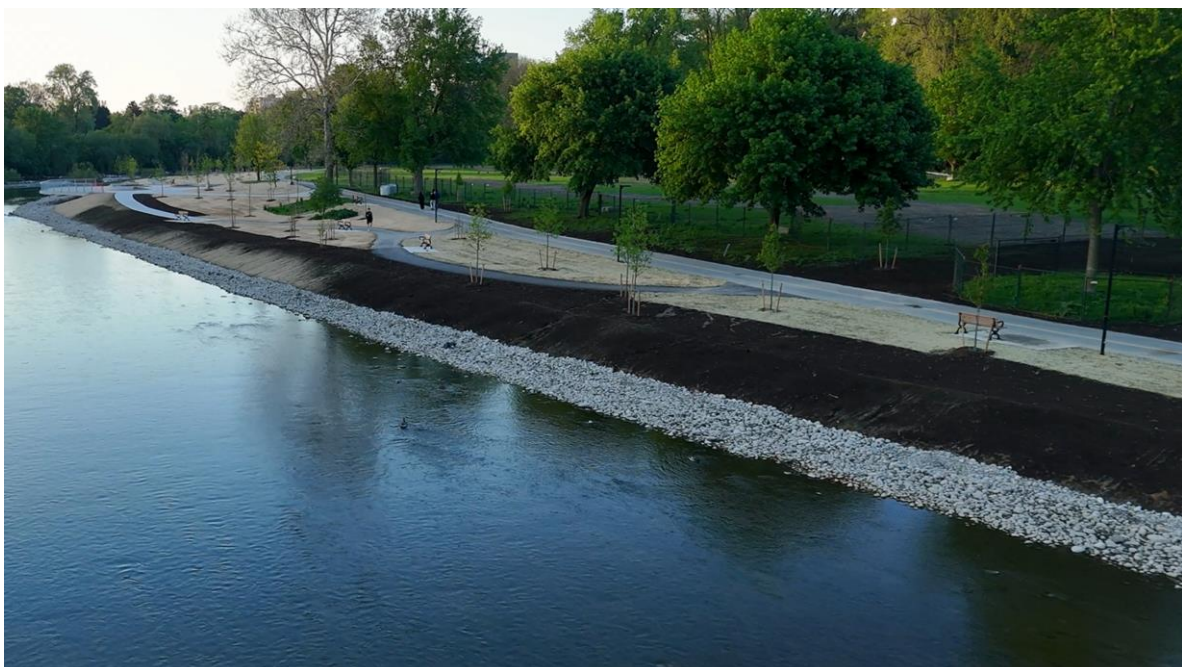
2025 Project Highlight: Harris Park Riverbank Restoration and Improvements

In June 2025, the City completed major restoration and improvement work in Harris Park, spanning the Thames River shoreline from the Queen Avenue Bridge to Blackfriars Bridge. The project replaced the deteriorating gabion basket retaining wall with a naturalized riverbank system using armour stone, native plantings, and soil stabilization techniques to strengthen erosion control and enhance ecological health.

Select tree removals were required to support construction access, and 74 new trees are being planted to expand the park's canopy. Improvements also included a scenic river lookout, upgraded fishing and boating access, and a realigned section of the Thames Valley Parkway with new benches, trees, and interpretive signage, resulting in a safer, more accessible, and environmentally resilient waterfront park space.



Above: Aerial view of Harris Park during construction in September 2024.



Above: Aerial view of Harris Park showcasing park and pathway enhancements completed in May 2025.

APPENDIX B – 2026 Renew Construction Program List and Top 10

The 2026 City's Top 10 Construction Projects are selected each year to provide an overview of the upcoming year's work and impacts. City staff have identified the Top 10 projects that will take place during the 2026 construction season.

The Top 10 are selected based on the following criteria:

- Scope of work (e.g., complete utility and sewer rebuild, asphalt resurfacing)
- Construction duration
- Location in relation to other nearby projects and the expected future benefits
- Road classification
- Road user impact
- Transit impact
- Impact to neighbours
- Proximity to events, schools, community centres, parks, cycle routes
- Economic impact and Government funding
- Supply chain exposure
- Excess Soil



Above: An infographic picture showing 2026 Renew London statistics.

2026 City's Top 10 Construction Projects

The chart below looks back at the Top 10 City projects identified for 2026 and provides an update on the status and tendered contract amount.

Project	Tendered contract amount (millions)	Status
Highbury Avenue Reconstruction Project	\$25.5M	<u>New</u> : 2026 Tender 2-year project Scheduled completion 2027.
Philip Aziz Avenue and Western Road Improvements	\$13M	<u>New</u> : 2026 Tender 2-year project Scheduled completion 2027
The Queen's Bridge Rehabilitation	\$10.2M	<u>New</u> : 2026 Tender 1.5-year project Scheduled completion summer 2027.
Sunningdale Road West Improvements	\$24M (est.)	<u>New</u> : 2026 Tender 3-year project Scheduled completion 2028.
Kilally Road Improvements	\$22.5M (est.)	<u>New</u> : 2026 Tender 2-year project Scheduled completion 2027.
Bradley Avenue Road Reconstruction	\$21.1M	<u>Ongoing</u> : 2025 Tender 2-year project Progress continued over the winter and on track for 2026 completion with topcoat asphalt in 2027.
Wellington Gateway Phase 2	2A – \$25M 2B – \$52M (est) \$77M	<u>New</u> : 2026 Tender 3-year project Project is expected to start Schedules summer 2028.
East London Link Phase 3B: Highbury Bridge	\$25M	<u>Ongoing</u> : 2025 Tender 2-year project Progress continued over the winter and on track for 2026 completion with topcoat asphalt in 2027.
East London Link Phase 4: Oxford Street	\$26.3M	<u>Ongoing</u> : 2025 Tender 2-year project Progress continued over the winter and on track for 2026 completion with topcoat asphalt in 2027.
East London Link Phase 5: Dundas Street	\$20M	<u>New</u> : 2026 Tender 2-year project Scheduled completion 2027 with topcoat asphalt in 2028.



2026 Renew Construction Top 10 Projects

Highbury Avenue Road Rehabilitation	1
Phillip Aziz Avenue and Western Road Improvements	2
The Queen's Bridge Rehabilitation	3
Sunningdale Road West Improvements	4
Kilally Road Improvements	5
Bradley Avenue Road Extension	6
Wellington Gateway Phase 2	7
East London Link Phase 3B: Highbury Bridge	8
East London Link Phase 4: Oxford Street East	9
East London Link Phase 5: Dundas Street	10



Above: List of 2026 top ten projects

1

Highbury Avenue Reconstruction Project

(Thames River to Highway 401, including bridge work at Commissioners and Bradley)



Work Type: Road Reconstruction and Bridge Rehabilitation

Tender: \$25.5M

Benefits: Reconstructed roadway and ramps for smoother travel and improved traffic flow; upgraded signalized intersections to enhance safety and reduce congestion; rehabilitated Commissioners Road and Bradley Avenue underpasses to extend their service life; and improved structural reliability along a key Highway 401 connection.

- Phased road and lane restrictions
- Temporary road closures
- Phased ramp closures
- LTC route impact



getinvolved.london.ca/highbury-south-rehab



Above: Highbury Avenue Reconstruction Project

Philip Aziz Avenue and Western Road Improvements






(Western Road from Platt's Lane to Burnlea Walk and Philip Aziz Avenue from Western Road to the Thames River)



Work Type: Municipal Infrastructure Improvements

Tender: \$13M

Benefits: Safer and more accessible roads for drivers, pedestrians, and cyclists; new sidewalks and cycling lanes to support active transportation; upgraded watermain and sewers for reliable infrastructure; and improved capacity to accommodate future growth in the area.

-  Phased road and lane restrictions
-  Temporary sidewalk closures
-  Temporary road closures
-  LTC route and stop impacts
-  Bike path restrictions



getinvolved.london.ca/westernsarnia



Above: Phillip Aziz Avenue and Western Road Improvements

The Queen's Bridge Rehabilitation







(Queens Avenue, from Ridout Street North to Wilson Avenue, and the east shoreline of the Thames River under the Queen's Bridge and Kensington Bridge)



Work Type: Bridge Rehabilitation

Tender: \$10.2M

Benefits: Extended lifespan of the bridge; improved safety and reliability for drivers; new multi-use path and pedestrian crossing for safer walking and cycling; strengthened shoreline protection to prevent erosion; improved flood and climate resiliency; environmental protection along the Thames River; and upgraded retaining walls for long-term stability.

-  Phased road and lane restrictions
-  Temporary sidewalk closures
-  Thames Valley Parkway detours
-  Temporary road closures
-  LTC route and stop impacts
-  Bike path restrictions



getinvolved.london.ca/queensbridge



Above: The Queen's Bridge Rehabilitation

Sunningdale Road West Improvements

(Sunningdale Road from Wonderland to East of the Medway Creek Bridge begins 2026, and East of the Medway Creek Bridge to Villagewalk Boulevard begins 2027)






Work Type: Municipal Infrastructure Improvements

Tender: \$24M (estimate)

Municipal Housing Infrastructure Program – Housing-Enabling Core Servicing Stream (MHIPHECS)

Benefits: Wider roads with improved traffic flow and turn lanes; multi-use paths for safer cycling and walking; new sidewalks and curb-and-gutter for better streetscape; upgraded watermains, storm, and sanitary sewers; reconstructed Medway Creek Bridge with multi-use pathways; and enhanced intersection safety with full signalization.

-  Phased road and lane restrictions
-  Temporary road closures
-  Bike path restrictions



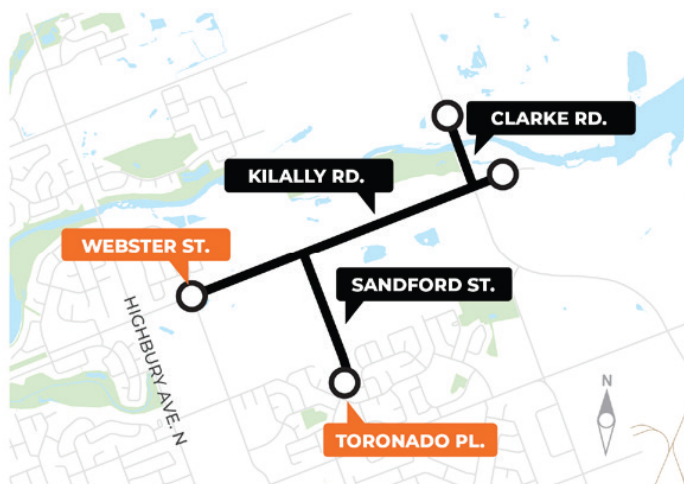
getinvolved.london.ca/sunningdale-road-improvements



Above: Sunningdale Road West Improvements

Kilally Road Improvements




(Kilally Road from Webster Street to Clarke Road)



Work Type: Municipal Infrastructure Improvements

Tender: \$22.5M (estimate)

Benefits: Safer and more accessible roads for drivers, cyclists, and pedestrians; new bike lanes and sidewalks to support active transportation; upgraded watermains, storm, and sanitary sewers; improved road surfaces and drainage; and infrastructure that supports future residential growth in the northeast of London.

-  Phased road and lane restrictions
-  Temporary road closures
-  Bike path restrictions



getinvolved.london.ca/kilally-infrastructure-project



Above: Killaly Road Improvements

Bradley Avenue Road Extension






(Bradley Avenue from Wharncliffe Road South to Jalna Boulevard.)



Work Type: Road Extension and Upgrade

Tender: \$21.1M

Benefits: Increased road capacity to reduce congestion; safer and more accessible streets for drivers, cyclists, and pedestrians; new sidewalks, in-boulevard bike lanes, streetlighting, and landscaping; and improved infrastructure to support future growth and development in the area.

-  Phased road and lane restrictions
-  Temporary sidewalk closures
-  Temporary road closures
-  LTC route and stop impacts
-  Bike path restrictions



getinvolved.london.ca/bradley-ave



Above: Bradely Avenue Road Extension

Wellington Gateway Phase 2

(Wellington Road between Watson Street and Wilkins Street)








Work Type: Rapid Transit and Municipal Infrastructure Improvements

Tender: \$77M (estimate, two separate tenders)

Public Transit Infrastructure Stream (PTIS)

Benefits: Dedicated rapid transit lanes; improved transit reliability and travel times; safer road design for drivers, cyclists, and pedestrians; better traffic flow with smart signals; new multi-use paths for active transportation; upgraded intersections; enhanced streetscaping; and modernized water and sewer infrastructure to support future growth.

-  Phased road and lane restrictions
-  Temporary sidewalk closures
-  Temporary road closures
-  LTC route and stop impacts
-  Bike path restrictions



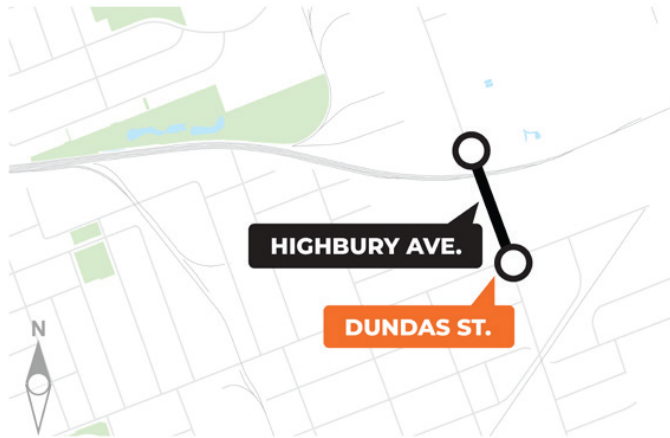
getinvolved.london.ca/wellingtongateway



Above: Wellington Gateway Phase 2

East London Link Phase 3B - Highbury Bridge

(Highbury Avenue from Dundas Street to the north limit of the Highbury Bridge/CPKC overpass)







Work Type: Rapid Transit and Municipal Infrastructure Improvements

Tender: \$25M

Public Transit Infrastructure Stream (PTIS)

Benefits: Dedicated rapid transit lanes; improved transit reliability and travel times; improved traffic flow along a key north-south corridor; upgraded road infrastructure; and better support for future growth and development in the area.

-  Phased road and lane restrictions
-  Temporary sidewalk closures
-  Temporary road closures
-  LTC route and stop impacts



getinvolved.london.ca/eastlondonlink



Above: East London Link Phase 3B – Highbury Bridge

East London Link Phase 4 - Oxford Street East

(Oxford Street between Highbury Avenue and Second Street)








Work Type: Rapid Transit and Municipal Infrastructure Improvements

Tender: \$26.3M

Public Transit Infrastructure Stream (PTIS)

Benefits: Improved mobility, active transportation, connectivity to transit, streetscaping and water and sewer infrastructure upgrades to accommodate future growth.

-  Phased road and lane restrictions
-  Temporary sidewalk closures
-  Temporary road closures
-  LTC route and stop impacts
-  Bike path restrictions



getinvolved.london.ca/eastlondonlink



Above: East London Link Phase 4 – Oxford Street East

East London Link Phase 5 - Dundas Street

(Dundas Street between Egerton Street and McCormick Boulevard)








Work Type: Rapid Transit and Municipal Infrastructure Improvements

Tender: \$20M

Public Transit Infrastructure Stream (PTIS)

Benefits: Dedicated rapid transit lanes; improved transit reliability and travel times; active transportation improvements, streetscaping and water and sewer infrastructure upgrades to accommodate future growth; new intersection and realignment of Ashland Avenue to improve safety.

-  Full road closure of Dundas from Ashland to Highbury Avenue, Phased road and lane restrictions
-  Temporary sidewalk closures
-  Temporary road closures
-  LTC route and stop impacts
-  Bike path restrictions



getinvolved.london.ca/eastlondonlink



Above: East London Link Phase 5 – Dundas Street

Report to Infrastructure & Corporate Services Committee

To: Chair and Members
Infrastructure & Corporate Services Committee

From: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment & Infrastructure

Subject: Recycling Services for Non-Eligible Sources at the
EnviroDepots and Green Bins for Small Businesses on
Curbside Collection Routes

Date: April 20, 2026

Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN**:

- a) Civic Administration **BE DIRECTED** to develop a pilot project starting as soon as practical and ending December 31, 2027 to allow Non-Eligible Source recyclable material from qualifying small businesses and nonprofits to be dropped off at the EnviroDepots; and,
- b) Civic Administration **BE DIRECTED** to implement a Green Bin Program to add eligible small businesses and non-profit locations on curbside collection routes in Q2 2026.

Executive Summary

Recycling of Non-eligible Sources

As of January 1, 2026, the Ontario Blue Box Program has fully transitioned to Extended Producer Responsibility (EPR) under the *Resource Recovery and Circular Economy Act, 2016* and the *Waste Diversion Transition Act, 2016*. This transition shifts the financial and operational responsibility for managing designated packaging, paper, and packaging-like products from municipalities to the producers of these products and packaging.

Prior to the transition of the Blue Box Program to EPR on July 1, 2023, municipalities made individual decisions about whether to provide Blue Box recycling services to Non-Eligible Sources (NES) as part of their residential Blue Box Program. In London, small businesses on residential collection routes were allowed to register and participate in the City's Blue Box Program once approved.

The rationale to include qualifying NES in London's former Blue Box Program was based on economies of scale of both the citywide residential curbside collection contract and the Material Recovery Facility operation contract which resulted in minimal incremental costs for collection and processing.

At the end of the Blue Box Program transition period, Producer Responsibility Organizations (PROs) no longer have an obligation to provide service to NES that were previously part of municipal Blue Box Programs. For London, this effectively removed curbside recycling services from approximately 535 small businesses as of January 1, 2026.

At the December 16, 2025, meeting of Municipal Council, the following directions were provided to Civic Administration:

That the Civic Administration BE DIRECTED to review and report back to the Infrastructure and Corporate Services Committee (in Q2 2026) on the following:

- a) the feasibility of allowing small businesses and nonprofit organizations to bring their recycling materials to the City's EnviroDepots, including:
 - i) any limits or restrictions that would apply to the quantity of materials accepted; and
 - ii) options to waive or offset fees for small businesses and nonprofits (e.g., through a pass or permit system); and
- b) the feasibility of providing green bin organics collection for small businesses and nonprofits located along residential collection routes, as a potential offset for the new recycling collection fees.

Non-Eligible Source Material at EnviroDepots

Allowing small businesses and nonprofit organizations to drop-off recyclables at the City's EnviroDepots would allow more than just those along residential collection routes to participate. It would also provide an alternative for small businesses where sourcing a private sector alternative is potentially cost prohibitive. It is estimated that there are currently approximately 2,100 small businesses and nonprofits in the City of London that are not required by Ontario Regulation 103/94 to implement their own Blue Box material source separation programs.

The cost to manage eligible NES Blue Box material at the EnviroDepots is preliminarily estimated to range between \$100,000 and \$300,000 annually. This cost estimate is based on a range of the approximate 2,100 eligible participants across the City and costs previously incurred by the City of London to haul and process Blue Box material during the transition of the Blue Box program to EPR. To encourage participation, it is recommended that a program to manage NES Blue Box Material at the EnviroDepots be free of charge for eligible businesses and nonprofits to drop off materials. The possibility of full or partial cost recovery could be considered in the future, when data from the new operation is available.

The actual current market costs may be different than those used in this preliminary cost estimate; this is a rapidly changing sector of the economy, and the City of London has not recently procured any similar services. This program is recommended as pilot project starting no later than January 1, 2027 and concluding December 31, 2027. This would allow time for City staff to initiate a procurement process and confirm administrative processes in 2026 and, then gather participation numbers and actual costs over 8-12 months. The cost of the pilot project can be accommodated within the current waste management budget.

Green Bins for Small Businesses on Residential Routes

Similar to London's previous program of providing Blue Box recycling services to small businesses on residential routes, economies of scale can be leveraged to provide Green Bin Program services to qualifying small businesses located on residential collection routes.

This report recommends offering the approximately 535 eligible small businesses and nonprofits on established curbside residential collection routes to voluntarily participate in the City of London Green Bin Program. Eligible businesses would be provided up to 1 (one) 45 litre Green Bins and 1 (one) kitchen container by the City of London upon request.

There is a minimal processing cost to offer eligible small businesses and nonprofits to participate in the Green Bin Program, which can be absorbed within the current organics collection program budget.

Offering eligible small businesses and nonprofits the opportunity to participate in the curbside Green Bin Program is a cost-effective means to reduce food and organic waste sent to landfill and may lower waste disposal costs for those participating.

Offering Curbside Recycling for Businesses in London

Municipalities across Ontario provide NES Blue Box recycling differently, because they are not required to provide these services. Some municipalities continue to provide curbside or depot collection for NES, while others have stopped these services. In a review of 30 municipalities, City staff found that 70% offer NES recycling services (curbside or depot), while 30% do not offer municipal recycling services. Municipalities that are offering curbside recycling are paying a significant cost to provide the service. For example, curbside collection annual cost estimates for Simcoe County (2,100 locations) are estimated at \$1.7M to \$2.1M and the City of Hamilton (2,500 locations) is estimated at \$2.8M. Funding sources in the municipalities that are offering some form of NES recycling are generally not publicly available unless they are full user pay, such as Toronto or Peel. It is anticipated that other municipalities are fully funding their NES programs based on review of websites and discussions with other municipal staff.

As mentioned above, the economy of scale that once existed for London to provide curbside recycling services to the original 535 small businesses and nonprofits located along residential routes in the former program no longer exists. This is primarily due to the new provincial requirement to process residential and commercial recycling separately. Given that there is no longer a rationale to limit eligibility to participate based on business location (i.e., must be on residential collection route), City staff estimate that there are approximately 2,100 small businesses and nonprofits in London that may be eligible for inclusion in a curbside recycling program. The cost to provide curbside recycling services to these businesses would need to be evaluated through a procurement process, however, the cost is anticipated to be similar to Simcoe County or Hamilton.

As a result, a curbside recycling program option is not recommended by Civic Administration given that it represents a significant operating cost to provide a spatially distributed service for only some small businesses and nonprofits, particularly as municipalities are not responsible for any recycling services as of January 1, 2026. There is also a potential for substantial administrative burden to create and maintain customer service to support this program as part of a City contract given that businesses often open, close, and move over time.

Conclusion

The two recommendations to offset the loss of curbside recycling to approximately 535 small businesses and nonprofits are to:

- 1) Initiate a pilot project starting no later than January 1, 2027 and concluding December 31, 2027 to allow approximately 2,100 eligible small businesses and nonprofits to drop off recyclables at the City's EnviroDepots at no cost, and
- 2) Offer a curbside Green Bin Program to the approximately 535 small businesses and nonprofits located along residential collection routes starting in Q2 2026.

These recommendations are presented as two means to divert additional recyclables and organic waste from the landfill.

Linkage to the Corporate Strategic Plan

Municipal Council continues to recognize the importance of waste management and the need for a more sustainable and resilient city in the 2023-2027 Strategic Plan for the City of London. Specifically, London's efforts in waste management address the following Areas of Focus: Climate Action and Sustainable Growth and Well-Run City.

On April 12, 2022, Municipal Council approved the Climate Emergency Action Plan which includes Area of Focus 5, Transforming Consumption and Waste as Part of the Circular Economy. In addition, the 60% Waste Diversion Action Plan, including the Green Bin Program, addresses various aspects of climate change mitigation within the waste management service area including greenhouse gas (GHG) reduction.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Relevant reports can be found at www.london.ca under Council meetings include:

- Business Case 25 – Stop Collecting Blue Box Materials from Non-eligible Sources Plan – 2024-2027 Multi-Year Budget (November 20, 2025, meeting of the Budget Committee, Item #4.11)
- Blue Box Transition Final Year: Part B Update (November 10, 2025, meeting of Community and Protective Services Committee (CPSC), Item #2.5)
- Blue Box Transition Final Year: Part A Update (June 10, 2025, meeting of the CPSC, Item #2.5)
- Exercise First Contract Renewal option RFP 19-02 – Recycling, Garbage and Yard Waste Collection in a Portion of London with Miller Waste Systems Inc. (February 21, 2024, meeting of Civic Works Committee (CWC), Item #2.8)
- Contract Amendment: RFP 19-02 Recycling Collection Garbage & Yard Waste Collection (January 9, 2024, meeting of CWC, Item #2.4)
- Updates: Blue Box Transition (April 24, 2023, meeting of CWC, Item #2.1)
- Updates: Blue Box Transition and Next Steps (January 10, 2023, meeting of CWC, Item #2.2)
- Updates: Blue Box Transition and Next Steps (June 21, 2022, meeting of CWC, Item #2.4)

1.2 Ontario Extended Producer Responsibility Blue Box Program

As of January 1, 2026, the Ontario Blue Box Program completed its transition to Extended Producer Responsibility (EPR), under the *Resource Recovery and Circular Economy Act, 2016* and the *Waste Diversion Transition Act, 2016*. This transition shifts the financial and operational responsibility for managing designated packaging, paper, and packaging-like products from municipalities to the producers of such products and packaging.

Circular Materials (CM) is the Producer Responsibility Organization (PRO) responsible for establishing the common collection system for Ontario and ensuring it meets the regulated requirements for producers of eligible Blue Box packaging materials. CM sets the rules and requirements for implementing this system, handling of recyclable materials and processing before materials are sent to end markets.

Municipal Council has no authority over policy, administration, contractual, operational matters, or financial aspects associated with the residential Blue Box Program for London, consistent with all municipalities across Ontario.

1.3 Non-Eligible Sources (NES)

The *Blue Box Regulation* (O. Reg. 391/21) requires producers to collect materials from eligible sources, including residences, multi-residential buildings, schools and non-profit long-term care and retirement homes. However, it excludes non-eligible sources (NES), such as:

- Industrial, Commercial and Institutional (IC&I) properties
- Daycares
- Places of worship
- Businesses in Business Improvement Associations (BIAs)
- Not-for-profit /charitable organizations and shelters
- Post secondary institutions – public and private
- Municipal facilities and Community Centres (libraries and arenas)
- Commercial unit at mixed- use property (e.g., building or development that combines residential and commercial units within the same structure or site)

Ontario Regulation 103/94 (O. Reg 103/94) requires IC&I establishments captured under this regulation to implement a Blue Box material source separation program of their own in the City of London.

IC&I establishments captured by O. Reg 103/94 continue to be required to arrange their own private collection services. Examples of establishments captured by O. Reg 103/94 include large shopping malls, major restaurants, large office buildings, retail complexes, and large commercial or industrial properties such as warehouses and factories.

2.0 Discussion and Considerations

Prior to the transition of the Blue Box Program to EPR (July 1, 2023), municipalities made individual decisions about whether to provide Blue Box recycling services to NES as part of the residential Blue Box Program. In London, small businesses on residential recycling collection routes were permitted to register and participate in the Blue Box Program once approved.

The rationale to include qualifying NES in London's former Blue Box Program was based on economies of scale of both the citywide residential curbside collection contract and the Material Recovery Facility operation contract which resulted in minimal incremental costs for collection and processing.

The costs for providing service to NES was 100% the responsibility of municipalities and not included in the former 50% cost sharing model between municipalities and the producers of packaging that applied to the residential service.

During the transition of the Blue Box Program, NES materials that were part of the municipal residential Blue Box Programs were allowed to be collected and processed alongside eligible residential recyclables, and the associated costs were charged back to municipality.

At the end of the Blue Box Program transition period, PROs no longer have an obligation to provide services to NES that were previously part of municipal residential Blue Box Programs. For London, this effectively removed curbside recycling services from approximately 535 small businesses as of January 1, 2026.

PROs have indicated that they will not voluntarily continue to offer this service for NES material to municipalities, even if the municipality is willing to pay. As such, it is no longer possible to mix residential Blue Box material with NES material in the same collection vehicle or processing stream. Independent collection and processing capacity would be required at the cost of the municipality, the NES or some combination thereof.

As part of the 2026 update to the Multi-year Budget, Council accepted a Business Case to remove the cost of collecting NES (\$250,000 per year) from the 2026 and 2027 budgets.

In early December 2025, the City notified small businesses participating in the residential curbside collection program that municipal curbside recycling service would end on their final collection day that month and updated information for businesses was posted on the City's website.

2.1 Recent Blue Box Program Updates

2.1.1 Provincial Response to NES Blue Box Advocacy

At the November 2025 meeting of Municipal Council, the following direction was provided to Civic Administration:

That, Civic Administration BE DIRECTED to request the Ministry of Environment, Conservation and Parks amend the Blue Box Regulation (O. Reg 210/25) to include non-profit organizations, places of worship, and other small businesses in the definition of "eligible sources". (AS AMENDED) (2.5/17/CPSC)

In December 2025, Civic Administration mailed correspondence to the Minister of Environment, Conservation and Parks (MECP) in accordance with the direction from Council. In March 2026, the Director, Resource Recovery Policy Branch of the MECP responded noting that Producers are not required to collect or manage non-residential recycling. Municipalities, however, retain the flexibility to provide these services using private contractors and may fund them if they choose.

2.1.2 Provincial Legislation Updates

The *Protect Ontario by Cutting Red Tape Act*, passed in December 2025, is a provincial law aimed at reducing regulatory burdens and streamlining processes for businesses, municipalities, and other organizations. One relevant update to municipal recycling is that it amended the *Resource Recovery and Circular Economy Act* to allow producers or PROs to offer recycling services to municipalities or other prescribed entities, such as small businesses and nonprofit organizations.

While the Province could require PROs to present proposals for collection and processing, the amendments provide authority, not an obligation. Specific regulations must still be developed and approved by the province. The changes create the potential for municipalities to receive recycling services for small businesses and nonprofit organizations in the future, subject to provincial regulation.

2.1.3 EnviroDepots Use Limited to Residents

The former Master Service Agreement with CM, which allowed residential and NES recyclables to be dropped off at the City's EnviroDepots, ended on December 31, 2025. While that agreement was in place, the City was responsible for the NES Blue Box processing costs. Once the agreement ended, NES materials were no longer accepted at the EnviroDepots.

As of January 1, 2026, CM is required to provide depot collection for residents who do not have curbside Blue Box collection services. Since the City already has established collection sites, CM offered a new agreement for residential materials only to meet their needs. Under this agreement, the City is not responsible for Blue Box operational expenses and NES materials cannot be mixed residential Blue Box Materials.

2.2 Council Direction on Municipal Recycling Services for NES

That the Civic Administration BE DIRECTED to review and report back to the Infrastructure and Corporate Services Committee (in Q2 2026) on the following:

- a) the feasibility of allowing small businesses and nonprofit organizations to bring their recycling materials to the City's EnviroDepots, including:
 - i. any limits or restrictions that would apply to the quantity of materials accepted; and
 - ii. options to waive or offset fees for small businesses and nonprofits (e.g., through a pass or permit system); and

- b) the feasibility of providing green bin organics collection for small businesses and nonprofits located along residential collection routes, as a potential offset for the new recycling collection fees.

2.2.1 Non-Eligible Source Material at EnviroDepots

Allowing small businesses and nonprofit organizations to drop-off recyclables at the City's EnviroDepots would allow more than just those along residential collection routes to participate. It would also provide an alternative for small businesses where sourcing a private sector alternative is potentially cost prohibitive. It is estimated that there are currently approximately 2,100 small businesses and nonprofits that are not required by Ontario Regulation 103/94 to implement their own Blue Box material source separation program.

A program allowing small businesses and nonprofits to drop off recyclables at the City's EnviroDepots is feasible, noting eligibility and restriction considerations listed below.

- Eligible businesses and nonprofit organizations must not be required by Ontario Regulation 103/94 to have a recyclable material source separation program;
- The amount of recyclables dropped off per visit by eligible businesses and nonprofit organizations is the same as previously permitted to be set out per collection in the curbside collection program (i.e., five Blue Boxes and two bundles of cardboard);
- The recyclables dropped off by small businesses and nonprofit organizations would need to be managed (i.e., received, stored, hauled and processed) separately from residential Blue Box materials at the EnviroDepots.

The cost to manage NES Blue Box material in accordance with the considerations above at the EnviroDepots is preliminarily estimated to range between \$100,000 and \$300,000 annually. This cost estimate is based on an assumed ranges of participation of the approximate 2,100 eligible participants and costs previously incurred by the City of London to haul and process Blue Box during the transition of the Blue Box Program to EPR. To encourage participation, it is recommended that a program to manage NES Blue Box Material at the EnviroDepots be free of charge for eligible businesses and nonprofits to drop off materials. The possibility of full or partial cost recovery could be considered in the future, when data from the new operation is available.

The actual current market costs may be different than those used in this preliminary cost estimate; this is a rapidly changing sector of the economy, and the City of London has not recently procured any similar services. This program is recommended a pilot project starting no later than January 1, 2027 and concluding December 31, 2027 to allow time for City staff to initiate a procurement process and confirm administrative processes in 2026 and then evaluate participation and costs in 2027. There is funding available in current waste management budget to cover the cost of the pilot project.

2.2.2 Green Bin for Small Businesses on Residential Routes

Similar to providing Blue Box recycling service to small businesses and nonprofits on residential routes as part of the former Municipally operated Blue Box Program, economies of scale can be leveraged to provide Green Bin Program services to qualifying small business and nonprofits located on residential collection routes.

This report recommends offering the approximate 535 small businesses and nonprofits on established curbside residential collection routes to voluntarily participate in the City of London Green Bin Program within the following context:

- Eligible businesses and nonprofits must be on established curbside residential collection routes;
- Eligible businesses and nonprofits must not be required by the Ontario Food and Organic Waste Policy Statement to have a source separation program for food an organic waste;

- Eligible businesses and nonprofits must register and be approved prior to participating;
- Eligible businesses and nonprofits must reasonably be expected to produce food and organic waste in a similar quantity to households; and,
- Eligible businesses and nonprofits will be provided 1 (one) 45 litre Green Bin and 1 (one) kitchen container by the City London.

Eligible locations will be confirmed by Civic Administration based on the criteria outlined above and will be contacted in writing with information on the service and instructions on how to register if they wish to participate.

This new service could start in late Q2 2026 with onboarding taking up to three months to process participation requests, deliver Green Bins, kitchen containers and educational materials and finalize program logistics before service begins.

Offering eligible small businesses and nonprofits to participate in the Green Bin Program is a minimal processing cost that can be accommodated within the current waste management budgets.

Offering eligible small businesses the opportunity to participate in the curbside Green Bin collection program will reduce food and organic waste sent to landfill and may lower waste disposal costs for those participating.

2.3 Offering Curbside Recycling for Businesses in London

Municipalities across Ontario provide NES Blue Box recycling differently, because they are not required to provide these services. Some municipalities continue to provide curbside or depot collection for NES, while others have stopped these services. Where collection is available, it may be limited to certain areas, such as downtown business districts. If a municipality chooses to provide recycling services to NES, it determines how the program will be funded.

A general review of Ontario municipalities was completed in early 2026. Appendix A summarizes which municipalities provide NES recycling services and, where applicable, the type of service offered (e.g., curbside or depot). In Southern Ontario, some examples of municipalities that provide NES recycling services include Toronto, Guelph, Ottawa, Oxford County, Essex County and St. Thomas. Examples of municipalities that have stopped these services include Simcoe County, Chatham-Kent and Norfolk County. Some municipalities provide NES recycling services only in downtown designated business areas, such as the City of Brockville and Region of Waterloo.

Of the municipalities reviewed, 70% provide some level of NES recycling services (curbside or depot), while 30% do not offer municipal recycling services. A total of 30 municipalities were included in this review. Funding sources in the municipalities that are offering some form of NES recycling are generally not publicly available unless they are full user pay, such as Toronto or Peel. It is anticipated that other municipalities are fully funding their NES programs based on review of websites and discussions with other municipal staff.

As mentioned, the economy of scale that once existed for London to provide curbside recycling services to the original 535 small businesses and nonprofits located along residential routes no longer exists. This is primarily due to the new provincial requirement to process residential and commercial recycling separately. Given that there is no longer a rationale to limit eligibility to participate based on business location (i.e. must be on a residential collection route), staff reviewed the number of potentially eligible businesses and nonprofits throughout the city. Because many of these small businesses do not require licensing, there is no single source of data to confirm their numbers. Based on a staff review, approximately 2,100 NES locations are not required to implement their own recycling programs, including the 535 NES previously serviced

by the City. Appendix B shows a map of the citywide distribution of these small businesses and nonprofit locations.

Curbside collection annual cost estimates from other municipalities with similar numbers of small businesses include Simcoe County (2,100 locations), estimated at \$1.7M to \$2.1M and the City of Hamilton (2,500 locations), estimated at \$2.8M. The cost to implement London's program would require a procurement process, however, it is assumed to be similar to Simcoe County and Hamilton for collection and processing.

Curbside collection is not recommended by Civic Administration given that it represents a significant operating cost to provide a spatially distributed service for small businesses and nonprofits, particularly now that municipalities are not responsible to provide any recycling services. There is also a potential for substantial administrative burden to create and maintain customer service to support this program as part of a City contract as businesses open, close, grow or relocate.

3.0 Financial Considerations

The actions recommended by Civic Administration, should Council choose to proceed with a pilot project to manage NES Blue Box materials at the EnviroDepots, have a preliminary cost estimate of \$100,000 and \$300,000 annually. This cost estimate is based on an assumed ranges of participation of the approximate 2,100 eligible participants and costs previously incurred by the City of London to haul and process Blue Box during the transition of the Blue Box Program to EPR. It should be noted that actual current market costs may be different than those used in this preliminary cost estimate. The cost of the pilot project can be accommodated within the current waste management budget until the end of 2027.

The cost of allowing eligible small businesses to participate in the City of London Green Bin Program would be a minimal processing cost that can be accommodated within the current organics collection program budget.

Conclusion

As of January 1, 2026, the Ontario Blue Box Program fully transitioned to Extended Producer Responsibility, shifting financial and operational responsibility from municipalities to Producers. As a result, municipal curbside recycling services for NES in London ended, affecting approximately 535 small businesses and nonprofit organizations.

The economy of scale of providing curbside recycling to businesses no longer exists, however, allowing small businesses and nonprofit organizations to drop off recyclables at the City's EnviroDepots offers an alternative where private sector service is potentially cost prohibitive. This report recommends including a pilot project starting no later than January 1, 2027 and concluding December 31, 2027 to allow NES recyclable material from qualifying small businesses and nonprofits to be dropped off at the EnviroDepots at no cost.

Offering eligible small businesses and nonprofits on residential collection routes to voluntarily participate in the City of London Green Bin Program provides a practical way to reduce food and organic waste sent to landfill. The program can be implemented at a minimal cost to the organics collection program budget, offers household-level service for participating businesses and nonprofits, and may help lower waste disposal costs for those businesses and nonprofits.

Prepared by: **Jessica Favalaro, B.Sc.**
Manager, Waste Diversion

Mike Losee, B.Sc.
Division Manager, Waste Management

Submitted by: **Shawna Chambers, P.Eng., MPA**
Director, Climate Change, Environment & Waste
Management

Recommended by: **Kelly Scherr, P. Eng., MBA, FEC**
Deputy City Manager, Environment & Infrastructure

Appendix A: Summary of Ontario Municipalities NES Recycling Collection Services

Appendix B: Map of Eligible Small Business and Nonprofit Locations

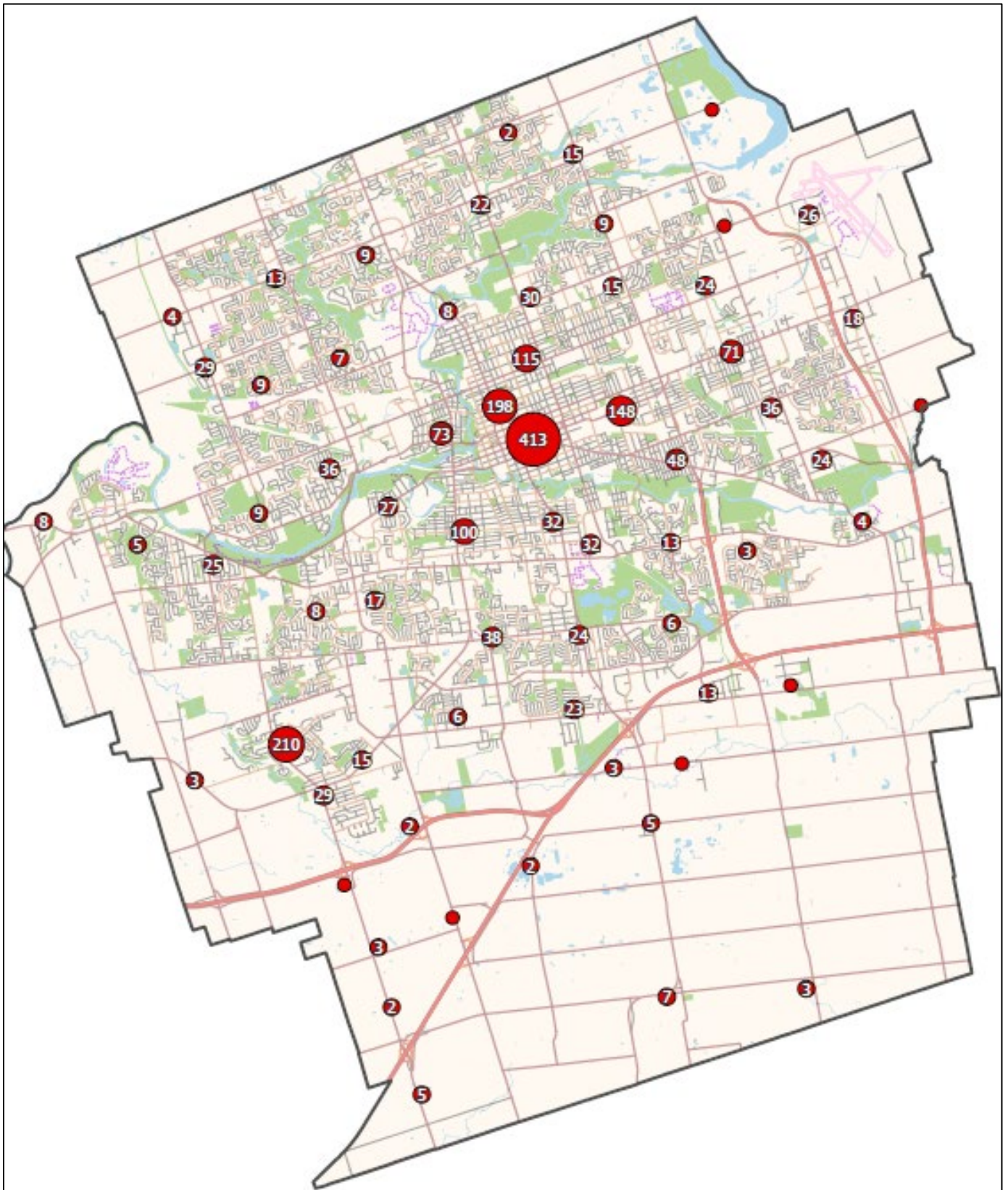
**Appendix A:
Summary of Ontario Municipalities NES Recycling Collection Services**

Municipality	Providing Recycling Services to NES? (Yes/ No)	Type of Program (curbside, depot)
Region of Durham	Yes	Depot drop-off
City of St. Thomas	Yes	Depot drop-off
Municipality of South Bruce	Yes	Depot drop-off
Municipality of West Grey	Yes	Depot drop-off
County of Brant	No	No Program
Chatham-Kent	No	No Program
Norfolk County	No	No Program
County of Simcoe ¹	No	No Program
City of Timmins	No	No Program
City of Thunder Bay	No	No Program
Region of York (Markham)	No	No Program
Region of York (Vaughan)	No	No Program
Region of York (Aurora)	No	No Program
City of Brockville	Yes	Curbside, designed Downtown Business Improvement Area only
Region of Waterloo	Yes	Curbside (carts), designated downtown areas only
City of Sarnia	Yes	Curbside (Blue Boxes), designated downtown areas only
City of Barrie	Yes	Curbside (carts)
County of Dufferin	Yes	Curbside (carts)
Region of Essex-Windsor	Yes	Curbside (Blue Boxes)
City of Guelph	Yes	Curbside (carts)
City of Hamilton ²	Yes	Curbside (carts & Blue Boxes)
Region of Halton	Yes	Curbside (carts)
City of Kingston	Yes	Curbside (carts) for select locations
Region of Niagara	Yes	Curbside (Blue Boxes), designated downtown areas only & Depot drop-off
City of Ottawa	Yes	Curbside (carts)
Oxford County	Yes	Curbside (Blue boxes or carts)
Region of Peel	Yes	Curbside (carts & bulk bins)
City of Peterborough	Yes	Curbside (Blue Boxes) & Depot drop-off
City of Stratford	Yes	Curbside (carts), until October 2026
City of Toronto	Yes	Curbside (carts or bags)

Notes:

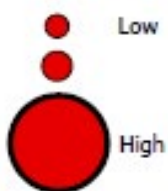
1. County of Simcoe Committee of the Whole - Recycling for Industrial, Commercial and Institutional Properties Report, February 24, 2026: <https://simcoe.civicweb.net/document/157047/> (pages 39 – 54)
2. City of Hamilton General Issues Committee (Budget), February 6, 2026 - <https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=482220>

Appendix B:
Map of Eligible Small Business and Nonprofit Locations



Non-Eligible Source (NES) Locations for Business Recycling

Concentration of NES
Addresses



From: Tim MacMillan
Sent: Thursday, April 16, 2026 1:48 PM
To: ICSC <ICSC@london.ca>
Subject: [EXTERNAL] ICSC Agenda - item 2.2 - small business recycling options

To the ICSC,

Please take this letter as a show of support for the initiative to allow small businesses such as mine, Quarter Master Natural Foods, to be allowed to drop off recyclables at the City of London Envirdpots. My business generates roughly 200+ KG of cardboard every 2 weeks. When our curbside pick up was suspended, I had to get creative and was able to source out the cardboard recycling division of Waste Connections to take our cardboard. Luckily at no cost to me to drop off. This means every other Friday I have had to take a 4 x 8 trailer and pick up full of cardboard out to their facility, drive over their scales, unload in their barn, and reweigh on the way out. Just as their large trucks do. Not everyone has the luxury as we do to store that much cardboard in our garage, and I fear most businesses are now simply contributing to the landfill which I know is the case. How unfortunate. For 45 years, we have always been stewards for our environment here at Quarter Master. Its in our DNA. This process has been a necessary evil to stay true to this belief system though it takes at least an hour of my time, which could be spent in better ways attending to my business, gas, etc. I understand the provincial component to this issue, but is this not the kind of service my taxes should be covering?

As for the possibility of implementing a Green Bin Program here in Wortley Village, Hooray!! Quarter Masters on site kitchen has "always" composted everything we generate in compost bins on our property. Unfortunately, this has become problematic over the years as the rodent infestation continues to rise. The ability to simply put a Green Bin or two out at the curb, knowing the waste is going to the appropriate facility, is a no brainer in my books and I would 100% support this initiative.

Even better, I would whole heartedly support a return to the recycling approach for small businesses which was in place prior to January 2026. Add in the Green Bin component and we have a win win for our businesses and the environment as a whole.

Thank you for taking the time to hear my thoughts.

Regards, Tim

Tim MacMillan, Owner
Quarter Master Natural Foods

Report to Infrastructure and Corporate Services Committee

To: Chair and Members
Infrastructure and Corporate Services Committee
From: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment & Infrastructure
Subject: Limited Tender Award: Purchase of Rotating Drum
Thickeners for Pottersburg WWTP
Date: April 20, 2026

Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the purchase of two (2) rotating drum thickeners for the Pottersburg Wastewater Treatment Plant:

- a) the contract for purchase of two rotating drum thickeners **BE AWARDED** to JWC Environmental Canada as a single source procurement for a total value of \$494,256.00 plus HST in accordance with Section 13.3 (iii) (e) of the City of London's Procurement of Goods and Services Policy;
- b) the financing for the project **BE APPROVED** in accordance with the "Sources of Financing Report" attached hereto as Appendix 'A';
- c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- d) the approvals given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract; and
- e) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

Executive Summary

This report recommends approving the purchase of new rotating drum thickeners (RDTs) for Pottersburg Wastewater Treatment Plant (WWTP) from JWC Environmental Canada under a limited tendering process.

Sludge thickening, the removal of a portion of the water from waste sludge, is an important process at the City's wastewater treatment plants. By removing a portion of that water through thickening, storage, energy consumption, and transportation requirements are reduced. Gravity belt thickening is the current technology used at Pottersburg WWTP for sludge thickening, but the existing thickeners are nearing their end of life.

The City has recently purchased similar models of RDT from the same manufacturer, first through a competitive process for Greenway WWTP, and now successfully operates this equipment at the Greenway, Adelaide, and Vauxhall treatment plants. RDTs have proven to be a cost-effective sludge thickening strategy, and the procurement of equipment from the same manufacturer provides further maintenance and operational benefits for the City. The approval for limited tendering procurement of new RDTs to align with current installations is requested and recommended.

Linkage to the Corporate Strategic Plan

This project supports the 2023-2027 Strategic Plan through Climate Action and Sustainable growth:

- Infrastructure is built, maintained, and secured to support future growth and protect the environment.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Civic Works Committee, August 23, 2022, Vauxhall Wastewater Treatment Plant Rotating Drum Thickener Equipment Single Source.

Civic Works Committee, June 1, 2021, Purchase of Rotary Drum Thickener for Greenway Wastewater Treatment Plant.

Civic Works Committee, April 17, 2018, Greenway Rotary Drum Thickener Pre-Purchase

1.2 Context

The Pottersburg WWTP is the City's second largest plant, treating 11% of the City's wastewater. In 2025 it reliably treated an average of over 23 million litres per day of wastewater. An important part of the treatment process is the disposal of waste streams, such as the waste sludge, that are generated during the treatment process prior to discharging treated water to the Thames River.

Pottersburg utilizes sludge thickening technology to remove water and thicken Waste Activated Sludge (WAS) from 0.5% to around 5% solids, effectively reducing the volume of product required to be trucked, stored and further processed at Greenway WWTP prior to final disposal. This reduces operational cost and greenhouse gas emissions related to solids disposal. By installing common sludge thickening technology at multiple City plants, maintenance and training requirements are simplified and spare part inventories are reduced, lowering operational cost and risk.

The City is currently designing a pump station which will transfer sludge from the nearby Vauxhall WWTP for thickening at Pottersburg WWTP. This will provide Operations staff further flexibility in thickening sludge generated at Vauxhall WWTP and reducing sludge hauling requirements through the neighbourhood surrounding that plant.

2.0 Discussion and Considerations

2.1 Pottersburg WWTP Sludge Thickening

The current Pottersburg sludge thickening process employs a gravity belt thickener (GBT) that is approaching its end of life. Major repairs would be required to extend its operating life, after which the prospects for reliable operation are still expected to be poor. Rotary drum thickeners generally require much smaller areas for installation and contribute to significantly improved cleanliness in the facility. Investigations by City staff have confirmed that the installation of new RDTs in the location of the current GBTs will be relatively straightforward.

2.2 Selection of JWC Environmental Canada as a Single Source Supplier

The procurement policy includes a provision to allow a project to be single sourced to a specific supplier under a predefined set of criteria. JWC Environmental Canada has been recommended as a single source supplier for the reasons noted in section Section 13.3 (iii) (e) of the Procurement of Goods and Services Policy:

- 13.3 (iii)(e): to ensure compatibility with existing goods, or to maintain specialized goods that must be maintained by the manufacturer of those goods or its representative;

Utilizing a common provider of sludge thickening products at multiple facilities ensures consistent product support, a shared inventory of spare parts, coordination of service, and consistency of staff training requirements as similar units are installed at other City treatment facilities. The rotating drum thickening system proposed for Pottersburg, the JWCE-IPEC Monster Drum Thickener, represents continued use of a technology which the City has previously evaluated and selected through a competitive bidding process (most recently, Request for Proposal 21-15), and has proven to be an effective and reliable technology in the time since then. Maintaining JWC Environmental Canada as London’s rotating drum thickening equipment supplier will help maintain this system-wide consistency and efficiency.

3.0 Financial Impact/Considerations

3.1 Activity Planned and Budget Available

Supply and delivery of the rotating drum thickener at Pottersburg was anticipated and accounted for under the current approved multi-year capital budget. The proposed price for the supply and delivery of the new units still aligns generally with previous estimates used to develop that budget, as well as similar units which were purchased for Greenway WWTP under competitive bidding processes.

A separate engineering assignment and construction contract will be undertaken to complete the installation and start-up of this new equipment, expected to be complete before the end of 2026.

Conclusion

Sludge thickening at Pottersburg WWTP is an essential component of the City’s wastewater treatment operations. The current thickening equipment has reached its end of life and must be replaced. By purchasing a rotating drum thickener from JWC Environmental Canada, the City will maintain reliable thickening operations at the plant, improve the working environment at that plant and ensure consistency of operations across four of the City’s treatment plants for reduced cost and improved maintenance. For these reasons, the procurement of these RDTs is recommended.

Prepared by: Kirby Oudekerk, MPA, P.Eng.
Division Manager, Wastewater Treatment Operations

Submitted by: Ashley Rammeloo, MMSc., P.Eng.
Director, Water, Wastewater, and Stormwater

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment and Infrastructure

Attach: Appendix A – Source of Financing

cc: Vakul Arora, Senior Manager, Purchasing and Supply
 Zeina Nsair, Financial Business Administrator, Finance and Corporate Services

Appendix "A"

#26055

April 20, 2026

(Limited Tender Award)

Chair and Members

Infrastructure and Corporate Services Committee

RE: Purchase of Rotating Drum Thickeners for Pottersburg WWTP

(Subledger FS26PB01)

Capital Project ES5023 - Vauxhall/Pottersburg Area WWTP Replacement

JWC Environmental Canada \$494,256.00 (excluding HST)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the recommendation of the Deputy City Manager, Environment and Infrastructure, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Committed To Date	This Submission	Balance for Future Work
Engineering	367,484	25,155	0	342,329
Construction	778,828	778,828	0	0
Replace Vehicle and Equipment	502,955	0	502,955	0
Total Expenditures	\$1,649,267	\$803,983	\$502,955	\$342,329

Sources of Financing

Drawdown from Sewage Works Renewal Reserve Fund	1,649,267	803,983	502,955	342,329
Total Financing	\$1,649,267	\$803,983	\$502,955	\$342,329

Financial Note :

Contract Price	494,256
Add: HST @13%	64,253
Total Contract Including Taxes	558,509
Less: HST Rebate	-55,554
Net Contract Price	<u>\$502,955</u>

Jason Davies
 Manager, Financial Planning & Policy
 mp

Report to Infrastructure and Corporate Services Committee

To: Chair and Members
Infrastructure and Corporate Services Committee

From: Kelly Scherr, P. Eng., MBA, FEC, Deputy City Manager,
Environment & Infrastructure

Subject: Contract Amendment: Detail Design for Southdale Road West
Improvements

Date: April 20, 2026

Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the additional engineering fees for the detail design of the Southdale Road West Improvements:

- (a) The contract with Dillon Consulting Limited **BE INCREASED** by \$439,674.39, from \$853,614.60 to a total amended value of \$1,293,288.99, excluding HST, to expand the project limits to address road slope instability and update field data and design requirements to support tendering of the Southdale Road West Improvements, in accordance with Section 29.2.2 and Section 29.2.4 of the Procurement of Goods and Services Policy;
- (b) The financing for the contract award and contract amendment **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix A;
- (c) The Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with the contract award and contract amendment; and,
- (d) The Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

Executive Summary

This report seeks Council approval to increase the existing engineering consultant contract with Dillon Consulting Limited for the Southdale Road West Improvements by \$439,674.39, from \$853,614.60 to \$1,293,288.99, to expand the project limits to address road stability needs and update field data and design requirements to support approvals and tendering of the Southdale Road West Improvements contract.

The detail design project commenced in 2019 and in 2022 construction of the improvements was deferred due to financial pressure on the City Service Roads Reserve Fund due to Covid-period construction program cost inflation. Additional design and field work are now required to expand the project limits to address an area of slope instability risk and comply with current legislation and approval requirements.

The installation of new watermain on Wickerson Road will be included in the Southdale Road West Improvements tender. Urban upgrades to Wickerson Road will be implemented at a later date coordinated with adjacent development.

Tender preparation is anticipated to be completed later this year, with construction expected to begin in 2027, subject to funding and approvals.

Linkage to the Corporate Strategic Plan

Municipal Council's 2023-2027 Strategic Plan identifies Mobility and Transportation as a strategic area of focus. This report supports the Strategic Plan by identifying and designing infrastructure that provides safe, integrated, connected, reliable and efficient transportation choices.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Civic Works Committee – February 20, 2019 – Environmental Study Report
- Civic Works Committee – July 23, 2019 – Southdale Road West and Wickerson Road Improvements Detail Design & Tendering Appointment of Consulting Engineer
- Civic Works Committee – March 29, 2022 – Contract Award: Tender RFT 21-97 Adelaide Street North CPR Underpass Project – Irregular Result
- Strategic Priorities and Policy Committee – July 17, 2025 – Mobility Master Plan Notice of Completion
- Planning and Environment Committee – December 2, 2025 - Official Plan Review: Final Urban Growth Boundary Review

1.2 Background

Southdale Road West is identified as a Civic Boulevard in the London Plan and serves as a key link in the City of London's mobility network. The July 2025 Council-approved Mobility Master Plan recommends this corridor for near-term (now to 2035) road improvements, including sidewalks and cycling infrastructure. Wickerson Road is classified as a Neighbourhood Connector and is identified in the Mobility Master Plan for road improvements in the medium-term (2035-2045).

The current Urban Growth Boundary includes lands north of Southdale Road from approximately 600 m east of Wickerson Road to the eastern project limits. The December 2025 Council-endorsed Urban Growth Boundary expansion would extend the boundary to include the full Southdale Road project limits and surrounding lands. The boundary expansion is proposed to include lands on both sides of Wickerson Road. Therefore, urbanization of Wickerson Road is planned to be coordinated with the adjacent developments consistent with policies related to neighbourhood connector streets and the near-term work on Wickerson Road is limited to new watermain installation to support future growth.

In 2019, Dillon Consulting Limited completed a Municipal Class Environmental Assessment (EA) to identify preferred improvements for Southdale Road and Wickerson Road. Dillon was selected through a competitive procurement process in accordance with the previous Procurement of Goods and Services Policy (Section 15.2(e)). Based on their experience and strong performance during the EA, Dillon was subsequently retained in 2019 to complete detail design and tender preparation, providing efficiencies and avoiding duplication of work.

West of the project limits, there is ongoing pavement and roadside safety maintenance required on Southdale Road between Wickerson Road and Westdel Bourne. For many years, the City has undertaken repeated asphalt repairs and guide rail realignment in this area, attributed to instability of the embankment adjacent to Dingman Creek. In 2024 the City hired another consultant through a separate contract to complete a preliminary assessment of slope stability concerns and recommend improvements to provide a long-term solution to this issue. It is recommended to expand the project limits to address this ongoing risk and maintenance need.

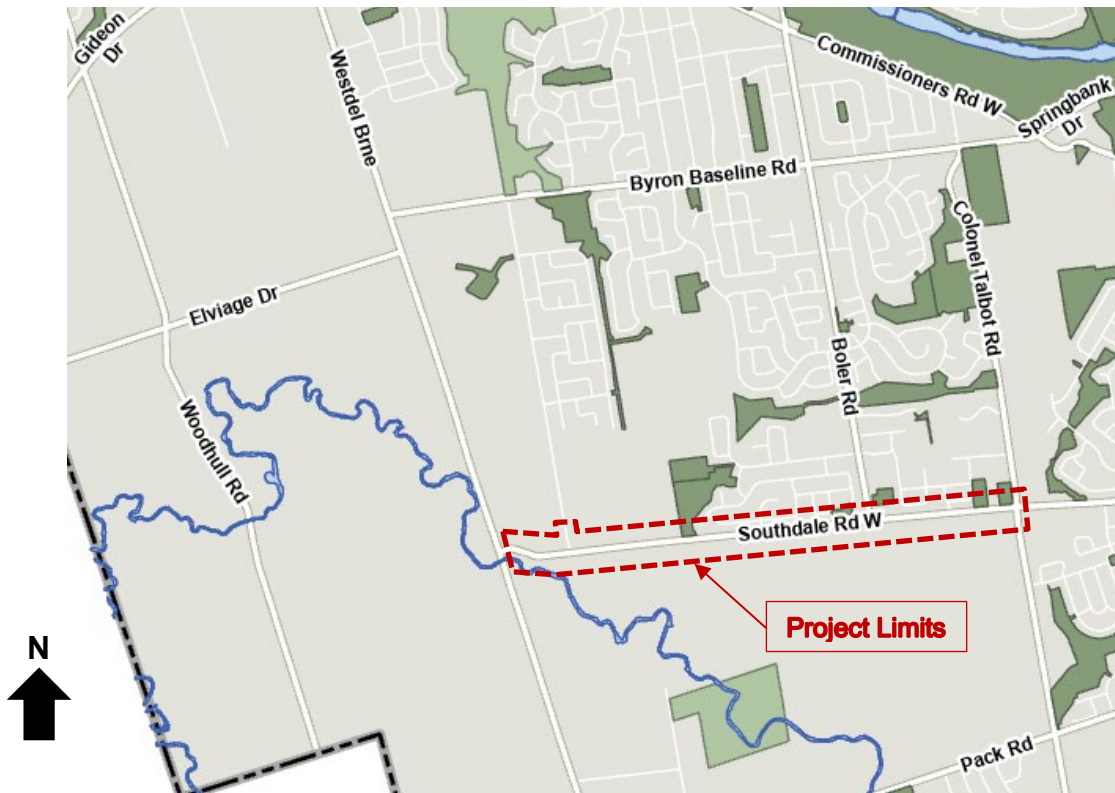


Figure 1: Southdale Road Improvements Project Limits

2.0 Discussion and Considerations

2.1 Discussion

Dillon Consulting Limited has prepared a proposal to complete the additional design and environmental work required to expand the limits of the project to address Southdale Road slope instability and update field work and contract design items. This includes extending the project limits west to incorporate the slope stability improvements into the overall project.

The negotiated consultant fees for this scope change include the:

1. Slope Stability Improvements: Complete detail design of slope stability improvements, including geotechnical investigations, roadway grading and drainage design, topographical survey, Stage 1 archaeological assessment, and roadside safety design. The geotechnical investigations include the installation and monitoring of two monitoring wells.
2. Environmental: Additional field studies are required for the expanded project limits. Additional field work is also required to confirm the previous natural environmental conditions. The findings will be documented to support permitting and approvals for the project. A tree inventory, arborist report and tree protection and replacement plans must all be revised to reflect the new field surveys. Dillon Consulting Limited will prepare and submit applications to regulatory agencies to obtain the required permits and/or approvals for the project.
3. Stormwater Management Design: The expanded limits to address slope stability requires stormwater management analysis and reporting. Scope includes an additional meeting with Upper Thames Region Conservation Authority (UTRCA) to confirm the proposed works within their permitting area.
4. Electrical Engineering: Previously completed design must be updated to reflect current standards. Streetlight design proposed on London Hydro utility poles will be reassessed based on the final London Hydro relocation design.

5. Excess Soil Investigations: Field investigations consist of boreholes to sample existing soils and conduct quality analysis. The initial project commenced prior to the enactment of current provincial excess soils regulations.
6. Roadway and Municipal Engineering: Utilities must be re-engaged to coordinate relocation where these works did not proceed in 2022. The Wickerson Road watermain alignment and design must be revised to avoid sensitive archaeology areas.
7. Public Consultation: As the project has been on hold since 2022, an additional public update meeting will be held during the detail design phase. The scope of work also includes additional private landowner meetings to discuss construction mitigation measures and impacts to property and driveways.
8. Stage 4 Archaeology Assessment: Significant archaeology has been required beyond what was included in the original scope of work.
9. Additional Detail Design Tasks: Other additional design work which has been required includes:
 - Additional test holes to confirm underground utility locations;
 - Review of two existing stormwater management pond facilities to examine potential improvements that could reduce potential flooding impacts;
 - Initial background review of the provincial excess soil regulations;
 - Additional interim construction cost estimates.

The fees include a 10% contingency in the event of unforeseen requirements. Subject to project performance, Dillon Consulting Limited will be considered for the construction administration phase of the project.

2.2 Procurement Process

Extending the current design assignment with Dillon Consulting Limited provides value by leveraging previously completed design work, reducing duplication, and minimizing additional mobilization and learning costs. Further, the slope stability improvements immediately adjacent to the original project limits can be easily incorporated and provide efficiency during construction. Cost efficiency and value are achieved in this approach as the consultant has detailed knowledge of the approved EA, prior design decisions, and site-specific constraints.

As per Schedule A, Section 3.1 of the Procurement of Goods and Services Policy, City Council must authorize contract amendments when the total amended value of the contract will exceed the Council approved source of financing by an amount greater than \$133,800 above the original contract value.

3.0 Financial Impact/Considerations

The total funding required to complete the additional detail design activities is available in the approved budget for this project. The Source of Financing Report is appended to this report as Appendix A. The amended contract value includes a contingency in the event of unforeseen requirements.

Conclusion

Additional engineering design and environmental work is required to expand and update the Southdale Road Improvements and Wickerson Road watermain installation contract. Much of this additional work is required to address an adjacent area of road slope instability and comply with current legislation and approval requirements. In accordance with the City's Procurement of Goods and Services Policy, Council approval is being sought for procurement.

It is recommended that Dillon Consulting Limited's contract be increased by \$439,674.39, from \$853,614.60 to \$1,293,288.99, to complete additional design and environmental work required to advance detail design and tendering for the Southdale Road West Improvements.

The tender preparation for the construction of Southdale Road improvements and Wickerson Road watermain installation is anticipated to be completed later this year to allow for construction to start in 2027, subject to funding and approvals.

Prepared by: Sarah Grady, P. Eng.
Division Manager, Transportation Planning & Design

Submitted by: Doug MacRae, P. Eng., MPA
Director, Transportation & Mobility

Recommended by: Kelly Scherr, P. Eng., MBA, FEC
Deputy City Manager, Environment & Infrastructure

Attach: Appendix A - Source of Financing

c: Subrat Acharya, Technologist
Martin Van Haren, P.Eng., Transportation Design Engineer

Appendix "A"

#26046

April 20, 2026

(Contract Amendment)

Chair and Members
Infrastructure and Corporate Services Committee

RE: Contract Amendment: Detailed Design for Southdale Road West Improvements
(Subledger RD160014)

Capital Project TS1407-2 - Southdale-Wickerson Road to Byronhills Drive

Dillon Consulting Limited \$439,674.39 (excluding HST and including Contingency)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the recommendation of the Deputy City Manager, Environment and Infrastructure, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Committed To Date	This Submission	Balance for Future Work
Engineering	1,772,004	1,312,529	447,413	12,062
Construction	7,837,344	7,240	0	7,830,104
Land Purchase	741,609	716,222	0	25,387
Utilities	838,943	473,954	0	364,989
City Related Expenses	100,000	4,981	0	95,019
Total Expenditures	\$11,289,900	\$2,514,926	\$447,413	\$8,327,561

Sources of Financing

Debenture By-law No. W.-5607-237 (Note 2)	1,422,858	316,954	56,387	1,049,517
Drawdown from City Services - Roads Reserve Fund (Development Charges) (Note 1)	6,612,670	2,197,972	391,026	4,023,673
Debenture By-law No. W.-5607-237 (Serviced through City Services - Roads Reserve Fund (Development Charges)) (Note 1 and 2)	3,254,372	0	0	3,254,372
Total Financing	\$11,289,900	\$2,514,926	\$447,413	\$8,327,561

Financial Note :

Contract Increase	399,704
Add: Contingency	39,970
Total Excluding Taxes	<u>439,674</u>
Add: HST @13%	57,158
Total Contract Including Taxes	<u>496,832</u>
Less: HST Rebate	<u>-49,419</u>
Net Increase Price	<u><u>\$447,413</u></u>

Note 1: Development charges have been utilized in accordance with the underlying legislation and the approved 2019 Development Charges Background Study and the 2021 Development Charges Background Study Update.

Note 2: Administration hereby certifies that the estimated amounts payable in respect of this project does not exceed the annual financial debt and obligation limit for the Municipality from the Ministry of Municipal Affairs in accordance with the provisions of Ontario Regulation 403/02 made under the Municipal Act.

Note to City Clerk: The City Clerk be authorized to increase By-law No. W.-5607-237 by \$3,797,400 from \$897,830 to \$4,677,230.

Jason Davies
Manager, Financial Planning & Policy

mp

Report to Infrastructure and Corporate Services

To: Chair and Members
Infrastructure and Corporate Services

From: Kelly Scherr, P. Eng., MBA, FEC, Deputy City Manager,
Environment & Infrastructure

Subject: Contract Award: Tender RFT-2025-286 and Appointment of
Consulting Engineer – Kilally Road Infrastructure Project

Date: April 20, 2026

Recommendation

That on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the award of contract for the Kilally Road Infrastructure Project (RFT-2025-286):

- (a) The bid submitted by J-AAR Civil Infrastructures Limited, at its tendered price of \$16,909,235.39, excluding HST, **BE ACCEPTED**; it being noted that the bid submitted by J-AAR Civil Infrastructures Limited was the lowest of three bids received and meets the City's specifications and requirements, in accordance with Section 13.2 of the City of London's Procurement of Goods and Services Policy;
- (b) Stantec Consulting Ltd., **BE AUTHORIZED** to complete the contract administration and construction inspection for this project in accordance with the estimate, on file, at an upset amount of \$1,345,253.80, excluding HST, under Limited Tendering LT-2026-106, in accordance with Section 13.3 iii) (a) of the City of London's Procurement of Goods and Services Policy;
- (c) the Deputy City Manager, Environment and Infrastructure (or delegate) **BE AUTHORIZED** to approve Agreements and Memorandums of Understanding between the Corporation of the City of London and private property owners, in relation to the cost-sharing of servicing contained within Kilally Road Infrastructure Project;
- (d) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached, hereto, as Appendix A;
- (e) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- (f) the approvals given, herein, **BE CONDITIONAL** upon the Corporation entering into a formal contract with the consultant for the work;
- (g) the approval given, herein, **BE CONDITIONAL** upon the Corporation entering into a formal contract for the material to be supplied and the work to be done relating to this project (RFT-2025-286); and,
- (h) the Mayor and the City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

Linkage to the Corporate Strategic Plan

Municipal Council's 2023-2027 Strategic Plan identifies Mobility and Transportation, and Housing and Homelessness, as a strategic area of focus. This report supports the Strategic Plan by advancing infrastructure that provides safe, integrated, connected, reliable, and efficient transportation options, while also supporting future residential development.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Strategic Priorities and Policy Committee - May 6, 2019 – Approval of 2019 Development Charges By-Law and DC Background Study
- Civic Works Committee - January 11, 2022 – Appointment of Consulting Engineering for the Kilally Infrastructure Works Detailed Design
- Strategic Priorities and Policy Committee - June 18, 2024 - 2025 Growth Management Implementation Strategy (GMIS) Update
- Strategic Priorities and Policy Committee – July 17, 2025 – Mobility Master Plan Notice of Completion

1.2 Purpose

This report recommends the award of Construction Tender RFT-2025-286 for the Kilally Road Infrastructure Project to J-AAR Civil Infrastructures Limited. The report also recommends approval of the appointment of Stantec Consulting Ltd. as the engineering consultant to provide construction administration and inspection services for the project.

The Kilally Road Infrastructure Project will support future residential development in the northeast area of the City, as identified in the Growth Management Implementation Strategy. The project aligns with the City of London's Housing Pledge to facilitate the construction of 47,000 new housing units by 2031 and is accessing funding through the provincial Building Faster Fund and the Housing Accelerator Fund to expedite construction.

1.3 Background

Kilally Road is classified as a Civic Boulevard with average daily traffic volumes of approximately 4,500 vehicles per day. The existing roadway is constructed with a substandard rural cross-section, including open ditches, and does not provide complete street elements such as sidewalks, and cycling facilities.

The need for the Kilally Road Infrastructure Project was identified in the City's 2019 Development Charges Study. As development continues in the surrounding area, upgrades to Kilally Road are required to better accommodate all modes of travel, including walking, cycling, transit, and vehicular traffic, and to provide the municipal infrastructure necessary to support planned growth. The July 2025 Council-approved Mobility Master Plan recommends this corridor for near-term (now to 2035) road improvements, including sidewalks and cycling infrastructure.

In addition to roadway improvements on Kilally Road, the project scope includes asphalt rehabilitation on Sandford Street from Kilally Road to Tornado Place, as well as repairs to the J.W. Carson Bridge on Clarke Road over the Thames River. The asphalt and bridge repairs were identified through the City's Asset Management Program and are intended to extend the service life of the pavement and bridge structure.

A map of the project limits is shown below.

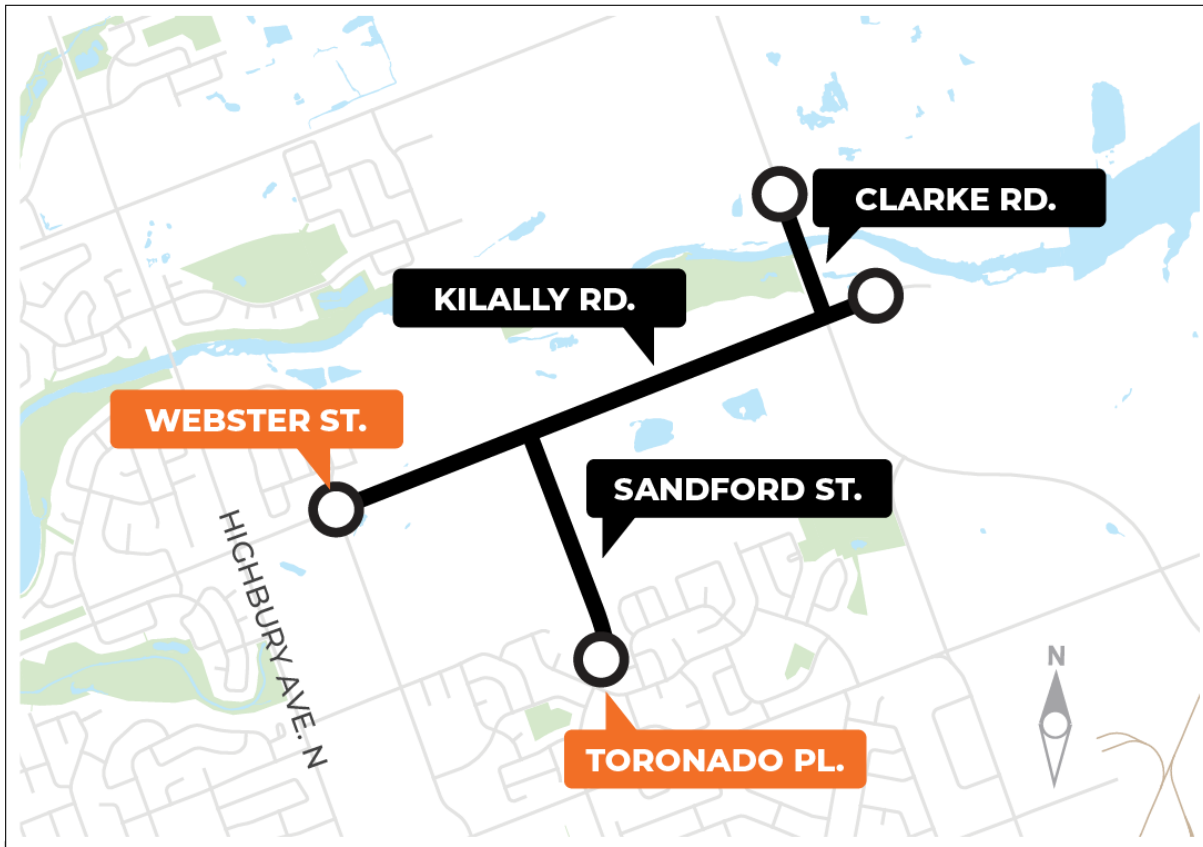


Figure 1: Kilally Road Infrastructure Project Limits

2.0 Discussion and Considerations

2.1 Project Description

The scope of the Kilally Road Infrastructure Project includes:

- Installation of new storm sewers, watermain and sanitary sewers on Kilally Road to support new development;
- Installation of a new storm sewer down the west side of Clarke Road complete with new outlet to the Thames River;
- Reconstruction of the existing rural cross section of Kilally Road from Webster Street to Sandford Street as a complete street urban cross section with curb and gutter, sidewalks, and in-boulevard bike lanes;
- Reconstruction of the existing rural cross section of Kilally Road from Sandford Street to Clarke Road as an improved rural cross section with a wider pavement structure to provide buffered bike lanes;
- Profile improvements of Kilally Road throughout the entire project limits to improve sightlines and road safety;
- Installation of a new pedestrian crossing on Kilally Road at Webster Street/Edgevalley Road;
- Asphalt improvements to Sandford Street, from Kilally Road to Toronado Place; and
- Repairs to J.W. Carson Bridge, including expansion joint replacement and steel girder repairs.

2.2 Public Engagement and Consultation

Two public meetings were held to discuss the project with residents. The initial public meeting, November 20, 2024, was held online in a webinar format and introduced the project to the public to view plans for walking and cycling facilities and urban design features along the corridor, as well as construction mitigation methods. The second public meeting, December 4, 2024 was in-person and allowed the public to view near-final designs of the planned improvements and the traffic management and construction staging schemes. Both meetings were well attended, and the feedback provided

allowed staff to refine the design to better serve the users of the corridor. Continuous discussions were also held throughout the project design with adjacent developers to coordinate the servicing aspects of the project. Consultation with interested parties also occurred during the design phase and project information was made available through the City’s GetInvolved website.

2.3 Advance Works

This project will require the advance relocation of London Hydro infrastructure. Coordination with London Hydro is currently underway in support of the project to ensure that the necessary utility relocations are completed in a timely and efficient manner.

Tree removals have been completed in advance of the utility relocations and the upcoming City construction project. Once the project is complete, the Forestry Division will review opportunities to plant new street trees along Kilally Road.

2.4 Construction Schedule and Traffic Management

A detailed traffic staging plan has been developed which aims to balance mobility and access during all stages of construction while allowing the project to be completed in a timely and cost-effective manner.

Improvements to Kilally Road and the bridge repairs on Clarke Road are scheduled for completion in 2026. Surface asphalt placement and permanent pavement markings on Kilally Road are planned for 2027, along with asphalt renewal on Sandford Street.

Due to the extensive profile improvements to Kilally Road and the depth of the sewers, Kilally Road will be closed during the 2026 construction season. In addition, Clarke Road will be closed for approximately one month over the summer to facilitate bridge repairs. In advance of any road closures, advance notification signage will be installed. During construction, appropriate warning signs and detour signage will be in place to help manage traffic and access.

The traffic management plan will be communicated, monitored, and adjusted during construction based on traffic conditions. Access to homes and businesses will be maintained and detours will be in place during the road closures.

Temporary traffic calming measures will be implemented in surrounding neighbourhoods to assist in mitigating cut-through traffic.

3.0 Financial Impact/Considerations

3.1 Procurement Process

The request for tenders (RFT) was published on February 23, 2026. Tenders for the Kilally Road Infrastructure Project (RFT-2025-286) were opened on March 26, 2026. Three contractors submitted prices as listed below, including contingency, and excluding HST:

Contractor	Company Name	Tender Price Submitted
1.	J-AAR Civil Infrastructures Limited	\$16,909,235.39
2.	Bre-Ex Construction Inc	\$17,794,549.36
3.	L82 Construction Ltd	\$18,159,182.18

All tenders have been checked by Stantec Consulting Ltd., and City Staff. No mathematical errors were found, and the bids were determined to be compliant. The submitted low bid from J-AAR Civil Infrastructures Limited is below the tender estimate

that was prepared prior to the tender opening. The tender results indicate competitive pricing from the construction industry and represent good value for a project of this size, scope, and complexity recognizing current market and supply chain conditions. All tenders include a contingency allowance to address inherent risks and unknown conditions associated with road reconstruction work, and constructability issues that may arise during construction.

Funding for the project is available in the City's transportation, traffic, sewer and water capital budgets as presented in the attached Source of Financing in Appendix A.

As per Section 28.2 i) of the City of London's Procurement of Goods and Services Policy, following an Open Competitive Process conducted in compliance with applicable trade agreements, City Council must approve award of tenders greater than \$6,000,000.

3.2 Consulting Services

Stantec Consulting Ltd. was awarded the detailed design of the Kilally Road Infrastructure Project by Council in January, 2022. With the consultant's knowledge and performance during the detailed design phase of the project, the consultant was invited to submit a proposal to carry out the contract administration and construction supervision. Staff have reviewed the fee submission, including the time allocated to each project task, along with hourly rates provided by each of the consultant's staff members. The review of assigned personnel and hourly rates for various activities are in alignment with the original competitive procurement process and with other similar infrastructure assignments. The appointment of Stantec Consulting Ltd. for this phase of work is supported by an approved Limited Tendering process (LT-2026-106).

In accordance with Section 13.3 iii) (a) of the Procurement of Goods and Services Policy, Civic Administration is recommending that Stantec Consulting Ltd be authorized to carry out the remainder of engineering services, as the contract administrator, and complete the project for a fee estimate of \$1,345,253.80 including contingency and excluding HST.

Section 13.3 iii) (a) states:

- iii) where the required Deliverables can only be provided by a particular Supplier, and no alternative or substitute exists for any of the following reasons:
 - (a) competition is absent for technical reasons; including situations where the deliverables are Professional Consulting Services and it is determined, based on documented rational, that only one Supplier is capable of providing the required services due to their unique qualification, specific project knowledge, such that engaging another supplier would not meet project requirements or would lead to inefficiencies, incompatibility, or undue costs.

Staff have confirmed that no reasonable alternative supplier could provide these services without material duplication of professional work, loss of continuity of engineering responsibility, and increased technical, schedule, and financial risk to the City. The construction administration and inspection services are directly dependent on the detailed design prepared by Stantec Consulting Ltd., including interpretation of design intent and fulfillment of professional certification requirements. Engaging another consultant at this stage would require re-validation of the design and transfer of engineering responsibility, resulting in inefficiencies, incompatibility, and undue costs, and would not meet the project requirements. Accordingly, the Limited Tendering approach is justified in accordance with Section 13.3 iii) (a) of the Procurement of Goods and Services Policy, as competition is absent for technical reasons.

3.3 Operating Budget Impacts

Anticipated annual operating costs associated with new additional infrastructure is summarized below:

Service Area	Rationale	Increase in Annual Operating Cost
Road Operations	Additional maintenance required for the expanded road.	\$17,222
Traffic Engineering	Additional maintenance required for the new pedestrian crossing.	\$1,793
Sewer Operations	Operating cost for new storm sewer and sanitary sewer improvements	\$7,165
Water Operations	Water system improvements	\$3,200

The property tax supported operational budget impacts will be addressed as part of the annual assessment growth case process where appropriate, while the additional water and wastewater costs will be addressed in future budget processes.

Conclusion

Improvements to Kilally Road are necessary to improve the transportation and mobility network and accommodate future housing demands. Construction of complete street components such as sidewalks, bike lanes, localized turning lanes, new storm and sanitary sewers and watermain will ensure that the corridor meets the long-term needs of this growing area.

Civic Administration has reviewed the tender bids and recommends that the construction contract for the Kilally Road Infrastructure Project be awarded to J-AAR Civil Infrastructures Limited at the submitted tender price of \$16,909,235.39, including contingency and excluding HST.

Stantec Consulting Ltd. has demonstrated an understanding of the City's requirements for this project, and it is recommended that this firm continue as the consulting engineer for the purpose of contract administration and construction supervision services, as it is in the best financial and technical interest of the City. The contract administration assignment is valued at an upset amount of \$1,345,253.80, including contingency and excluding HST.

Prepared by: Sarah Grady, P.Eng.
Division Manager, Transportation Planning and Design

Submitted by: Doug MacRae, P.Eng., MPA
Director, Transportation & Mobility

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment & Infrastructure

Attach: Appendix A – Sources of Financing Report

c: Vakul Arora, Procurement & Supply
Andrew Denomme, Transportation Planning & Design
Jiten Patel, Transportation Planning & Design
Simon Jeater, Stantec Consulting Ltd.

Appendix "A"

#26059

April 20, 2026
(Contract Award)

Chair and Members
Infrastructure and Corporate Services Committee

RE: RFT-2025-286 and Appointment of Consulting Engineer - Kilally Road Infrastructure Project
(Subledger SWM22001)

Capital Project TS1411 - Kilally -Webster Street to Clarke Road
Capital Project TS144622 - Road Networks Improvements (Main)
Capital Project TS176325 - Bridges Major Upgrades
Capital Project TS180524 - TIMMS-PTIS - Transportation Intelligent Mobility Management System
Capital Project TS406721 - Traffic Signals - MTCE
Capital Project TS165519 - Minor Road Works - Traffic Signals
Capital Project ESBFF002 - BFF - Kilally Road - Webster Street to Clarke Road
Capital Project ESSWM-KILSE - SWMF 1 - Kilally South, East Basin
Capital Project EW3694 - Kilally Road Watermain (A30) Phase 2
J-AAR Civil Infrastructures Limited - \$16,909,235.39 (excluding HST and including Contingency)
Stantec Consulting Ltd. - \$1,345,253.80 (excluding HST and including Contingency)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the recommendation of the Deputy City Manager, Environment and Infrastructure, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Revised Budget	Committed To Date	This Submission	Balance for Future Work
TS1411 - Kilally -Webster Street to Clarke Road					
Engineering	1,500,000	1,500,000	177,593	488,912	833,495
Engineering (Developer Share)	0	27,554	0	27,554	0
Construction	10,245,446	10,245,446	0	6,151,924	4,093,522
Construction (Developer Share)	0	388,232	0	388,232	0
Utilities	1,000,000	1,000,000	396,885	0	603,115
TS1411 Total	12,745,446	13,161,231	574,478	7,056,622	5,530,131
TS144622 - Road Networks Improvements (Main)					
Engineering	1,000,000	1,000,000	807,680	19,093	173,227
Construction	5,669,495	5,669,495	3,659,135	241,913	1,768,447
City Related Expenses	1,146	1,146	1,146	0	0
TS144622 Total	6,670,641	6,670,641	4,467,961	261,007	1,941,673
TS176325 - Bridges Major Upgrades					
Engineering	1,350,490	1,350,490	1,329,533	20,957	0
Engineering (Utilities Share)	46,485	46,485	46,485	0	0
Construction	6,237,865	6,237,865	5,801,958	265,527	170,380
Construction (Utilities Share)	358,638	358,638	358,638	0	0
City Related Expenses	20,000	20,000	13,312	0	6,688
TS176325 Total	8,013,478	8,013,478	7,549,926	286,484	177,068
TS180524 - TIMMS-PTIS - Transportation Intelligent Mobility Management System					
Engineering	13,056	13,056	0	13,056	0
Construction	165,419	165,419	0	165,419	0
Traffic Signals	821,525	821,525	174,925	0	646,600
TS180524 Total	1,000,000	1,000,000	174,925	178,476	646,599
TS406721 - Traffic Signals - MTCE					
Engineering	497,676	497,676	308,593	4,561	184,522
Construction	1,791,995	1,791,995	956,802	57,784	777,409
Traffic Signals	2,616,883	2,616,883	2,447,046	0	169,837
City Related Expenses	1,987	1,987	1,987	0	0
TS406721 Total	4,908,541	4,908,541	3,714,428	62,345	1,131,768
TS165519 - Minor Road Works - Traffic Signals					
Engineering	454,602	454,602	263,736	4,621	186,245
Construction	4,318,380	4,318,380	2,689,708	58,552	1,570,120
Utilities	30,447	30,447	24,422	0	6,025
TS165519 Total	4,803,429	4,803,429	2,977,866	63,173	1,762,390
ESBFF002 - BFF - Kilally Road - Webster Street to Clarke Road					
Engineering	180,358	180,358	0	180,358	0
Construction	2,267,020	2,267,020	0	2,267,020	0
ESBFF002 Total	2,447,378	2,447,378	0	2,447,378	0
ESSWM-KILSE - SWMF 1 - Kilally South, East Basin					
Engineering	1,043,800	1,043,800	606,147	261,893	175,760
Construction	5,757,696	5,757,696	0	3,291,886	2,465,810
Land Purchase	851,247	851,247	0	0	851,247
ESSWM-KILSE Total	7,652,743	7,652,743	606,147	3,553,780	3,492,816
EW3694 - Kilally Road Watermain (A30) Phase 2					
Engineering	750,115	750,115	167,904	429,966	152,245
Construction	5,544,716	5,544,716	229,558	4,367,140	948,018
EW3694 Total	6,294,831	6,294,831	397,462	4,797,106	1,100,263
Total Expenditures	\$54,536,487	\$54,952,272	\$20,463,193	\$18,706,370	\$15,782,709

Appendix "A"

#26059

April 20, 2026
(Contract Award)

Chair and Members
Infrastructure and Corporate Services Committee

RE: RFT-2025-286 and Appointment of Consulting Engineer - Kilally Road Infrastructure Project
(Subledger SWM22001)

Capital Project TS1411 - Kilally -Webster Street to Clarke Road
Capital Project TS144622 - Road Networks Improvements (Main)
Capital Project TS176325 - Bridges Major Upgrades
Capital Project TS180524 - TIMMS-PTIS - Transportation Intelligent Mobility Management System
Capital Project TS406721 - Traffic Signals - MTCE
Capital Project TS165519 - Minor Road Works - Traffic Signals
Capital Project ESBFF002 - BFF - Kilally Road - Webster Street to Clarke Road
Capital Project ESSWM-KILSE - SWMF 1 - Kilally South, East Basin
Capital Project EW3694 - Kilally Road Watermain (A30) Phase 2
J-AAR Civil Infrastructures Limited - \$16,909,235.39 (excluding HST and including Contingency)
Stantec Consulting Ltd. - \$1,345,253.80 (excluding HST and including Contingency)

Sources of Financing	Approved Budget	Revised Budget	Committed To Date	This Submission	Balance for Future Work
TS1411 - Kilally -Webster Street to Clarke Road					
Debenture Quota (Note 1)	1,167,981	1,167,981	0	169,160	998,821
Drawdown from Debt Substitution Reserve Fund	285,000	285,000	65,490	219,510	0
Drawdown from City Services - Roads Reserve Fund (Development Charges) (Note 2)	753,465	753,465	508,988	244,477	0
Debenture Quota (Serviced through City Services - Roads Reserve Fund (Development Charges)) (Note 1 & 2)	10,539,000	10,539,000	0	6,007,690	4,531,310
Other Contributions (Developer Share)	0	415,785	0	415,785	0
TS1411 Total	12,745,446	13,161,231	574,478	7,056,622	5,530,131
TS144622 - Road Networks Improvements (Main)					
Drawdown from Transportation Renewal Reserve Fund	2,453,102	2,453,102	250,422	261,007	1,941,673
Canada Community-Building Fund	4,217,539	4,217,539	4,217,539	0	0
TS144622 Total	6,670,641	6,670,641	4,467,961	261,007	1,941,673
TS176325 - Bridges Major Upgrades					
Drawdown from Transportation Renewal Reserve Fund	4,909,366	4,909,366	4,445,814	286,484	177,068
Canada Community-Building Fund	2,698,989	2,698,989	2,698,989	0	0
Other Contributions (Utilities Share)	405,123	405,123	405,123	0	0
TS176325 Total	8,013,478	8,013,478	7,549,926	286,484	177,068
TS180524 - TIMMS-PTIS - Transportation Intelligent Mobility Management System					
Drawdown from Debt Substitution Reserve Fund	26,670	26,670	4,665	4,760	17,245
Public Transit Infrastructure Stream (PTIS) - Federal Funding	400,000	400,000	69,970	71,390	258,640
Public Transit Infrastructure Stream (PTIS) - Provincial Funding	333,300	333,300	58,303	59,486	215,511
Drawdown from City Services - Roads Reserve Fund (Development Charges) (Note 2)	240,030	240,030	41,987	42,840	155,203
TS180524 Total	1,000,000	1,000,000	174,925	178,476	646,599
TS406721 - Traffic Signals - MTCE					
Capital Levy	4,266,846	4,266,846	3,713,528	62,345	490,973
Drawdown from Capital Infrastructure Gap Reserve Fund	640,795	640,795	0	0	640,795
Other Contributions	900	900	900	0	0
TS406721 Total	4,908,541	4,908,541	3,714,428	62,345	1,131,768
TS165519 - Minor Road Works - Traffic Signals					
Drawdown from City Services - Roads Reserve Fund (Development Charges) (Note 2)	4,803,429	4,803,429	2,977,866	63,173	1,762,390
ESBFF002 - BFF - Kilally Road - Webster Street to Clarke Road					
Federal Grant - Housing Accelerator Fund	447,378	447,378	0	447,378	0
Provincial Grant - Building Faster Fund	2,000,000	2,000,000	0	2,000,000	0
ESBFF002 Total	2,447,378	2,447,378	0	2,447,378	0
ESSWM-KILSE - SWMF 1 - Kilally South, East Basin					
Drawdown from City Services - Stormwater Reserve Fund (Development Charges) (Note 2)	7,652,743	7,652,743	606,147	3,553,780	3,492,816
EW3694 - Kilally Road Watermain (A30) Phase 2					
Drawdown from City Services - Water Reserve Fund (Development Charges) (Note 2)	6,294,831	6,294,831	397,462	4,797,106	1,100,263

Appendix "A"

#26059

April 20, 2026
(Contract Award)

Chair and Members
Infrastructure and Corporate Services Committee

RE: RFT-2025-286 and Appointment of Consulting Engineer - Kilally Road Infrastructure Project
(Subledger SWM22001)

- Capital Project TS1411 - Kilally -Webster Street to Clarke Road
- Capital Project TS144622 - Road Networks Improvements (Main)
- Capital Project TS176325 - Bridges Major Upgrades
- Capital Project TS180524 - TIMMS-PTIS - Transportation Intelligent Mobility Management System
- Capital Project TS406721 - Traffic Signals - MTCE
- Capital Project TS165519 - Minor Road Works - Traffic Signals
- Capital Project ESBFF002 - BFF - Kilally Road - Webster Street to Clarke Road
- Capital Project ESSWM-KILSE - SWMF 1 - Kilally South, East Basin
- Capital Project EW3694 - Kilally Road Watermain (A30) Phase 2
- J-AAR Civil Infrastructures Limited - \$16,909,235.39 (excluding HST and including Contingency)
- Stantec Consulting Ltd. - \$1,345,253.80 (excluding HST and including Contingency)

Total Financing	\$54,536,487	\$54,952,272	\$20,463,193	\$18,706,370	\$15,782,709
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Appendix "A"

#26059

April 20, 2026
(Contract Award)

Chair and Members
Infrastructure and Corporate Services Committee

RE: RFT-2025-286 and Appointment of Consulting Engineer - Kilally Road Infrastructure Project
(Subledger SWM22001)

Capital Project TS1411 - Kilally -Webster Street to Clarke Road
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Capital Project TS180524 - TIMMS-PTIS - Transportation Intelligent Mobility Management System
Capital Project TS406721 - Traffic Signals - MTCE
Capital Project TS165519 - Minor Road Works - Traffic Signals
Capital Project ESBFF002 - BFF - Kilally Road - Webster Street to Clarke Road
Capital Project ESSWM-KILSE - SWMF 1 - Kilally South, East Basin
Capital Project EW3694 - Kilally Road Watermain (A30) Phase 2
J-AAR Civil Infrastructures Limited - \$16,909,235.39 (excluding HST and including Contingency)
Stantec Consulting Ltd. - \$1,345,253.80 (excluding HST and including Contingency)

Financial Note (Engineering):	TS1411	TS144622	TS176325	TS180524	TS406721
Contract Price	\$436,779	\$17,058	\$18,723	\$11,664	\$4,074
Add: Contingency	43,678	1,706	1,872	1,166	407
Total Contract Price Excluding Taxes	480,456	18,763	20,595	12,830	4,482
Add: HST @13%	62,459	2,439	2,677	1,668	583
Total Contract Including Taxes	542,915	21,202	23,272	14,498	5,065
Less: HST Rebate / ITC	-54,003	-2,109	-2,315	-1,442	-504
Net Contract Price	488,912	19,093	20,957	13,056	4,561

Financial Note (Engineering):	TS165519	ESBFF002	ESSWM-KILSE	EW3694	Drewlo
Contract Price	\$4,129	\$161,126	\$233,967	\$310,390	\$22,579
Add: Contingency	413	16,113	23,397	31,039	2,258
Total Contract Price Excluding Taxes	4,541	177,239	257,364	341,429	24,837
Add: HST @13%	590	23,041	33,457	126,914	3,229
Total Contract Including Taxes	5,131	200,280	290,821	468,343	28,066
Less: HST Rebate / ITC	-510	-19,922	-28,928	-38,377	-3,229
Net Contract Price	4,621	\$180,358	\$261,893	429,966	24,837

Financial Note (Engineering):	Sifton	Engineering Total
Contract Price	\$2,469	\$1,222,958
Add: Contingency	247	\$122,296
Total Contract Price Excluding Taxes	2,716	1,345,254
Add: HST @13%	353	257,410
Total Contract Including Taxes	3,069	1,602,664
Less: HST Rebate / ITC	-353	-151,692
Net Contract Price	\$2,716	\$1,450,972

Financial Note (Construction):	TS1411	TS144622	TS176325	TS180524	TS406721
Contract Price	\$5,209,611	\$205,162	\$225,189	\$140,290	\$49,006
Add: Contingency	787,615	30,685	33,681	20,983	7,330
Total Contract Price Excluding Taxes	5,997,226	235,847	258,869	161,272	56,335
Add: HST @13%	779,639	30,660	33,653	20,965	7,324
Total Contract Including Taxes	6,776,865	266,507	292,522	182,237	63,659
Less: HST Rebate / ITC	-624,941	-24,594	-26,995	-16,818	-5,875
Net Contract Price	\$6,151,924	\$241,913	\$265,527	\$165,419	\$57,784

Financial Note (Construction):	TS165519	ESBFF002	ESSWM-KILSE	EW3694	Drewlo
Contract Price	\$49,657	\$1,937,958	\$2,814,064	\$3,733,242	\$311,041
Add: Contingency	7,427	289,852	420,888	558,366	38,918
Total Contract Price Excluding Taxes	57,084	2,227,810	3,234,951	4,291,608	349,959
Add: HST @13%	7,421	289,615	420,544	557,909	45,495
Total Contract Including Taxes	64,505	2,517,425	3,655,495	4,849,517	395,454
Less: HST Rebate / ITC	-5,953	-250,405	-363,609	-482,377	-45,495
Net Contract Price	\$58,552	\$2,267,020	\$3,291,886	\$4,367,140	\$349,959

Financial Note (Construction):	Sifton	Construction Total	Total Award
Contract Price	\$34,017	\$14,709,235	15,932,193
Add: Contingency	4,256	\$2,200,000	2,322,296
Total Contract Price Excluding Taxes	38,273	16,909,235	18,254,489
Add: HST @13%	4,975	2,198,200	2,455,610
Total Contract Including Taxes	43,248	19,107,435	20,710,099
Less: HST Rebate / ITC	-4,975	-1,852,037	-2,003,729
Net Contract Price	\$38,273	\$17,255,398	\$18,706,370

Appendix "A"

#26059

April 20, 2026
(Contract Award)

Chair and Members
Infrastructure and Corporate Services Committee

RE: RFT-2025-286 and Appointment of Consulting Engineer - Kilally Road Infrastructure Project
(Subledger SWM22001)

Capital Project TS1411 - Kilally -Webster Street to Clarke Road
Capital Project TS144622 - Road Networks Improvements (Main)
Capital Project TS176325 - Bridges Major Upgrades
Capital Project TS180524 - TIMMS-PTIS - Transportation Intelligent Mobility Management System
Capital Project TS406721 - Traffic Signals - MTCE
Capital Project TS165519 - Minor Road Works - Traffic Signals
Capital Project ESBFF002 - BFF - Kilally Road - Webster Street to Clarke Road
Capital Project ESSWM-KILSE - SWMF 1 - Kilally South, East Basin
Capital Project EW3694 - Kilally Road Watermain (A30) Phase 2
J-AAR Civil Infrastructures Limited - \$16,909,235.39 (excluding HST and including Contingency)
Stantec Consulting Ltd. - \$1,345,253.80 (excluding HST and including Contingency)

Note 1: Note to City Clerk: Administration hereby certifies that the estimated amounts payable in respect of this project does not exceed the annual financial debt and obligation limit for the Municipality from the Ministry of Municipal Affairs in accordance with the provisions of Ontario Regulation 403/02 made under the Municipal Act, and accordingly the City Clerk is hereby requested to prepare and introduce the necessary by-laws.

An authorizing by-law should be drafted to secure debenture financing for project TS1411 - Kilally-Webster Street to Clarke Road for the net amount to be debentured of \$11,706,981.00

Note 2: Development charges have been utilized in accordance with the underlying legislation and the approved 2019 Development Charges Background Study and the 2021 Development Charges Background Study Update.

Note 3: There will be additional annual operating costs of \$17,222 to Road Operations, \$1,793 to Traffic Engineering, \$7,165 to Sewer Operations and \$3,200 to Water Operations.

Note 4: Negotiations with Drewlo and Sifton confirming their contributions towards this project are ongoing. The cost allocations among the projects will be adjusted accordingly when negotiations are complete. The expenditures have increased to accommodate their anticipated contributions.

Jason Davies
Manager, Financial Planning & Policy
mp

Report to Infrastructure and Corporate Services Committee

To: Chair and Members
Infrastructure and Corporate Services Committee

From: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment and Infrastructure

Subject: Appointment of Consulting Engineers for the Infrastructure
Renewal Program

Date: April 20, 2026

Recommendation

That on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the appointment of consulting engineers for the Infrastructure Renewal Program:

- (a) The following consulting engineers **BE APPOINTED** to carry out consulting services for the identified Infrastructure Renewal Program funded projects, at the upset amounts identified below, in accordance with the estimate on file, and in accordance with Section 13.3 iii) (a) of the City of London's Procurement of Goods and Services Policy:
 - (i) Development Engineering (London) Limited, **BE APPOINTED** consulting engineers to complete the resident inspection and contract administration for the 2026 Infrastructure Renewal Program Edinburgh Street project in accordance with the estimate, on file, at an upset amount of \$342,028.50, including 10% contingency, excluding HST.
 - (ii) Development Engineering (London) Limited, **BE APPOINTED** consulting engineers to complete the resident inspection and contract administration for the 2026 Infrastructure Renewal Program Bridle Path and Country Lane project in accordance with the estimate, on file, at an upset amount of \$413,187.50, including 10% contingency, excluding HST.
- (b) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached, hereto, as Appendix 'A'.
- (c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project.
- (d) the approval given, herein, **BE CONDITIONAL** upon the Corporation entering into a formal contract; and
- (e) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

Executive Summary

The Infrastructure Renewal Program is an annual program that replaces aging infrastructure to ensure an acceptable level of service. The engineering consultants work with city staff to complete the Infrastructure Renewal Program projects to meet the challenging infrastructure lifecycle replacement needs. This report recommends the award of engineering consultant appointments for the resident inspection and contract administration for two projects which are part of the 2026 Infrastructure Renewal Program. The engineering consulting work recommended in this report will support the reconstruction of an estimated \$8,000,000.00 of capital infrastructure.

Linkage to the Corporate Strategic Plan

This recommendation supports the following 2023-2027 Strategic Plan areas of focus:

- Climate Action and Sustainable Growth:
 - The infrastructure gap is managed for all assets.

- London's infrastructure is built, maintained, and secured to support future growth and protect the environment.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Infrastructure and Corporate Services Committee – May 26, 2025, Appointment of Consulting Engineers for the Infrastructure Renewal Program: Round 5, Recommendation a) (iv).
- Civic Works Committee – November 12, 2024, Appointment of Consulting Engineers for the Infrastructure Renewal Program: Round 4, Recommendation a) (ii).

2.0 Discussion and Considerations

2.1 Work Description

The Infrastructure Renewal Program projects include watermain and sewer replacement, as well as restoration of areas disturbed by the construction activity. The scope of each project varies in length and depends on the infrastructure components requiring rehabilitation or replacement. Full road reconstruction will be part of the overall projects.

The following engineering assignments were previously awarded for detailed design and tender preparation. Highlights of the projects include:

- Development Engineering (London) Limited completed the detailed design assignment for Edinburgh Street from Foster Avenue to the east end. This project is the next phase of work in the Oxford Park community and includes lifecycle renewal of existing storm and water infrastructure and complete surface restoration.
- Development Engineering (London) Limited completed the detailed design assignment for Bridle Path, from Kipps Lane to north limit, and Country Lane, from Kipps Lane to Bridle Path. This project will proactively replace water and sewer infrastructure that has significantly deteriorated in condition and requires replacement to ensure reliable service for residents.

All projects are scheduled for construction commencement in 2026 with the construction tenders anticipated to be awarded through the Administrative Approval of Procurement Contract Award (AAPCA), which has an upset limit of \$6 Million. Location maps are provided for each project in Appendix 'B.'

3.0 Financial Impact/Considerations

3.1 Consulting Engineer Services

3.1.1 Construction Administration

Due to the knowledge and positive performance on the detailed design assignments, each consultant was invited to submit a proposal to carry out the resident inspection and contract administration for their project. A summary of the fees is included in Table 1. All values include 10% contingency and exclude HST.

Table 1: Summary of Project Assignments

Assignment	Consultant	Detailed Design Fee	Resident Inspection and Contract Administration Fee	Total Project Fee
Edinburgh Street	Development Engineering (London) Limited	\$235,284.50	\$342,028.50	\$577,313.00
Bridle Path and Country Lane	Development Engineering (London) Limited	\$272,107.00	\$413,187.50	\$685,294.50

Staff have reviewed the fee submissions, including the time allocated to each project task, along with hourly rates provided by each of the consultant's staff members. The submissions were found to be consistent with other project assignments of similar scope. The continued use of the identified consultant on each project for resident inspection and contract administration is of financial advantage to the City because the firm has specific knowledge of the project and has undertaken work for which duplication would be required if another firm were to be selected.

In addition to the financial advantage, there are also accountability and risk reduction benefits. The City requires a Professional Engineer to seal all construction drawings. These 'record drawings' are created based on field verification and ongoing involvement by the Professional Engineer. This requirement promotes consultant accountability for the design of these projects, and correspondingly, reduces the City's overall risk exposure. Consequently, the continued use of the consultant who created and sealed the design drawings is required in order to maintain this accountability process and to manage risk.

In accordance with Section 13.3 iii) (a) of the City of London's Procurement of Goods and Services Policy, civic administration is recommending that the engineering services associated with the resident inspection and contract administration services be awarded to ensure that the City receives the product specified and associated value.

Funds have been budgeted in the Water and Sewer capital budgets to support the engineering work for the projects as identified in Appendix 'A,' 'Sources of Financing.'

Conclusion

Replacing infrastructure at the end of its lifecycle and protecting existing infrastructure is essential to building a sustainable city. The recommended engineering consultant assignments will allow the construction projects to be completed in the best financial and technical interests of the City. All the firms recommended through this engineering consultant appointment have shown their competency and expertise with infrastructure replacement projects of this type. It is recommended that Development Engineering (London) Limited continue as the consulting engineers on their respective projects for the purpose of resident inspection and contract administration services in accordance with Section 13.3 iii) (a) of the City of London's Procurement of Goods and Services Policy.

Prepared by: Aaron Rozentals, P.Eng.
Division Manager, Water Engineering

Submitted by: Ashley Rammeloo, MMSc, P.Eng.
Director, Water, Wastewater, and Stormwater

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment and Infrastructure

cc: D. Gough, C. Liu, K. Chambers, Z. Nsair, A. Dunbar

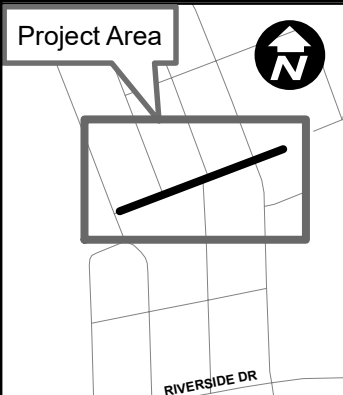
Appendix 'A' – Sources of Financing

Appendix 'B' – Location Maps

APPENDIX 'B'



LOCATION MAP




**Infrastructure Renewal Program
Contract 6**

Edinburgh Street from Foster Avenue to the east end (east of Woodward Avenue)

Map Produced by
the Sewer Engineering
Division
April 9, 2025 CM



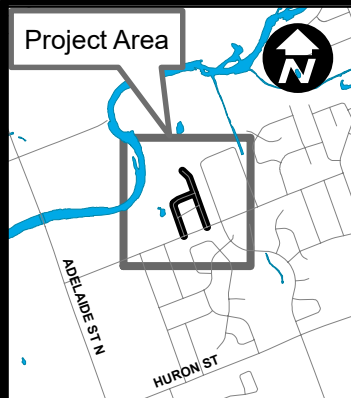
**London
CANADA**
300 Dufferin Avenue,
PO Box 5035
London, Ontario
N6A 4L9
www.London.ca

 Approximate Project Limits

APPENDIX 'B'



LOCATION MAP



2026 Infrastructure Renewal Program

Country Lane from Kipps Lane to Bridle Path
Bridle Path from Kipps Lane to north limit

Map Produced by
the Sewer
Engineering
Division

September 6, 2024 CM



London
CANADA

300 Dufferin Avenue,
PO Box 5035
London, Ontario
N6A 4L9

www.London.ca

Approximate Project Limits

Appendix "A"

#26056

April 20, 2026

(Appointment of Consulting)

Chair and Members

Infrastructure and Corporate Services Committee

RE: Infrastructure Renewal Program

(Subledger WS25C015, WS25C010)

Capital Project ES241425 - Infrastructure Renewal Program - Sanitary Sewers

Capital Project ES254025 - Infrastructure Renewal Program - Stormwater Sewer and Treatment

Capital Project EW376526 - Infrastructure Renewal Program - Watermains

Development Engineering (London) Limited - \$686,560.00 (excluding HST and Contingency)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the recommendation of the Deputy City Manager, Environment and Infrastructure, and the Senior Manager, Procurement and Supply, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Committed To Date	This Submission	Balance for Future Work
ES241425 - Infrastructure Renewal Program - Sanitary Sewers				
Engineering	2,000,000	1,091,650	230,552	677,798
Construction	23,738,049	5,169,106	0	18,568,943
City Related Expenses	25,000	0	0	25,000
ES241425 Total	25,763,049	6,260,756	230,552	19,271,741
ES254025 - Infrastructure Renewal Program - Stormwater Sewer and Treatment				
Engineering	2,000,000	689,961	230,552	1,079,487
Construction	26,238,033	5,783,970	0	20,454,063
City Related Expenses	100,000	0	0	100,000
ES254025 Total	28,338,033	6,473,931	230,552	21,633,550
EW376526 - Infrastructure Renewal Program - Watermains				
Engineering	307,402	0	307,402	0
Construction	23,368,825	3,025,510	0	20,343,315
EW376525 Total	23,676,227	3,025,510	307,402	20,343,315
Total Expenditures	\$77,777,309	\$15,760,197	\$768,506	\$61,248,606

Appendix "A"

#26056

April 20, 2026

(Appointment of Consulting)

Chair and Members

Infrastructure and Corporate Services Committee

RE: Infrastructure Renewal Program

(Subledger WS25C015, WS25C010)

Capital Project ES241425 - Infrastructure Renewal Program - Sanitary Sewers

Capital Project ES254025 - Infrastructure Renewal Program - Stormwater Sewer and Treatment

Capital Project EW376526 - Infrastructure Renewal Program - Watermains

Development Engineering (London) Limited - \$686,560.00 (excluding HST and Contingency)

Sources of Financing	Approved Budget	Committed To Date	This Submission	Balance for Future Work
ES241425 - Infrastructure Renewal Program - Sanitary Sewers				
Capital Sewer Rates	8,038,547	6,260,756	230,552	1,547,239
Drawdown from Sewage Works Renewal Reserve Fund	474,502	0	0	474,502
Canada Community-Building Fund	17,250,000	0	0	17,250,000
ES241425 Total	25,763,049	6,260,756	230,552	19,271,741
ES254025 - Infrastructure Renewal Program - Stormwater Sewer and Treatment				
Capital Sewer Rates	1,000,000	1,000,000	0	0
Drawdown from Sewage Works Renewal Reserve Fund	25,088,033	3,223,931	230,552	21,633,550
Canada Community-Building Fund	2,250,000	2,250,000	0	0
ES254025 Total	28,338,033	6,473,931	230,552	21,633,550
EW376526 - Infrastructure Renewal Program - Watermains				
Capital Water Rates	12,532,232	3,025,510	307,402	9,199,320
Drawdown from Water Works Renewal Reserve Fund	9,718,995	0	0	9,718,995
Canada Community-Building Fund	1,425,000	0	0	1,425,000
EW376526 Total	23,676,227	3,025,510	307,402	20,343,315
Total Financing	\$77,777,309	\$15,760,197	\$768,506	\$61,248,606

Appendix "A"

#26056

April 20, 2026

(Appointment of Consulting)

Chair and Members

Infrastructure and Corporate Services Committee

RE: Infrastructure Renewal Program

(Subledger WS25C015, WS25C010)

Capital Project ES241425 - Infrastructure Renewal Program - Sanitary Sewers

Capital Project ES254025 - Infrastructure Renewal Program - Stormwater Sewer and Treatment

Capital Project EW376526 - Infrastructure Renewal Program - Watermains

Development Engineering (London) Limited - \$686,560.00 (excluding HST and Contingency)

Financial Note: (Edinburgh Street Project)	ES241425 WS25C015	ES254025 WS25C015	EW376526 WS25C015	Edinburgh Street Project Total
Contract Price	\$93,281	\$93,281	\$124,374	\$310,935
Add: Contingency	9,328	9,328	12,437	31,094
Total Contract Price Excluding Taxes	102,609	102,609	136,811	342,029
Add: HST @13%	13,339	13,339	17,785	44,463
Total Contract Price Including Taxes	115,948	115,948	154,596	386,492
Less: HST Rebate	-11,533	-11,533	-15,378	-38,444
Net Contract Price	\$104,415	\$104,415	\$139,218	\$348,048

Financial Note: (Bridle Path and Country Lane Project)	ES241425 WS25C010	ES254025 WS25C010	EW376526 WS25C010	Bridle Path and Country Lane Project Total
Contract Price	\$112,688	\$112,688	\$150,250	\$375,625
Add: Contingency	11,269	11,269	15,025	37,563
Total Contract Price excluding Taxes	123,956	123,956	165,275	413,188
Add: HST @13%	16,114	16,114	21,486	53,714
Total Contract Price including Taxes	140,070	140,070	186,761	466,902
Less: HST Rebate	-13,933	-13,933	-18,577	-46,443
Net Contract Price	\$126,137	\$126,137	\$168,184	\$420,459

Financial Note:	Total
Contract Price	\$686,560
Add: Contingency	68,656
Total Contract Price excluding Taxes	755,216
Add: HST @13%	98,177
Total Contract Price including Taxes	853,393
Less: HST Rebate	-84,887
Net Contract Price	\$768,506

Jason Davies

Manager, Financial Planning & Policy

mp

Report to Infrastructure and Corporate Services Committee

To: Chair and Members
Infrastructure and Corporate Services Committee

From: Kelly Scherr, P. Eng., MBA, FEC, Deputy City Manager
Environment & Infrastructure

Subject: Enterprise Agreement for Geographic Information System
Software

Date: April 20th, 2026

Recommendation

That, on the recommendation of the Deputy City Manager Environment & Infrastructure the following actions **BE TAKEN** with respect to the procurement and extension of the four-year licensing agreement for Geographic Information System (GIS) software from ESRI Canada Inc., to support operational activities in the City of London:

- a) That the limited tendering process **BE APPROVED** for the ESRI Enterprise Agreement at a total price of **\$1,604,000**, HST excluded, noting the agreement sets out payments of:
- **\$329,000.00** for the year 2026;
 - **\$365,000.00** for the year 2027;
 - **\$430,000.00** for the year 2028; and
 - **\$480,000.00** for the year 2029
- in accordance with Section 13.3 iii) and Schedule B (n) of the City of London's Procurement of Goods and Services Policy;
- b) Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary to purchase and implement the four-year agreement(s); and,
- c) That the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

Linkage to the Corporate Strategic Plan

Municipal Council has recognized the importance of excellent service delivery. The continuation of our Enterprise Agreement (EA) is critical to geospatial infrastructure systems and activities at the city and contributes to the Council's Strategic Plan - "Well-Run City" Strategic Area of Focus. The EA will allow for the continued use of GIS technology to assist in the management of corporate assets.

Analysis

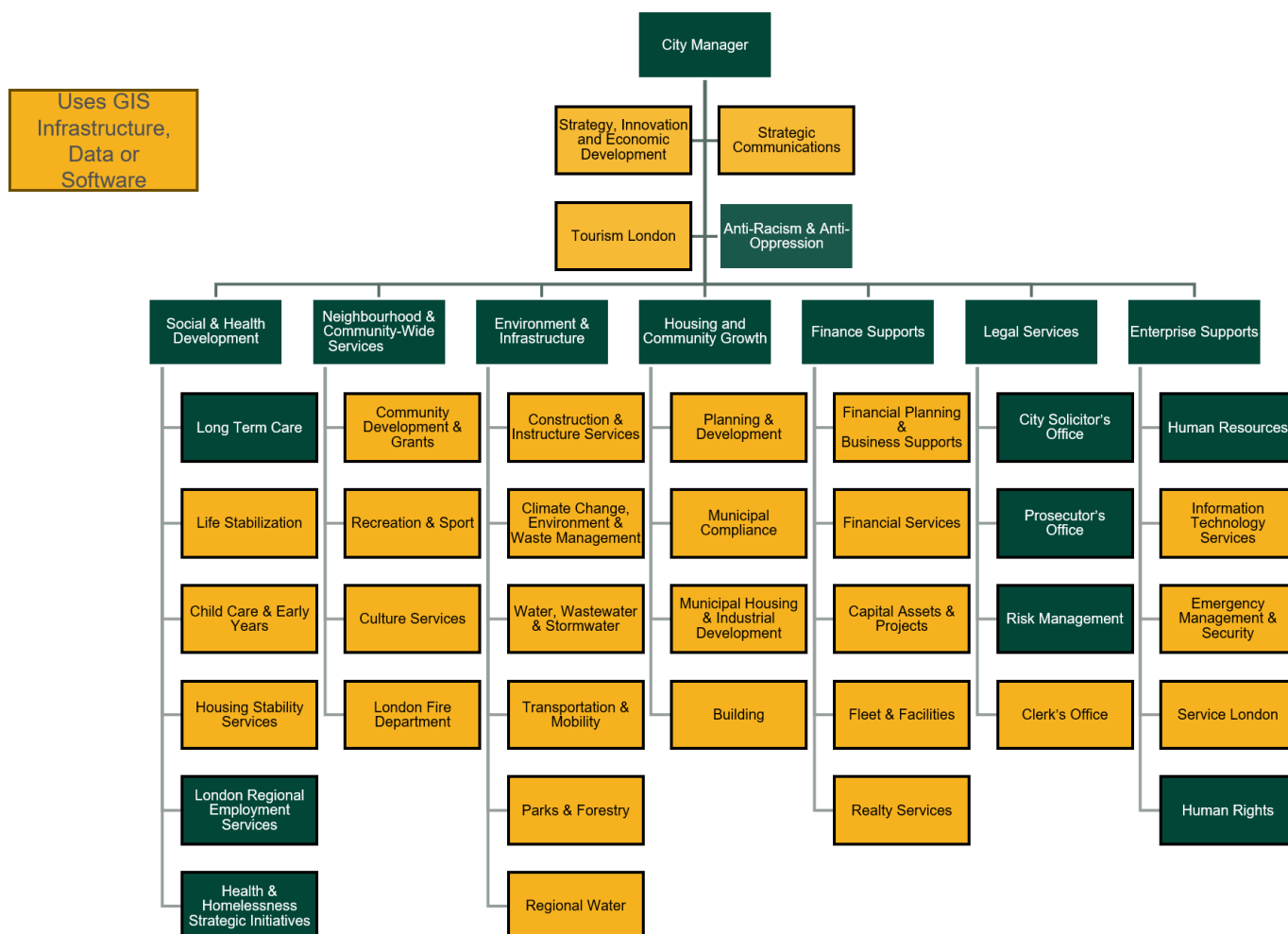
1.0 Background Information

The purpose of this report is to support the renewal and purchase of the four-year Enterprise Agreement from ESRI Canada Inc., which originally commenced in 2014.

ESRI Canada Inc. produces the industry standard ArcGIS and ArcPro software (among many extensions and tools) used for collecting and managing geospatial information. The City of London relies on this software to manage its physical infrastructure such as Water, Sewer, Roads, Urban Forestry, etc. GIS also supports services across the corporation including Planning Applications, Fire Services, Social & Health

Development, Urban Design & Heritage and more. GIS is integrated into many city programs such as Corporate Asset Management (CAM), Computerized Maintenance Management System (CMMS), Customer Relationship Management (CRM), and Open Data. Plus, Police, Fire, and Regional Water benefit from work performed by city employees because of the EA.

There are many GIS software users, and data consumers, across a variety of service areas within the City as indicated below:



It is recognized that EAs are industry municipal standard agreements that provide an economical solution for larger municipal organizations needing access to many different suite products. In context, London entered into its first EA (formerly known as an Enterprise Licensing Agreement) for GIS services with ESRI Canada Inc. in 2014.

2.0 Discussion and Considerations

The proposed EA commits the City to a four-year term for ESRI licenses, with payments made annually in the first quarter. As of mid-2025, ESRI has moved away from its previous unlimited licensing model and updated its licensing structure, combining basic tiers into broader subscription types. The new agreement uses a fixed “unit” model, which offers less flexibility to adjust usage and may be less cost-effective than the previous approach, depending on the City’s needs.

In June of 2025 City staff engaged ESRI Canada Inc. to negotiate the necessary EA including consideration relevant to cost and financial impact affecting the necessary licenses required to maintain the City geospatial programs. To this effect and due to the specialized nature of ESRI’s geospatial technology, and with limited competitors as subject to GIS geospatial software internationally; it is recognized and through

consultation with the City’s Procurement and Legal staff, that a Limited Tendering Process in accordance with Section 13.3 iii) and Schedule B (n) of the City of London’s Procurement of Goods and Services Policy applies.

Geomatics supports the centralized management of ESRI licenses across the organization, which is particularly important under the new fixed “unit” licensing model that reduces flexibility to scale usage up or down. A centralized approach ensures the City can better optimize the use of the set number of licenses, while supporting all divisions that rely on, benefit from, or require GIS applications.

3.0 Financial Impact/Considerations

The following represents the cost breakdown pertaining to the proposed EA:

Fee Installment/Payments	Operating Cost
2026 License	\$329,000.00
2027 License	\$365,000.00
2028 License	\$430,000.00
2029 License	\$480,000.00
Total	\$1,604,000.00

Note: Applicable taxes not included

The licensing costs for the Enterprise Agreement are centralized within the Geomatics Division’s operating budget on behalf of the corporation. This funding approach is recommended to continue. The cost of these services will be accommodated within the adopted 2026 budget, with future years’ budgets adjusted to reflect the contractual costs as outlined in the agreement.

Conclusion

The continuation of the ESRI Enterprise Agreement ensures the City of London maintains access to industry-standard GIS software that is foundational to the delivery of municipal services. This agreement provides enterprise-wide access to critical geospatial tools that support infrastructure management and integrate with key corporate systems enhancing operational efficiency across the corporation.

Prepared by: Jonathon Graham, MPA, L.E.T, Divisional Manager, Geomatics

Submitted by: Jennie A. Dann, P. Eng., Director, Construction & Infrastructure Services

Recommended by: Kelly Scherr, P. Eng., MBA, FEC, Deputy City Manager, Environment & Infrastructure

Cc: Sachit Tatavarti, Legal Counsel
 Dean Thompson, Senior Manager, Applications and Development
 Michelle Masik, Procurement Officer, Finance Supports

Report to Infrastructure and Corporate Services Committee

To: Chair and Members
Infrastructure and Corporate Services Committee

From: Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

Subject: 2025 Year-End Operating Budget Monitoring Report

Date: April 20, 2026

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken with respect to the 2025 Year-End Operating Budget Monitoring Report:

- a) The 2025 Operating Budget Year-End Monitoring Report for the Property Tax Supported Budget, Water Budget, and Wastewater and Treatment Budget **BE RECEIVED** for information. An overview of the corporate positions are outlined below.
 - i) Property Tax Supported Budget surplus of \$18.0 million.
 - ii) Water Rate Supported Budget surplus of \$1.6 million.
 - iii) Wastewater and Treatment Rate Supported Budget surplus of \$4.9 million.It being noted that, after the contributions in recommendations b) and c), the Property Tax, Water, and Wastewater & Treatment Budget surplus will be allocated in accordance with the Council Approved Surplus/Deficit Policy, including an \$11.5 million contribution from the Property Tax Supported Budget surplus to the Operating Budget Contingency Reserve to backfill for the costs of the Temporary Warming Centre Framework and Micro-Modular Shelter Project.
- b) A contribution of \$475,937 to the Social Services Reserve Fund, representing the London Regional Employment Services surplus due to the achievement of contractual performance targets, **BE APPROVED**, it being noted that these funds will be reinvested in the employment services system.
- c) A contribution of \$277,604 to the Affordable Housing Renewal Reserve Fund, representing the net surplus from the 345 Sylvan Street property, **BE APPROVED**, it being noted that these funds will be utilized for future affordable housing lifecycle renewal needs.
- d) The request for RBC Place London to transfer \$300,000 of their \$305,199 year-end operational surplus to their reserves (\$150,000 to the RBC Place London Renewal Reserve Fund and \$150,000 to their Operational Reserve) **BE APPROVED**, it being noted that the remaining \$5,199 surplus will be retained as working capital by RBC Place London (as outlined in the request from RBC Place London in Appendix B).

Note: The reported year-end position is subject to completion of the 2025 financial statement audit.

Executive Summary

This report provides a summary of the 2025 year-end operating results for the Property Tax Supported Budget, the Water Rate Supported Budget and Wastewater and Treatment Rate Supported Budget.

The Property Tax Supported Budget realized a surplus of \$18.0 million. A portion of the surplus, \$0.5 million, as it relates to the London Regional Employment Services, is recommended to be allocated to the Social Services Reserve Fund for future reinvestment in the employment services system. A portion of the surplus, \$0.3 million, as it relates to the 345 Sylvan Street property, is recommended to be allocated to the Affordable Housing Renewal Reserve Fund for future affordable housing lifecycle renewal needs. The remaining surplus is recommended to be

allocated in accordance with the Surplus/Deficit Policy. A portion of the surplus, \$11.5 million, will be retained in the Operating Budget Contingency Reserve to replenish the Reserve for the costs associated with the Temporary Warming Centre Framework, as outlined in the September 29th report to the Community and Protective Services Committee, as well as the estimated costs associated with the micro modular shelters at 3900 Cheese Factory Road as outlined in Mayoral Direction #2025-006. The remaining surplus of \$5.8 million will be allocated in accordance with the Policy Section 4.1.2 c). Table 1 provides a breakdown of the key factors impacting the year-end position and the Surplus/Deficit Policy allocation.

The Water Rate Supported Budget realized a surplus of \$1.6 million at year-end to be allocated in accordance with the Surplus/Deficit Policy. Table 2 provides a breakdown of the key factors impacting the year-end position and the Surplus/Deficit Policy allocation.

The Wastewater and Treatment Rate Supported Budget realized a surplus of \$4.9 million at year-end to be retained, in accordance with the Surplus/Deficit Policy, in the Wastewater Budget Contingency Reserve. Table 3 provides a breakdown of the key factors impacting the year-end position and the Surplus/Deficit Policy allocation.

The Municipal Council approved Surplus/Deficit Policy (<https://london.ca/council-policies/surplusdeficit-policy>) provides for the allocation of any Property Tax, Water, and Wastewater and Treatment year-end surplus, if realized.

Linkage to the Corporate Strategic Plan

Council's 2023 to 2027 Strategic Plan for the City of London identifies 'Well-Run City' as a strategic area of focus. The City of London's Multi-Year Budget development and monitoring is a strategy to align financial resources with Council's Strategic Plan and to maintain London's finances in a transparent, sustainable, and well-planned manner, incorporating intergenerational equity, affordability and environmental, social, and governance considerations. On a semi-annual basis, through the Operating Budget Monitoring Report process, Civic Administration measures the results achieved against approved budgets and recommends appropriate adjustments in line with City policies and practices. This exercise ensures the operating budget is continuously monitored and, if needed, amended to be reflective of the City's Strategic Plan.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Community and Protective Services Committee, meeting on September 29, 2025, Agenda Item 2.3, Proposed Temporary Warming Centre Framework

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=119040>

Infrastructure and Corporate Services Committee, meeting on October 6, 2025, Agenda Item 2.3, 2025 Mid-Year Operating Budget Monitoring Report

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=119089>

Strategic Priorities and Policy Committee, meeting on February 3, 2026, Agenda Item 2.5, Micro-Modular Shelter Site Update (Mayoral Direction #2025-006)

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=121478>

2.0 Discussion and Considerations

Budget monitoring is a key component for the governance and accountability process of the 2024 to 2027 Multi-Year Budget. As part of the Multi-Year Budget for the Corporation of the City of London (the "City"), the budget monitoring and reporting process ensures that Council and the community are provided with the information to understand actual spending against the budget.

Each year Civic Administration will submit two monitoring reports to Council, the Operating Budget Mid-Year Monitoring Report and Operating Budget Year-End Monitoring Report. In addition to these two reporting cycles, once per year the multi-year budget is updated through the Annual Budget Update (refer to **Appendix C** for the budget cycle). The monitoring reports and annual budget updates inform Council and the community of the City’s progress towards achieving the approved multi-year budget targets.

The purpose of this report is to:

- Provide an overview of the financial results of the operating budgets for the Property Tax Supported Budget and Water and Wastewater and Treatment rate supported budgets.
- Provide a summary of emerging issues that may impact the remaining period of the Multi-Year Budget (2026 to 2027).

3.0 Financial Impact/Considerations

3.1 2025 Property Tax Supported Operating Budget Monitoring

The City ended the year with a \$18.0 million surplus position for the Property Tax Supported Budget. Table 1 provides a summary breakdown of the year-end position and Surplus/Deficit Policy allocations.

Table 1 – Property Tax Key Factors Impacting the Year-end Position (\$ millions)

Contributing Factor	Surplus / Deficit	% of Total Gross Budget
Social & Community Support – <ul style="list-style-type: none"> • Personnel savings (\$0.8 million); • Ontario Works net surplus (\$2.9 million) driven primarily by higher than budgeted provincial funding; • Child Care net surplus (\$1.1M) due to one-time provincial subsidies utilized in place of budgeted municipal operator expenditures; • Housing Stability Services net surplus (\$1.5M) due to \$1.7M of additional UHEI & HPP funding (noting this was funding attributed to 2024 calendar expenses originally funded by municipal budget) and \$1.6M surplus related to Municipal Rental Assistance Program (MRAP) benefits from delays in the opening of related affordable housing units, partially offset by \$1.8M of OBCR budgeted draws not required; • London Regional Employment Services surplus (\$0.5M) due to the achievement of contractual performance targets. 	\$6.8 million	
Garbage Recycling & Composting – Higher than budgeted user fees primarily in W12A landfill tipping fees (\$4.3 million), other miscellaneous factors (\$0.3 million).	\$4.6 million	
Corporate Services – Personnel savings (\$2.3 million), utility cost savings (\$1.1 million) from facility energy usage.	\$3.4 million	
By-Law Enforcement & Property Standards – Net higher than budgeted revenues (\$1.9 million), personnel savings (\$0.6 million), and other operational cost overruns (-\$0.3 million)	\$2.2 million	
Roadways – Increased snowfall and freezing rain events compared to previous years resulted in \$7.0 million deficit in plowing, salting and sanding costs of roads and sidewalks, partially offset by higher than anticipated Water and Wastewater recoveries to offset the cost of labour, equipment and materials directed towards water and wastewater work performed, and reduced locate costs.	-\$4.0 million	
All other areas – remaining difference spread amongst all other areas due to various service specific factors	\$5.0 million	
Year-end position	\$18.0 million	1.3%

Contributing Factor	Surplus / Deficit	% of Total Gross Budget
Recommended Allocations (see report section 4.1 below):		
Contribution to the Social Services Reserve Fund (see Recommendation b) above)	\$0.5 million	
Contribution to the Affordable Housing Renewal Reserve Fund (see Recommendation c) above)	\$0.3 million	
Year-end position before application of Surplus/Deficit Policy	\$17.3 million	1.2%
Surplus/Deficit Policy Application:		
Retained in the Operating Budget Contingency Reserve in accordance with Surplus/Deficit Policy section 4.1.2 b) - see report section 4.2 below	\$11.5 million	
Remaining Surplus	\$5.8 million	0.4%
Remaining Surplus/Deficit Policy application - section 4.1.2 c)		
60% contribution to the Debt Substitution Reserve Fund in accordance with Surplus/Deficit Policy section 4.1.2 c) i)	\$3.5 million	
3% contribution to the Community Investment Reserve Fund in accordance with Surplus/Deficit Policy section 4.1.2 c) ii)	\$0.2 million	
17% contribution to the Unfunded Liability Reserve Fund in accordance with Surplus/Deficit Policy section 4.1.2 c) iii)	\$1.0 million	
20% contribution to the Capital Infrastructure Gap Reserve Fund in accordance with Surplus/Deficit Policy section 4.1.2 c) iv)	\$0.0 million	
Contribution to the Debt Substitution Reserve Fund in lieu (Note 1 below)	\$1.1 million	

Subject to rounding.

- 1) As of December 2025, the uncommitted balance in the group of Capital Asset Renewal & Replacement Reserve Funds was higher than the target balance (combined target balance of \$147 million vs. uncommitted balance of \$155 million). As per the Surplus/Deficit Policy, “should any amounts to be contributed under c) iii) and iv) be in excess of the respective reserve fund target, that excess amount shall be allocated under c) i)”, which represents an additional contribution to the Debt Substitution Reserve Fund.

For a breakdown of the surplus/deficit by service grouping, refer to **Appendix A**.

Civic Administration continues to review opportunities for budget right-sizing, informed by budget monitoring projections, and will be bringing forward identified opportunities as a business case in the 2027 Budget Update.

3.2 2025 Water Rate Supported Operating Budget Monitoring

The Water Rate Supported Budget realized a surplus of \$1.6 million. Table 2 provides a summary breakdown of the year-end position and Policy allocations.

Table 2 – Water Rate Supported Key Factors Impacting the Year-end Position (\$ millions)

Contributing Factor	Surplus/ Deficit	% of Total Gross Budget
User Fees – Overall consumption revenues fluctuate due to weather and economic activities	\$2.0 million	
Contribution to Development Charges Exemptions Reserve Fund – Budgeted contribution no longer required	\$0.4 million	
Materials & Supplies – Increase in watermain breaks requiring remediation work	-\$0.4 million	
All other factors	-\$0.4 million	
Year-end position before application of Surplus/Deficit Policy	\$1.6 million	1.5%
Surplus/Deficit Policy Application:		
Remaining Surplus	\$1.6 million	1.5%
Remaining Surplus/Deficit Policy application - section 4.1.2 k)		
60% contribution to the Water Debt Substitution Reserve Fund in accordance with Surplus/Deficit Policy section 4.1.2 k) i)	\$1.0 million	
40% contribution to the Waterworks Reserve Fund in accordance with Surplus/Deficit Policy section 4.1.2 k) ii)	\$0.6 million	

Subject to rounding.

3.3 2025 Wastewater and Treatment Rate Supported Operating Budget Monitoring

The 2025 Wastewater and Treatment Rate Supported Budget realized a surplus of \$4.9 million. Table 3 provides a summary breakdown of the year-end position and Policy allocation.

Table 3 – Wastewater and Treatment Rate Supported Key Factors Impacting the Year-end Position (\$ millions)

Contributing Factor	Surplus/ Deficit	% of Total Gross Budget
Revenues – Driven by higher than anticipated high strength waste surcharges and accounting correction to recognize previously unrecorded receivables for local improvement charges.	\$3.1 million	
Contribution to Development Charges Exemptions Reserve Fund – Budgeted contribution no longer required.	\$2.3 million	
All other factors	-\$0.5 million	
Year-end position before application of Surplus/Deficit Policy	\$4.9 million	3.6%
Contribution to the Wastewater and Treatment Budget Contingency Reserve in accordance with Surplus/Deficit Policy section 4.1.2 f) - see report section 4.3 below	\$4.9 million	
Remaining Surplus	\$0.0 million	0.0%

Contributing Factor	Surplus/ Deficit	% of Total Gross Budget
Remaining Surplus/Deficit Policy application - section 4.1.2 g)		
60% contribution to the Wastewater and Treatment Debt Substitution Reserve Fund in accordance with Surplus/Deficit Policy section 4.1.2 g) i)	\$0.0 million	
40% contribution to the Sewage Works Reserve Fund in accordance with Surplus/Deficit Policy section 4.1.2 g) ii)	\$0.0 million	

Subject to rounding

4.0 Key Issues and Considerations

4.1. Notwithstanding Surplus/Deficit Policy Allocation

London Regional Employment Services

London Regional Employment Services (LRES) realized a surplus in 2025 as a result of provincial Performance Based Funding (PBF) incentives earned across the catchment, reflecting successful outcomes in supporting job seekers to attain and retain employment. This funding is program-generated through the delivery of integrated employment services across the LRES catchment, including the City of London, Middlesex County, St. Thomas-Elgin County, and Oxford County. As the service manager, LRES intends to reinvest these funds into employment services delivery and system improvements that benefit the full catchment. Council approval is required to allocate the \$475,937 surplus to the Social Services Reserve Fund to retain these funds for future use. As part of the 2026 Reserve and Reserve Fund Monitoring and Housekeeping Report, Civic Administration will bring forward a recommended amendment to permit such contributions as part of regular operations in the future.

345 Sylvan Street Affordable Housing

The affordable housing property at 345 Sylvan Street opened in September 2024, providing 42 affordable housing units with tenants selected through the City's centralized waitlist and managed by London Middlesex Community Housing. In 2025, net revenues exceeded budget, resulting in a surplus which is intended to support future lifecycle renewal and maintenance. Council approval is required to allocate the \$277,604 net surplus to the Affordable Housing Renewal Reserve Fund. The intention for all City of London-owned affordable housing developments (Baseline, Thompson and Sylvan) is that any net surpluses generated from these properties will be reinvested in the future lifecycle renewal needs of the properties. As part of the 2026 Reserve and Reserve Fund Monitoring and Housekeeping Report, Civic Administration will bring forward a recommended amendment to permit such contributions as part of regular operations in the future.

4.2. Operating Budget Contingency Reserve contribution

A report was provided to the September 29th meeting of the Community and Protective Services Committee outlining plans for the Temporary Warming Centre Framework to support unhoused individuals for Winter 2025/2026 and Winter 2026/2027. As noted in that report, \$3.6 million was recommended to be drawn from the Operating Budget Contingency Reserve to support that plan.

Additionally, on September 22, 2025, Mayoral Direction #2025-006 was issued, directing Civic Administration to develop a plan to implement a 60-unit micro-modular shelter site in the City of London. Initial cost estimates for this initiative were \$7.0 million, inclusive of one-time capital costs and operating costs through March 31, 2027. Based on actual costs incurred and contracts established, updated estimated costs are approximately \$7.9 million through March 31, 2027.

As per the Surplus/Deficit Policy [4.1.2 (b)] the Deputy City Manager, Finance Supports has authorized that \$11.5 million of the projected property tax supported budget surplus be contributed to the Operating Budget Contingency Reserve to replenish the Reserve for these costs.

4.3. Wastewater and Treatment Budget Contingency Reserve contribution

The Wastewater and Treatment Budget Contingency Reserve is an important tool in maintaining financial flexibility and mitigating unforeseen risks associated with the delivery of wastewater services. The Reserve currently has an uncommitted balance of zero, noting that the Reserve was depleted as a result of back-filling DC exemptions in 2023 and 2024. As per the Surplus/Deficit Policy [4.1.2 (f)] the Deputy City Manager, Finance Supports has authorized that the \$4.9 million surplus be contributed to the Wastewater and Treatment Budget Contingency Reserve.

4.4. 2026 to 2027 Emerging Issues

Several services have identified potential service delivery pressures that may impact expenditures/revenues over the 2026 to 2027 period. This section describes some of the more significant issues and the measures taken to mitigate or address these issues. Civic Administration is continuing to actively monitor all emerging issues, including items not listed below. The likelihood of each issue impacting the Multi-Year Budget is rated as high, medium, or low. The definitions of the likelihood measures are as follows:

- High – the likelihood of the issue occurring over the 2026 to 2027 period is predicted to be greater than 60%
- Medium – the likelihood of the issue occurring over the 2026 to 2027 period is predicted to be between 30% and 60%
- Low – the likelihood of the issue occurring over the 2026 to 2027 period is predicted to be less than 30%

As discussed at the Infrastructure and Corporate Services Committee meeting on March 23, 2026, Civic Administration will endeavour to quantify (where possible) material emerging revenue and expenditure pressures, including but not limited to those outlined below, as part of the 2026 Mid-Year Budget Monitoring reports which are scheduled to be brought forward in September.

Legislative:

1. Corporate Services – Bill 194, Strengthening Cyber Security and Building Trust in the Public Sector Act, 2024 (High Likelihood) – This Bill would introduce new requirements across the public sector regarding cyber security and artificial intelligence, among other items. Since the commencement of recent conflicts globally, cybersecurity events are up. Given this change in risk, a near-term budget request to enhance information security may be required.

What we are doing to mitigate/address the issue: The City is continuing to monitor the progress of Bill 194 through the legislative process and assess financial impacts. As further information becomes available regarding financial impacts, it will be communicated to Council as necessary through the semi-annual monitoring report cycle and/or through Annual Budget Updates.

Cost/Revenue Driver:

1. Municipal Housing & Housing Stability Services (High Likelihood) – Implementation of the Hubs and Highly Supportive Housing from the Whole of Community System Response remains a priority; however no further expansion can occur without additional sources of operating funding.

What we are doing to mitigate/address the issue: At the 2024 Association of Municipalities of Ontario (AMO) Conference, the Hon. Sylvia Jones, Minister of Health, [announced \\$378 million](#) to support 19 treatment and social support hubs for individuals with mental health and substance abuse challenges. The City will continue discussions with the federal and provincial governments to advocate the need for additional funding, while continuing to maximize the use of existing federal and provincial funding for current commitments.

2. Social & Community Support Services (High Likelihood) – Operating costs for agencies delivering services are climbing due to inflation and increasing demand for services. For 2024-26, the City received additional federal Reaching Home funding, which temporarily alleviated the financial pressure to continue to fund the current service levels. Despite Reaching Home

funding commitments being extended by two years (to March 31, 2028), total forecasted expenditures continue to exceed funding allocations beyond March 2027.

What we are doing to mitigate/address the issue: These pressures will be addressed as part of the [Housing Stability Services Procurement Framework brought to Community and Protective Services Committee December 1, 2025](#).

3. Corporate Services – (High Likelihood) – Tariff-related cost pressures have been identified across multiple service areas. For example, in Information Technology Services, product licenses are being affected; in Facilities, tariffs are impacting a broad range of building materials, from major systems such as HVAC to smaller components; and in Fleet Services, the reliance on U.S.-sourced vehicles creates exposure to future tariff impacts, the extent of which remains uncertain. Since the commencement of recent conflicts globally, the impact of volatility in global oil markets presents significant economic and financial risks to Canada and Canadian municipalities. Tariffs and elevated oil prices will lead to higher costs, putting pressure on the operating budget.

Please refer to the 2025 Year-End Capital Budget Monitoring report for further discussion on Trade Policy and the Iran War.

What we are doing to mitigate/address the issue: Administration is pursuing Canadian-sourced alternatives where feasible in order to reduce exposure to tariff-related costs. In areas such as Information Technology, where Canadian options are limited or unavailable, tariff pressures remain a concern. Civic Administration will continue to actively monitor developments related to the Canada / U.S. trade relationship and the Iran War.

Conclusion

The Property Tax Budget ended the year in a \$18.0 million surplus. Of that amount, \$0.5 million is recommended to be allocated to the Social Services Reserve Fund for future reinvestment in the employment services system, \$0.3 million to be allocated to the Affordable Housing Renewal Reserve Fund for future affordable housing lifecycle renewal needs, and \$11.5 million of the surplus will be retained in the Operating Budget Contingency Reserve to replenish the costs associated with the Temporary Warming Centre Framework and micro-modular shelters. The remaining surplus of \$5.8 million is recommended to be allocated in accordance with the Surplus/Deficit Policy allocations.

The Water Budget ended the year in a \$1.6 million surplus and is recommended to be allocated in accordance with the Surplus/Deficit Policy allocations.

The Wastewater and Treatment Rate Supported Budget ended the year in a \$4.9 million surplus and is recommended to be retained in the Wastewater Budget Contingency Reserve in accordance with the Surplus/Deficit Policy.

Prepared by: Andi Demcellari, CPA, Manager, Accounting and Reporting and Martin Galczynski, CPA, CA, CIM, Manager, Financial Planning and Policy

Submitted by: Kyle Murray, CPA, CA, Director, Financial Planning and Business Support

Recommended by: Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

Appendix A – 2025 Year-End Financial Summary

Property Tax Supported Budget (\$Thousands)

Service Grouping	Gross Expenditure Budget ¹	Non-Tax Levy Revenue Budget ¹	Tax Levy (Net) Budget ¹	Year- End Net Actuals	Year-End Surplus/ Deficit (-)
	(A)	(B)	(C = A - B)	(D)	(C - D)
Centennial Hall	862	689	173	180	(7)
Arts, Culture & Heritage Advisory & Funding	2,487	-	2,487	2,484	3
Museum London	2,172	-	2,172	2,172	-
Eldon House	379	-	379	379	-
Heritage	532	-	532	509	23
Library Services	24,738	-	24,738	24,738	-
Economic Development	8,782	1,000	7,782	7,516	266
Community Improvement/BIA	15,924	12,546	3,378	3,271	107
RBC Place London ²	739	-	739	739	-
Tourism & Sports Attraction	2,641	-	2,641	2,641	-
Covent Garden Market	-	-	-	-	-
Kettle Creek Conservation Authority	693	416	277	269	8
Lower Thames Valley Conservation Authority	202	121	81	81	(1)
Upper Thames River Conservation Authority	6,444	3,866	2,578	2,583	(5)
Climate Change & Environmental Stewardship	3,648	755	2,893	2,810	84
Garbage Recycling & Composting	51,015	20,193	30,822	26,190	4,632
Neighbourhood & Recreation Services	41,360	22,575	18,785	19,939	(1,155)
Parks & Urban Forestry	19,858	310	19,549	19,237	312
Building Approvals	12,800	10,859	1,940	950	990
Planning Services	5,098	715	4,383	4,611	(229)
Development Services	8,807	2,841	5,966	4,402	1,565
Animal Services	3,607	1,558	2,049	2,330	(280)
By-law Enforcement & Property Standards	5,510	3,307	2,203	(33)	2,236
Emergency Management & Security Services	6,180	87	6,094	5,597	496
Fire Services	79,528	414	79,113	79,312	(198)
Police Services	199,594	12,893	186,701	186,701	-
Municipal Housing	31,690	16,134	15,555	15,883	(328)
Housing Development Corporation	-	-	-	-	-
London & Middlesex Community Housing	19,046	-	19,046	19,034	12
Long Term Care	33,604	25,947	7,657	7,814	(157)
Land Ambulance	33,283	-	33,283	32,429	853

Service Grouping	Gross Expenditure Budget¹	Non-Tax Levy Revenue Budget¹	Tax Levy (Net) Budget¹	Year- End Net Actuals	Year-End Surplus/ Deficit (-)
	(A)	(B)	(C = A - B)	(D)	(C - D)
Middlesex-London Health Unit	8,019	227	7,792	7,792	-
Social & Community Support Services	344,080	305,803	38,277	31,500	6,777
Parking	4,635	9,009	(4,373)	(2,589)	(1,785)
London Transit Commission	62,971	-	62,971	62,971	-
Roadways	68,198	11,056	57,142	61,170	(4,028)
Rapid Transit	1,876	50	1,826	763	1,063
Corporate Services	80,895	6,559	74,335	70,935	3,400
Corporate Planning & Administration	2,888	20	2,868	2,201	667
Council Services	5,344	181	5,163	5,178	(14)
Public Support Services	13,400	7,125	6,275	4,907	1,368
Financial Management	203,667	57,795	145,873	144,530	1,342
Year-end Position before application of Surplus/Deficit Policy	1,417,195	535,049	882,146	864,127	18,019

Subject to rounding

Note 1: Budgets include housekeeping transfers. As authorized by the Municipal Council approved Multi-Year Budget Policy, Civic Administration can approve transfers between accounts that are considered housekeeping in nature. These adjustments primarily include items that are budgeted centrally, and during the year are distributed to various services.

Note 2: RBC Place London year-end position includes the contributions and surplus retention listed in recommendation d).

Appendix B – RBC Place London Request



Memo

Date: April 10, 2026

To: Infrastructure & Corporate Services Committee, City of London

From: Board of Directors, London Convention Centre Corporation
operating as RBC Place London

Subject: RBC Place London 2025 Operational Results

Recommendation:

Based on the 2025 audited financial statements for RBC Place London, the Board of Directors of the London Convention Centre Corporation operating as RBC Place London recommends transferring \$150,000 of the operational surplus achieved in 2025 to the LCC Corporation Capital Reserve held by the City of London, and \$150,000 to the operational reserve held by RBC Place London.

Background for Recommendation:

2025 in Review:

2025 was another successful year at RBC Place London with a total of 202 events hosted, generating over 13,000 hotel room nights for the community. Total revenue was over \$7.4 million. The estimated direct economic spend of hosted events in 2025 was \$22.5 million.

RBCPL achieved an operational surplus of \$305,199 and the total average score for event experiences completed by organizers topped 97%. With over 106,000 delegates attending events in downtown London, RBCPL contributed to London's economy and added vibrancy to downtown.

RBCPL Capital Reserve and Operational Reserve:

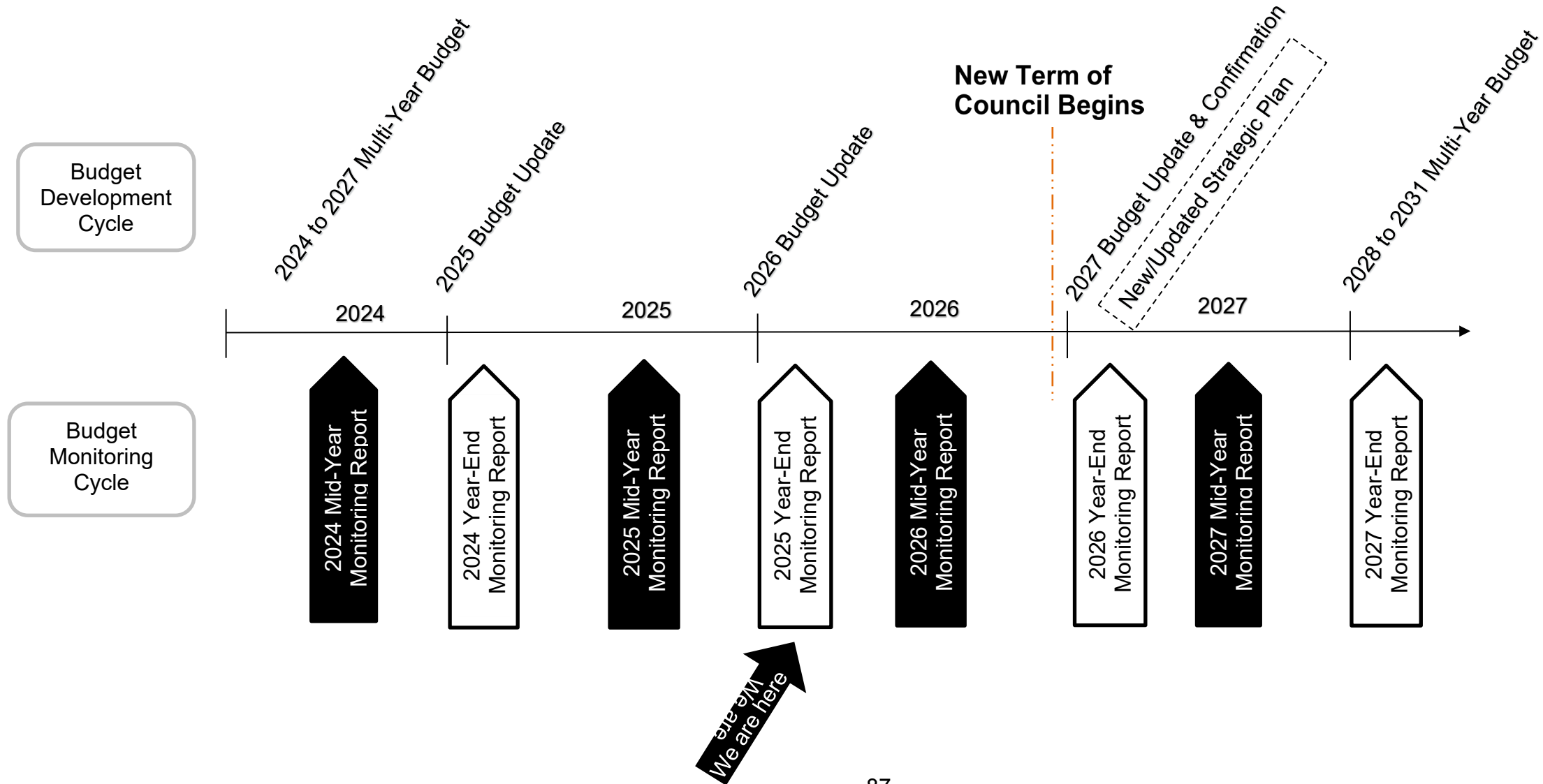
Annually, the corporation's Board of Directors is required to advise Council of the venue's year-end financial results and to request approval to transfer any operational surplus to reserves. The Auditors, KPMG, require written directions of fund transfers from Council to release final audited statements.

The capital reserve, held by the City of London, is supported annually with a City investment which is part of the multi-year base budget. In 2025, the City invested \$739,488 in this reserve. Interest and revenue from the City surface parking lot #15 adjacent RBCPL, also contributed to this reserve.

With established reserves and an operational surplus of \$305,199, The RBCPL Board is recommending transferring \$150,000 of the 2025 surplus to the capital reserve held by the City and \$150,000 to the operational reserve held by RBC Place London, with the remaining \$5,199 retained by RBC Place London.

Appendix C – Multi-Year Budget Cycle

The timeline below illustrates when Council will receive the various reports that form the 2024 to 2027 Multi-Year Budget governance and accountability process.



Memo

Date: April 10, 2026

To: Infrastructure & Corporate Services Committee, City of London

From: Board of Directors, London Convention Centre Corporation
operating as RBC Place London

Subject: RBC Place London 2025 Operational Results

Recommendation:

Based on the 2025 audited financial statements for RBC Place London, the Board of Directors of the London Convention Centre Corporation operating as RBC Place London recommends transferring \$150,000 of the operational surplus achieved in 2025 to the LCC Corporation Capital Reserve held by the City of London, and \$150,000 to the operational reserve held by RBC Place London.

Background for Recommendation:

2025 in Review:

2025 was another successful year at RBC Place London with a total of 202 events hosted, generating over 13,000 hotel room nights for the community. Total revenue was over \$7.4 million. The estimated direct economic spend of hosted events in 2025 was \$22.5 million.

RBCPL achieved an operational surplus of \$305,199 and the total average score for event experiences completed by organizers topped 97%. With over 106,000 delegates attending events in downtown London, RBCPL contributed to London's economy and added vibrancy to downtown.

RBCPL Capital Reserve and Operational Reserve:

Annually, the corporation's Board of Directors is required to advise Council of the venue's year-end financial results and to request approval to transfer any operational surplus to reserves. The Auditors, KPMG, require written directions of fund transfers from Council to release final audited statements.

The capital reserve, held by the City of London, is supported annually with a City investment which is part of the multi-year base budget. In 2025, the City invested \$739,488 in this reserve. Interest and revenue from the City surface parking lot #15 adjacent RBCPL, also contributed to this reserve.

With established reserves and an operational surplus of \$305,199, The RBCPL Board is recommending transferring \$150,000 of the 2025 surplus to the capital reserve held by the City and \$150,000 to the operational reserve held by RBC Place London, with the remaining \$5,199 retained by RBC Place London.

Report to Infrastructure and Corporate Services Committee

To: Chair and Members
Infrastructure and Corporate Services Committee

From: Anna Lisa Barbon, CPA, CGA, Deputy City Manager,
Finance Supports

Subject: 2025 Year-End Capital Budget Monitoring Report

Date: April 20, 2026

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken with respect to the 2025 Year-End Capital Budget Monitoring Report:

- A) the 2025 Year-End Capital Budget Monitoring Report **BE RECEIVED** for information, it being noted that the life-to-date capital budget represents \$4.4 billion with \$2.5 billion committed and \$1.9 billion uncommitted;
- B) the status updates of active 2022 life-to-date capital projects (2022 and prior) having no future budget requests, attached as Appendix “B”, **BE RECEIVED** for information;
- C) the following actions be taken with respect to the completed capital projects identified in Appendix “C”.
 - i) the capital projects included in Appendix “C”, with net surplus funding of \$990 thousand, **BE CLOSED**;
 - ii) the following actions be taken with respect to the funding associated with i), above:

Rate Supported

- a) pay-as-you-go funding of \$442 thousand **BE TRANSFERRED** to capital receipts;
- b) authorized but unissued debt financing of \$191 thousand **BE RELEASED** from the capital budget;
- c) uncommitted reserve fund drawdowns of \$90 thousand **BE RELEASED** back into the reserve funds which originally funded the projects;

Non-Rate Supported

- d) uncommitted reserve fund drawdowns of \$159 thousand **BE RELEASED** back into the reserve funds which originally funded the projects;
- e) other net non-rate supported funding adjustments of \$108 thousand **BE APPROVED** in order to facilitate project closings.

Executive Summary

This report provides a summary of the results related to the 2025 capital budget for the Property Tax Supported Budget, the Water Rate Supported Budget, and the Wastewater and Treatment Rate Supported Budget.

At the end of 2025 the City’s life-to-date capital budget stood at \$4.4 billion; \$2.5 billion (56.8%) is committed to capital work, while \$1.9 billion (43.2%) remains uncommitted. At the end of the year, 205 discrete contract awards worth \$305.8 million were awarded; 75 by Council and 130 by Civic Administration (Appendix “A”). These awards contributed to total capital spending of \$422.8 million in 2025.

In addition to the update provided on the status of the City’s capital budget, the capital monitoring process reviews and evaluates the status of each active capital project. This

report identifies capital projects with budgets greater than three years old that have no future budget requests (Appendix “B”). These projects have a high likelihood of being closed in future iterations of this report. This report recommends closing 67 capital projects with a total budget value of \$141.4 million (Appendix “C”). Per policy, if approved, the closing of completed capital projects will return a total of \$990 thousand back to their original rate and non-rate sources of financing.

The relatively small amount of net surplus funding in this monitoring report is a result of the significant work undertaken by Civic Administration to close projects and release excess budgets as part of the 2025 Mid-Year Capital Monitoring Report. This previous effort substantially cleaned up many capital projects and released meaningful amounts of potentially idle capital funding. As a result, several future year Capital Monitoring reports may have fewer capital projects to close and surplus funds to release.

This report also provides a summary of the City’s debt, key capital budget financing strategies, and emerging issues that may impact the capital budget.

Linkage to the Corporate Strategic Plan

Council’s 2023 to 2027 Strategic Plan for the City of London identifies “Well-Run City” as one of eight strategic areas of focus. The City of London’s Multi-Year Budget development and monitoring processes align the City’s financial resources with Council’s Strategic Plan and maintain London’s finances in a transparent, sustainable, and well-planned manner, incorporating intergenerational equity, affordability and environmental, social, and governance considerations. On a semi-annual basis, through the Capital Budget Monitoring Report process, Civic Administration scrutinizes each capital project’s life-to-date approved budget against its realized expenditures and recommends appropriate action in line with City policies and practices. This exercise ensures the capital budget is continuously monitored and, if needed, funding released which can be used elsewhere to implement the City’s Strategic Plan.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Infrastructure and Corporate Services Committee, October 6, 2025, meeting, Agenda Item 2.4, 2025 Mid-Year Capital Budget Monitoring Report
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=119091>

Infrastructure and Corporate Services Committee, April 30, 2025, meeting, Agenda Item 2.5, 2024 Year-End Capital Budget Monitoring Report
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=115715>

1.2 Source of Financing Terminology Defined

Within this report the terms “rate supported” and “non-rate supported” are used when referring to the sources of financing that support the City’s capital budget. Rate supported refers to property tax, and water and wastewater utility rate sources of financing (e.g., capital levy, water rates, reserve funds, debt). Non-rate supported refers to sources of financing primarily supported by development charges (DC) and in some cases contributions from parties external to the Corporation of the City of London (e.g. non-tax supported reserve funds (e.g. golf), DC reserve funds, DC debt, other government funding, third party contributions, etc.).

2.0 Discussion and Considerations

2.1 United States of America Trade Policy & Iran War Impacts

Trade Policy

On January 20, 2025, the United States of America introduced the America First Trade Policy Memo outlining its priorities under the new Administration. Since the initial announcement, a period of tumultuous back and forth tariffs has ensued, causing significant levels of uncertainty in the Canada / U.S. trade relationship. This uncertainty persists even after most of the Canadian counter-tariffs have been removed as of this writing.

Iran War

On February 28, 2026, the United States and Israel began a coordinated offensive against Iran. The conflict quickly expanded beyond the borders of Iran. The effective closure of the Strait of Hormuz has created one of the largest oil supply disruptions in the history of the global oil market; causing a severe global economic shock.

The shifting U.S. stance on international trade and the resultant impacts of the Iran War on the global oil market present significant economic and financial risks to Canada and Canadian municipalities, with the exact financial and economic toll difficult to determine.

Tariffs and elevated oil prices will lead to higher costs for raw materials, such as steel, aluminum, asphalt, and other goods and services required for municipal infrastructure projects, putting pressure on both capital budgets and the City's various capital budget funding sources.

Impact on the 2027 Budget

As long as these geopolitical uncertainties remain, there may be impacts to the development of the 2027 Budget Update and future budget processes. Civic Administration has several tools at its disposal to help combat cost increases, if required:

1. **Life-to-Date Capital Budgets and Re-prioritizing Capital Work** – Civic Administration will continue to review its existing capital plans and re-prioritize capital work, as necessary. This ensures that the most necessary projects are being completed, and that existing, previously approved capital funding is used in the most efficient manner.
2. **Manage the Scope of Projects** – Civic Administration will continue to closely monitor the scope of prioritized capital works being tendered to ensure expenditures are only of the most necessary nature.
3. **Reserves and Reserve Funds** – The City of London maintains over eighty reserves and reserve funds with dedicated uses, many of which provide for the construction and maintenance of capital works. Where applicable, these funds can be used to address needs prior to the 2028 to 2031 Multi-Year Budget. That said, a significant portion (44.5%) of the City's 2024 to 2027 Capital Plan is supported by reserve funds, either obligatory or discretionary, that did not consider the impact of tariffs or global oil market shocks on the City's 2024 to 2027 Capital Budget of \$1.7 billion. In 2025, annual capital spending surpassed \$422 million on everything from roads, to vehicles and equipment, to affordable housing. If cost pressures on capital projects lead to increased drawdowns from the City's reserve funds, increased tax supported reserve fund contributions, and ultimately property tax increases to maintain adequate reserve fund balances, could result.

Non-tax supported reserve funds (i.e. Development Charge (DC) Reserve Funds) would require increased contributions via future DC rates; rates that will not be reassessed in whole until the next iteration of the DC Background Study in 2028. This represents added pressure on the DC reserve funds, compounding the impact of DC revenues vastly underperforming forecasts due to lower than projected revenues for the last few years. Reserve and reserve fund balances are key contributors to the City's Aaa credit rating.

4. **Available Debt Financing** – The City of London adheres to a strict internal debt cap with respect to financing its capital programs. Debt financing remains an option when used appropriately in accordance with the City's

financial policies and principles, noting that debt levels are also a key contributor to the City's Aaa credit rating assigned by Moody's.

Civic Administration will continue to actively monitor developments related to the Canada / U.S. trade relationship and the Iran War and will provide updates as greater clarity is obtained. Prior to the next Multi-Year Budget, should budget changes be required, these adjustments would be included in future capital budget requests via the 2027 Annual Budget Update or via the regular Council committee meeting cycle.

2.2 2025 Life-To-Date Capital Budget Activity and Revisions

As a year progresses, reports are presented to Council to approve major contract awards and proceed with capital projects. Each report includes a Source of Financing document (SofF) attached as an appendix. Most awards are within the approved capital budget, but some awards require budget adjustments as detailed in the SofF. Budget adjustments may also result from the application of assessment growth funding, receipt of senior government funding and other revenue sources such as insurance proceeds and private drain connections, etc.

Other capital project awards proceed under administrative authority granted by the Procurement of Goods and Services Policy; details on these approvals are provided in the reporting from the Purchasing and Supply Division.

Table 1 summarizes the 2025 life-to-date capital budget adjustments by Tax Supported, Wastewater and Treatment, and Water budgets. Appendix "A" provides details on the source of these adjustments.

Table 1 – 2025 Capital Budget Life-To-Date Revisions as of December 31, 2025 (\$Thousands)

Budget	2025 Life-to-Date Approved Budget (as of January 1, 2025)	2025 Council Budget Adjustments	2025 Administrative Budget Adjustments	2025 Life-to-Date Approved Budget (as of December 31, 2025)
Tax Supported	3,118,652	-100,923	16,736	3,034,465
Wastewater	1,010,054	-14,112	633	996,575
Water	403,830	-2,565	0	401,265
Total	4,532,536	-117,600	17,369	4,432,305

Subject to rounding.

Table 1 Note:

(1) Negative value associated with releases from the 2024 Year-End and 2025 Mid-Year Capital monitoring report Appendix "D".

As of December 31, 2025, there were 205 discrete contract awards worth \$308.8 million (75 were awarded by Council and 130 were awarded administratively). Table 2 summarizes the 2025 contract awards by Tax Supported, Wastewater and Treatment, and Water budgets. Appendix "A" provides details on all Council approved contract awards.

Table 2 – 2025 Capital Budget Contract Awards as of December 31, 2025 (\$Thousands)

Budget	Council Approved Contract Awards	Administration Approved Contract Awards	Total Awards
Tax Supported	144,928	49,234	194,162
Wastewater	63,506	25,980	89,486
Water	12,793	12,376	25,169
Total	221,227	87,591	308,818
Number of Contract Awards	75	130	205

Subject to rounding.

2.3 2025 Life-To-Date Capital Budget Status

A summary of the 2025 life-to-date capital budget, including the committed and uncommitted amounts, is summarized in Table 3. This information is essential for budget monitoring to ensure that spending is being managed within the approved budget.

Table 3 – 2025 Life-To-Date Capital Budget Details as of December 31, 2025 (\$Thousands)

Budget	Classification	Approved Budget ¹	Actual and Commitments ²	Uncommitted to Date ²	Percent Committed
Tax Supported	Lifecycle	685,448	442,250	243,197	64.5%
Tax Supported	Growth	1,359,733	753,763	605,969	55.4%
Tax Supported	Service Improvement	989,284	327,847	661,437	33.1%
Tax Supported	Sub-Total	3,034,465	1,523,861	1,510,604	50.2%
Wastewater	Lifecycle	379,393	283,004	96,389	74.6%
Wastewater	Growth	391,213	229,198	162,015	58.6%
Wastewater	Service Improvement	225,969	182,564	43,405	80.8%
Wastewater	Sub-Total	996,575	694,767	301,808	69.7%
Water	Lifecycle	273,209	223,254	49,955	81.7%
Water	Growth	115,124	68,851	46,273	59.8%
Water	Service Improvement	12,932	6,682	6,250	51.7%
Water	Sub-Total	401,265	298,786	102,479	74.5%
City	Total	4,432,305	2,517,414	1,914,891	N/A
City	Percentage of Total	100.0%	56.8%	43.2%	N/A

Subject to rounding.

Table 3 Notes:

(1) Totals are for active projects only. Projects approved to be closed during the 2025 Mid-Year Capital Monitoring Reports are deducted from this table.

(2) Once a capital project has an approved budget, spending or commitments may not be made for several years, for example, longer term projects like multi-purpose recreation centres.

At the time of writing, no capital projects were identified as being at risk of being over budget.

However, as noted above, the current tariff and Iran War situations are fluid, which could have significant impacts on other project costs. Civic Administration will continue to monitor these developments and report back as needed.

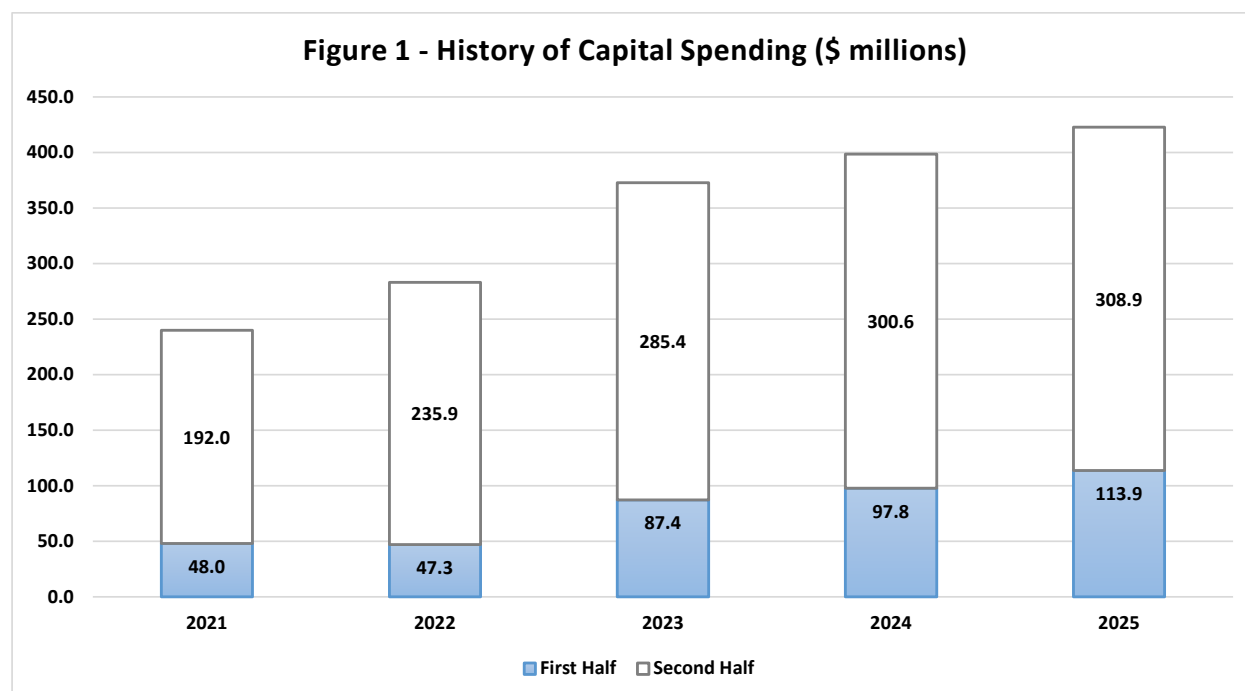
Appendix “B” contains a status update for capital projects with budgets greater than three years old (2022 and prior) that have no future budget requirement. These capital projects would be considered as having a high likelihood for closure, it being noted that projects recommended to be closed are contained in Appendix “C” (see Section 2.5 of this report).

2.4 Capital Cash Flow

Capital spending each year is not the same as the capital budget for that year. Spending on capital projects can extend several years after the budget is approved by Council. Spending within a given year is therefore a layering of several capital projects approved in various years and at various stages. Total capital spending tends to be greater during the latter part of the year as construction invoices are received, approved, and paid. This information is important for the timing of debt issuances, reserve fund drawdowns and cash flow management decisions.

As of December 31, 2025, **total capital spending was \$422.8 million** compared to \$398.4 million in 2024 (Figure 1).

Figure 1 – Recent History of Capital Spending (\$Millions)



2.5 Completed (Closed) Capital Projects

Civic Administration continues to undertake reviews to close capital projects in a timely manner to ensure the life-to-date capital budget is accurately stated and savings, if any, are returned to their original funding source for future budget utilization. As a result of these reviews, this report recommends closing 67 projects with a total budget value of \$141.4 million. The completed projects that are recommended to be closed were under budget by \$990 thousand. The rate and non-rate source of financing impacts of closing the completed capital projects are summarized in Table 4 and Table 5. For a detailed listing of each completed capital project please refer to Appendix “C”. The relatively small amount of net surplus funding in this monitoring report is a result of the significant work completed by Civic Administration in the 2025 Mid-Year Capital Monitoring Report to close projects and release excess budgets. This previous effort substantially cleaned up many capital projects and released meaningful amounts of potentially idle capital funding. These releases, in conjunction with higher capital spending result in less

surplus when projects are eventually closed. As a result, several Capital Monitoring report iterations to come may have fewer capital projects to close and surplus funds to release.

Table 4 – Completed Capital Projects Rate Supported Sources of Financing to be Released (\$Thousands)

Budget	Capital Levy	Debt	Reserve Funds	Total
Tax Supported	442.3	191.3	121.1	754.7
Wastewater	0.0	0.0	-31.5	-31.5
Water	0.0	0.0	0.0	0.0
Total	442.3	191.3	89.6	723.2

Table 5 – Completed Capital Projects Non-Rate Supported Sources of Financing to be Released (\$Thousands)

Budget	Reserve Funds	Debt	Other ¹	Total
Tax Supported	159.3	0.0	107.7	267.0
Wastewater	0.0	0.0	0.0	0.0
Water	0.0	0.0	0.0	0.0
Total	159.3	0.0	107.7	267.0

Subject to rounding.

Table 5 Notes:

(1) Represents non-City funding sources such as proceeds from external contributors as well as reallocation of other government grants such as the Canada Community-Building Fund.

The 2025 year-end capital project close-out exercise will release a net total of \$249 thousand of uncommitted reserve fund financing back to those specific funds. The details of these releases are outlined in Table 6 and 7.

Table 6 – Completed Capital Projects Rate Supported Reserve Fund Drawdowns to be Released (\$Thousands)

Reserve Fund	Amount
Capital Infrastructure Gap Reserve Fund	5.8
Debt Substitution Reserve Fund	75.1
Operating Efficiency, Effectiveness and Economy Reserve	2.7
Sump Pump, Sewage Ejector and Storm PDC Grant Program Reserve Fund	-31.5
Urban Forestry Renewal Reserve Fund	37.5
Total Tax/Rate Supported Reserve Fund Impacts	89.6

Table 7 – Completed Capital Projects Non-Rate Supported Reserve Fund Drawdowns to be Released (\$Thousands)

Reserve Fund	Amount
City Services Parks and Recreation Reserve Fund	136.9
Golf Course Reserve Fund	22.4
Total Non-Tax/Rate Supported Reserve Fund Impacts	159.3

Subject to rounding.

2.6 Capital Budget Housekeeping Adjustments

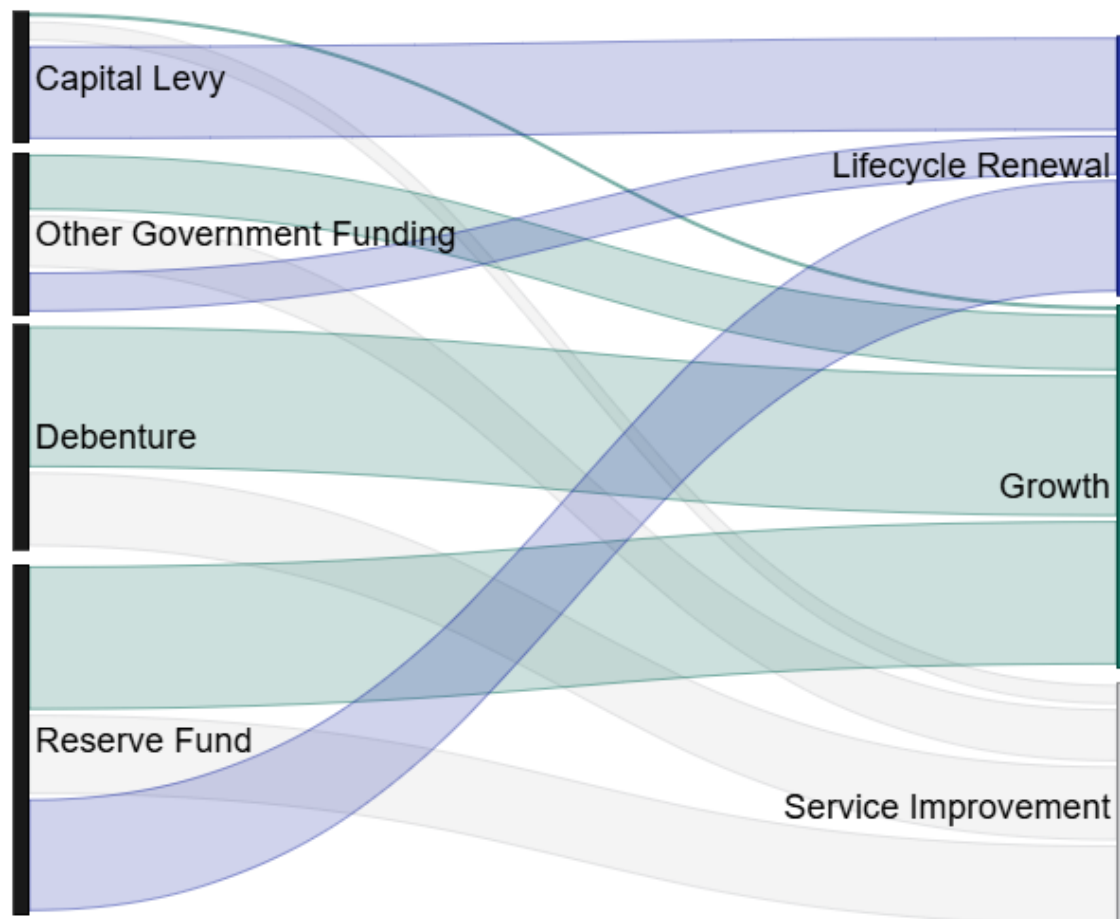
On September 24, 2024, Council approved the updated Multi-Year Budget Policy. Included in the policy is authorization for the City Treasurer or designate to make budget adjustments considered “housekeeping” in nature. Reporting housekeeping budget adjustments of significance through the budget monitoring process, which occurs twice per year, allows more timely disclosure of capital budget adjustments to Council and the community, better reflects operational requirements, and keeps the capital budget in a more current state.

Furthermore, this practice results in the timely release of funding back to the original source of the financing (capital receipts, reserve funds, debt, etc.), making it available for future budget approvals and reducing future budget requests for additional financing. For the 2025 Year-End Report there **are no housekeeping adjustments identified.**

2.7 Capital Budget Financing Strategies - Overview

The City of London allocates its sources of financing using the strategies outlined in the City of London’s Strategic Financial Framework as well as the Capital Budget and Financing Policy. A summary of how each source of financing is intended to be used and applied can be found in the sections below. Figure 2 depicts how the City’s \$4.4 billion life-to-date capital budget is currently funded, broken out by capital budget classification.

Figure 2 – Capital Source of Financing Sankey Diagram by Classification



2.7.1 Capital Budget Financing Strategies – Capital Levy

The overarching capital financing strategy for capital levy, also referred to as “pay-as-you-go” financing, is to first apply this funding source to lifecycle renewal capital budgets as the purpose of projects in this classification is to maintain existing infrastructure. An administrative target was previously set to eliminate debt financing on lifecycle renewal projects. In 2025 the administrative target of 0% debt financing for lifecycle renewal projects continues to be maintained, meaning lifecycle renewal projects are completely financed from a combination, based on need and affordability, of capital levy, funding from other levels of government (e.g. Canada Community-Building Fund), and drawdowns from the City’s Capital Asset Renewal and Replacement reserve funds.

2.7.2 Capital Budget Financing Strategies – Reserve Funds

Obligatory reserve funds are primarily used as a source of financing for growth projects. Discretionary reserve funds are primarily used as a source of financing for lifecycle renewal and service improvement projects where appropriate reserve funds and sufficient balances exist.

Obligatory and discretionary reserve funds are categorized as follows:

OBLIGATORY

- 1) **City Services Development Charges (DC)** – dictated by the DC by-law.
- 2) **Parkland** – cash-in-lieu of parkland dedication through the Parkland Conveyance and Levy By-law (CP-9) according to the Planning Act (Section 51.1).
- 3) **Canada Community-Building Fund** – previously known as Federal Gas Tax, funds received under the Municipal Funding Agreement for Transfer of Canada Community-Building Fund Revenues.

DISCRETIONARY

- 1) **Capital Asset Renewal and Replacement** – to support renewal and replacement of existing assets.
- 2) **Capital Asset Growth** – to support Development Charges incentive programs and Industrial Land Development Strategy.
- 3) **Specific Projects and New Initiatives** – to support specific planned projects (e.g., economic development, affordable housing, community improvement grants and loans).
- 4) **Contingencies/Stabilization and Risk Management** – to provide contingency funding for specific risk areas.

Obligatory and discretionary reserve funds are controlled by municipal by-laws and the City's Council Approved Reserve and Reserve Fund Policy.

Civic Administration provides three separate annual reports on the status of the various reserves and reserve funds that are held. These reports are typically provided in the late spring / early summer period and include:

- Reserve and Reserve Fund Monitoring and Housekeeping Report
- Annual Report on Development Charges Reserve Funds and Development Charges Monitoring (legislated)
- Parkland Reserve Fund Annual Financial Statement (legislated)

2.7.3 Capital Budget Financing Strategies – Debt

The City of London has several principles and policies that outline its financial parameters regarding debt. Moody's, the City's credit rating agency, reaffirmed the City's Aaa credit rating in 2025 and had the following comments related to debt management:

“Even though Canadian Municipalities' revenue structure and high level of operating expense tend to not favour funding capital needs from operations, London has successfully oriented its budget process to minimize debt needs while still implementing necessary capital projects. [...] The low debt burden is propelled by conservative debt policies that the city employs...”

These comments endorse the following Council prioritized debt principles and policies.

- The City's **Strategic Financial Framework** outlines the general principles as it relates to debt management for the City of London. Debt Management Principles – Section F: https://london.ca/sites/default/files/2023-10/Strategic%20Financial%20Framework_0.pdf.

- The **Debt Management Policy** formalizes specific debt policy based on the general principles in the Strategic Financial Framework (<https://london.ca/council-policies/debt-management-policy>).
- The **Surplus/Deficit Policy** includes provisions to allocate 60% of year-end surplus to reduce future debt (<https://london.ca/council-policies/surplusdeficit-policy>)
- The **Assessment Growth Policy** similarly includes provisions to allocate 50% of surplus assessment growth in excess of eligible growth costs to reduce future debt (<https://london.ca/council-policies/assessment-growth-policy>).

Civic Administration also provides several reports each year on the status of the City’s debt. These reports each have their own independent cycles upon which the information contained within them is refreshed. These reports, representing best available information at the time of this report, are summarized below.

- **Annual Budget Update** provides debt forecasts that are updated annually as part of budget development. Updated debt figures were presented in the 2026 Annual Budget Update. The 2026 Annual Budget Update can be found at the following link: <https://london.ca/government/property-taxes-finance/municipal-budget/annual-budget-update>.
- **Capital Budget Monitoring Report** provides the most up-to-date picture of the City’s debt financing semi-annually. The semi-annual Operating Budget Monitoring reports also highlight forecasts/actuals as it relates to the amount of surplus to be allocated to reducing future debt. Please see Table 8 below for the 2025 Year-End update on debt.
- **Debt Issuance Authorization** and subsequent **Debt Issuance Approval** reports (annual) – The 2026 Debt Issuance Authorization report was presented at the Infrastructure and Corporate Services Committee on March 23, 2026, and subsequent update report will be provided on April 27, 2025. These reports highlight recent history of debt issuances, capital projects currently being issued on, and prevailing market conditions. For a complete example of both reports please refer to the following links for the 2026 Authorization and the 2025 Fall Approval reports.

2026 Debt Issuance Authorization Report: <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=122638>

2025 Fall Debt Issuance Approval Report: <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=119092>

A summary of the projected debt levels for 2025 life-to-date capital budget is detailed in Table 8.

Table 8 – 2025 Debt Level as of December 31, 2025 (\$Thousands)

Category	Dec 31,2024	Issued in 2025	Retired in 2025	Dec 31, 2025 ⁽¹⁾	Authorized 2025 ⁽⁴⁾	Total Potential
Property Tax Levy Supported	91,756		18,208	73,548	491,555	565,103
City Services Reserve Funds (DC’s)	26,359	20,053	4,645	41,766	255,876	297,642
Other ⁽²⁾	-	21,671	-	21,671		21,671
Total Tax Supported	118,114	41,724	22,853	136,985	747,431	884,416
Water Rate Supported	-	-	-	-	-	-

Category	Dec 31, 2024	Issued in 2025	Retired in 2025	Dec 31, 2025 ⁽¹⁾	Authorized 2025 ⁽⁴⁾	Total Potential
City Services Reserve Funds (DC's)	-	-	-	-	-	-
Total Water	-	-	-	-	-	-
Wastewater Rate Supported	11,184	6,147	3,452	13,879	45,972	59,850
City Services Reserve Funds (DC's)	55,356	-	9,842	45,515	33,701	79,216
Total Wastewater & Treatment	66,540	6,147	13,294	59,393	79,673	139,066
Total	184,654	47,871	36,147	196,378	827,104	1,023,482

Subject to rounding.

Table 8 Notes:

(1) Outstanding debt level is subject to completion of 2025 financial statement audit.

(2) Debt issued through the Civic Investment Reserve Fund, debt payments will be made from the City's portion of the Municipal Accommodation Tax (MAT).

(3) Outstanding debt is for the City of London only and excludes debt of consolidated entities.

(4) Authorized debt is life-to-date debt and does not include future debt approved in the capital plan

The City's Debt Management Policy was last reviewed at the May 26, 2025, Infrastructure and Corporate Services Committee and then by Council on June 3, 2025. No amendments to the policy have been made since July 25, 2023 (amending by-law No. CPOL.-48(b)-196). The policy establishes strategies for the management of the City's debt program. These strategies are outlined in Table 9 below.

Table 9 – Debt Management Strategies to Limit and Reduce Authorized Debt

Strategy	Target	Where Are We? / Results
Avoid the use of debt financing for lifecycle renewal projects	0% debt financing in the lifecycle renewal budget	2025 results: 0% debt
Limiting debt financing in the budget by way of an internal debt cap	Limit debt servicing as a percentage of property tax revenue at or below 7.5%, Limit debt servicing as a percentage of Water or Wastewater rate revenue at or below 10%.	2025 results: Property Tax 2.4%, Wastewater 2.8%, Water 0.0%
Reducing authorized debt as prescribed by the Surplus/Deficit and Assessment Growth Policies	No specified targets, policies direct 60% of any operating surplus and 50% of excess assessment growth funding be applied to reduce authorized debt	2025 year-end operating result: \$4.6 million ¹ 2026 assessment growth result: \$2.7 million ¹
Release surplus debt financing from the capital budget	No specified target, subject to available surplus	2025 year-end capital results: \$191 thousand
Maintaining a strong credit rating	Aaa (Stable)	2025 result: Aaa (Stable)

Table 9 Note:

(1) As outlined in the 2025 Year-End Operating Monitoring Report and the 2026 Assessment Growth Allocation Report

Of particular note, there was less than \$2.0 million in property tax funded debt included in the 2026 debt issuance, after the application of approximately \$4.8 million of debt substitution. The 2026 debenture issuance was comprised primarily of debt funded by the Wastewater & Treatment rates and City Services Reserve Funds (development charges). The small amount of property tax funded debt in the 2026 issuance is attributable to the City's prudent debt management policies and practices that will continue to be utilized to reduce future levy/rate debt issuances where possible, avoiding the associated debt servicing costs and resulting in property tax savings for Londoners.

Future Debt Projections

A full update of the City's debt forecast was provided via the 2026 Annual Budget Update (see link above).

2.7.4 Capital Budget Financing Strategies – Other Government Funding

Accessing funding programs offered by the Federal and Provincial governments is a critical financing strategy to support the City of London's capital plan. The Finance Supports team, in collaboration with the Government Relations team, continuously monitors available funding opportunities and coordinates applications to available programs with the relevant City service area.

Please refer to Appendix "D" for an overview of the various infrastructure funding initiatives currently being accessed, noting that other programs have been utilized historically and additional programs will continue to be assessed going forward.

2.8 Emerging Issues

This section of the report provides information on emerging issues that may impact the capital budget in 2026 and beyond. Within this section, each emerging issue is assigned a likelihood, which estimates the issue's probability of impacting the budget in 2026. These likelihoods are categorized as high, medium, and low, and are defined as follows:

- High – likelihood of the issue impacting the 2026 and beyond period is predicted to be greater than 60%.
- Medium – likelihood of the issue impacting the 2026 and beyond period is predicted to be between 30% and 60%.
- Low – likelihood of the issue impacting the 2026 and beyond period is predicted to be less than 30%.

Development Charges Financial Sustainability Challenges (Tax, Water, Wastewater)

The City's development charges (DCs) reserve funds continue to face significant financial sustainability pressures as growth-related DC revenues are not materializing at the levels assumed in the Council-approved 2021 DC Background Study (DC Study). In 2025, actual DC revenues remained materially below budget and the level required to support the City's growth-related capital program. The recorded revenues were approximately \$45.9 million or 25.9% of budget.

While DCs are calculated in accordance with the Development Charges Act, various factors are contributing to lower than budgeted DC revenues. Key factors include:

- Realized market conditions are resulting in slower-than-anticipated growth in key residential and non-residential forms of development;
- Statutory (legislated) DC exemptions and discounts continue to significantly increase year-over-year, resulting in lost DC revenues for which no senior government offsetting funding has been identified; and

- Statutory DC payment deferrals have also significantly increased and further extend the lag between receipt of DC revenues and investment in growth infrastructure.

These pressures increase the need to identify appropriate growth infrastructure deferrals that will aim not to impact the pace of development.

What we are doing to mitigate/address the issue: In order to alleviate the financial sustainability pressures realized in 2025, Civic Administration will continue to actively monitor DC reserve funds health and will be pursuing growth project deferrals that do not impact the pace of development through the 2027 Growth Management Implementation Strategy and 2027 Annual Budget Update.

Likelihood of Impact on 2026 Budget – High

Conclusion

Key items included in the 2025 Year-End Capital Budget Monitoring Report include the following:

- \$2.5 billion (56.8%) of the \$4.4 billion 2025 life-to-date capital budget is committed, leaving \$1.9 billion (43.2%) of approved capital funding uncommitted.
- A status update for active 2022 life-to-date capital projects (2022 and prior) that have no future budget requests is provided in Appendix “B”.
- A total of 67 completed capital projects with a total budget value of \$141.4 million and surplus of \$990 thousand are recommended to be closed with surplus funding returned to the original source of financing (Appendix “C”).

Tariffs and emerging issues were identified that may impact the capital budget in the 2025 period and beyond. Civic Administration will continue to monitor these issues and report back to Council and the community in a timely manner.

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Appendix A - 2025 Capital Budget Activity (Life-To-Date December 31, 2025)

Table 1 - 2025 Council Awards Details (via Council approved Source of Financing documents)

Source of Financing Number	Date of Committee Award	Service Program	Description	Awarded Amount	Budget Adjustments
24188	2024-10-02	Wastewater and Treatment	Mud Creek East Branch Phase 2A: RFT 2023-128 Oxford Street Culvert Installation	0	801,114
25001	2025-01-27	Parks, Recreation and Neighbourhood Services	OVHL Thames Valley Corridor Parkland Improvements Construction	599,473	
25002	2025-01-13	Transportation Services	East Link and Infrastructure Improvements - Phase 4	29,320,260	2,130,270
25003	2025-01-13	Transportation Services	Settlement Agreement – Wellington Gateway Project	336,533	
25004	2025-01-13	Transportation Services	Claim for Compensation	335,808	
25005	2025-02-03	Transportation Services	Construction Administration Services for Rehabilitation of the Adelaide Street North Bridge	229,636	
25006	2025-02-03	Transportation Services	Appointment of Consulting Engineer: Sunningdale Road West Improvements from Hyde Park Road to Jordan Boulevard	302,108	
25010	2025-02-18	Parks, Recreation and Neighbourhood Services	Appointment of Consultant Engineer for Dingman Sports Park and RFP 2024-092	711,100	
25013	2025-02-03	Corporate, Operational and Council Services	RFP 2024-228 Consulting Services for Operations Masterplan Study	121,094	
25015	2025-02-24	Economic Prosperity	RFT 2024-246 Innovation Industrial Park Subdivision Phase 5	10,126,025	
25015	2025-02-24	Environmental Services	RFT 2024-246 Innovation Industrial Park Subdivision Phase 5	4,228,833	
25015	2025-02-24	Transportation Services	RFT 2024-246 Innovation Industrial Park Subdivision Phase 5	356,098	
25016	2025-02-24	Wastewater and Treatment	RFP 2024-256 2026 Stoney Creek Trunk Sanitary Sewer Lining Project	234,571	
25019	2025-02-24	Housing, Social and Health Services	Duluth Crescent Subdivision and Roadworks (CCBF Funding to Support Housing Infrastructure)	434,327	4,300,000
25021	2025-02-18	Protective Services	SS 2025-027 London Fire Department Single Source Request for a Technical Rescue Vehicle	396,864	
25024	2025-03-25	Transportation Services	RFP 2024-334 Bostwick Road Realignment Detailed Design	926,397	
25025	2025-03-17	Protective Services	SS 2025-037 London Fire Department Single Source Procurement of Hazardous Materials Handheld Spectrometer	85,356	
25030	2025-03-24	Water	RFT 2023-030 2025 Watermain Cleaning and Lining Contract Award (Extension)	6,440,151	
25031	2025-03-24	Wastewater and Treatment	Consulting Engineer - Hyde Park Stormwater Assignment 'B' - Phase 2 Construction	206,369	
25032	2025-03-24	Wastewater and Treatment	Supply of Inlet Screen for the Vauxhall Wastewater Treatment Plant - Single Source (SS-2025-063)	170,664	
25033	2025-03-24	Water	Consulting Engineers for the Trunk Watermain Installation Program	1,761,674	
25034	2025-03-24	Wastewater and Treatment	Consulting Engineers for the Infrastructure Renewal Program	1,211,284	
25034	2025-03-24	Water	Consulting Engineers for the Infrastructure Renewal Program	807,522	
25035	2025-03-24	Wastewater and Treatment	Supply of Membrane Bioreactor Equipment for Oxford WWTR Plant - Irregular Result	5,580,599	
25041	2025-03-24	Transportation Services	RFT 2024-345 Sunningdale Road and Richmond Street Intersection Improvements	7,730,033	234,592
25041	2025-03-24	Wastewater and Treatment	RFT 2024-345 Sunningdale Road and Richmond Street Intersection Improvements	95,247	
25041	2025-03-24	Water	RFT 2024-345 Sunningdale Road and Richmond Street Intersection Improvements	496,292	
25044	2025-03-24	Transportation Services	Property Acquisition- Wellington Gateway Project	789,764	
25045	2025-03-24	Transportation Services	Property Acquisition- Wellington Gateway Project	1,184,853	
25046	2025-04-07	Parks, Recreation and Neighbourhood Services	RFP 2025-389 Consulting Services for the Parks and Recreation Master Plan Update	251,986	251,986
25049	2025-03-25	Economic Prosperity	RFP 2025-001 Downtown Master Plan Appointment of Consultant	266,000	
25049	2025-03-25	Planning and Development Services	RFP 2025-001 Downtown Master Plan Appointment of Consultant	156,304	
25051	2025-04-09	Wastewater and Treatment	Purchase of Replacement Ozone Based Oduor Control Unit(s)- Irregular result	166,353	
25053	2025-04-07	Protective Services	SS 2025-074 London Fire Department Single Source Bunker Gear Renewal	2,057,342	
25054	2025-04-07	Protective Services	SS 2025-072 London Fire Department Single Source Procurement of Vehicle Tablet Mounts and Accessories	96,672	
25055	2025-03-17	Transportation Services	Multi-Space Parking Meter Replacement: Single Source Procurement - SS-2025-064	1,137,677	
25056	2025-04-07	Transportation Services	RFP 2024-379 Grenfell Drive Bridge Rehabilitation Design	280,813	
25057	2025-04-10	Economic Prosperity	RFP 2025-004 - Appointment of Consultant for Economic Development Strategy	237,936	
25065	2025-04-30	Wastewater and Treatment	RFT 2024-070 - Springbank Dam Decommissioning Project Contract Amendment	2,019,027	
25067	2025-05-20	Housing, Social and Health Services	Approval of the Template Contribution Agreement for Affordable Housing Projects	3,285,000	
25073	2025-04-25	Transportation Services	Property Acquisition- Wellington Gateway Project	46,860	
25081	2025-05-26	Wastewater and Treatment	Appointment of Consulting Engineers for the Infrastructure Renewal Program: Round 5	1,340,859	
25081	2025-05-26	Water	Appointment of Consulting Engineers for the Infrastructure Renewal Program: Round 5	898,331	
25082	2025-06-16	Corporate, Operational and Council Services	Single Source 25-135 Time and Attendance Software	493,826	
25083	2025-05-26	Wastewater and Treatment	Tender RFT 2025-087 Bradley Avenue Extension & White Oaks Tributary Complete Corridor from Wharnciffe Road South to Jalna Boulevard (West Leg)	5,569,495	
25083	2025-05-26	Water	Tender RFT 2025-087 Bradley Avenue Extension & White Oaks Tributary Complete Corridor from Wharnciffe Road South to Jalna Boulevard (West Leg)	912,705	
25083	2025-05-26	Transportation Services	Tender RFT 2025-087 Bradley Avenue Extension & White Oaks Tributary Complete Corridor from Wharnciffe Road South to Jalna Boulevard (West Leg)	17,122,049	570,772
25084	2025-05-26	Corporate, Operational and Council Services	Junior Achievement Centre - Wharnciffe Road North	61,056	61,056
25091	2025-05-20	Housing, Social and Health Services	RFP 2024-227 Contribution Agreement for Affordable Housing Projects (CMHA Hill St and Huron St)	5,175,000	5,175,000
25095	2025-06-16	Wastewater and Treatment	RFP 2025-079 Anguish Drain Embankment Stabilization in Lambeth	254,610	
25096	2025-06-16	Wastewater and Treatment	London Downtown Sewer Capacity Expansion Project	18,883,563	5,230,458
25096	2025-06-16	Parks, Recreation and Neighbourhood Services	London Downtown Sewer Capacity Expansion Project	36,764	
25097	2025-06-16	Wastewater and Treatment	RFT 2024-215 Adelaide Flood Protection and Section 1 Upgrades Tender Award	42,352,279	10,770,001
25098	2025-06-16	Wastewater and Treatment	Funding to Support UTRCA Capital/ Maintenance Projects	403,848	
25102	2025-06-17	Economic Prosperity	Mayoral Direction 2024-001 City-owned Parking Lot Redevelopment, Update Parking Lots in Old East Village	564,768	564,768
25105	2025-07-16	Transportation Services	RFP-2025-096 Southdale Road West Improvements – Phase 2	552,496	
25113	2025-07-16	Transportation Services	Consulting Engineers - Trunk Watermain Installation Program	30,471	
25113	2025-07-16	Wastewater and Treatment	Consulting Engineers - Trunk Watermain Installation Program	414,314	
25114	2025-07-16	Transportation Services	Property Acquisition - Operations Yard	12,899,445	
25115	2025-07-14	Environmental Services	Part Expansion of the W12A Landfill	912,314	
25116	2025-07-16	Transportation Services	Detailed Design and Tendering for Highbury Avenue North Sidewalk and Cycle Track	73,769	
25116	2025-07-16	Water	Detailed Design and Tendering for Highbury Avenue North Sidewalk and Cycle Track	135,816	
25120	2025-08-13	Transportation Services	Price Increase - Rapid Transit Implementation-Wellington Street from Queens Avenue to the Thames River (South Branch)	122,112	
25122	2025-08-13	Wastewater and Treatment	2026 Stormwater Management Facility Remediation Program	111,908	
25124	2025-08-13	Transportation Services	Proposed Settlement - Intersection - Richmond and Fanshawe Park Road	555,501	
25125	2025-08-11	Protective Services	SS-2025-193 London Fire Department Single Source Procurement of a Service Vehicle	258,720	
25128	2025-08-11	Transportation Services	SS-2025-194 Single Source Procurement of Zamboni Level Ice Systems	59,602	
25129	2025-07-24	Transportation Services	SS - New Traffic Signals, Pedestrian Signals and Pedestrian Crossovers Amendment	78,074	

Appendix A - 2025 Capital Budget Activity (Life-To-Date December 31, 2025)

Table 1 - 2025 Council Awards Details (via Council approved Source of Financing documents)

Source of Financing Number	Date of Committee Award	Service Program	Description	Awarded Amount	Budget Adjustments
25136	2025-09-15	Corporate, Operational and Council Services	Replacement of Steam Services at City Facilities (City Hall, Centennial Hall, Museum London, Central Branch - London Public Library)	8,467,040	8,467,040
25141	2025-09-15	Transportation Services	RFP20-29 Design Contract Price Increase: Wellington Gateway Transit and Mun. Infrastructure Improvements	142,692	
25141	2025-09-15	Wastewater and Treatment	RFP20-29 Design Contract Price Increase: Wellington Gateway Transit and Mun. Infrastructure Improvements	40,819	
25141	2025-09-15	Water	RFP20-29 Design Contract Price Increase: Wellington Gateway Transit and Mun. Infrastructure Improvements	634,398	
25145	2025-09-15	Financial Management	RFP 2024-311 Supply and Implementation of a Property Tax Software System Award	510,678	
25157	2025-10-14	Wastewater and Treatment	Appointment of Consulting Engineer for the Hyde Park Sewage Pumping Stn Capacity Upgrade	556,950	600,000
25020	2025-10-21	Planning and Development Services	Update on Bill 17 and Green Development Guidelines (Framework)	127,200	127,200
25164	2025-10-27	Transportation Services	RFP-2025-201 Gainsborough Rd Rehabilitation - Appt. of Consulting Engineer	312,286	
25169	2025-10-27	Wastewater and Treatment	Single Source Procurement – Replacement of Flow Monitoring and Rain Gauge Equipment	305,280	
25170	2025-10-27	Transportation Services	Property Acquisition - Wellington Gateway Project	1,297,525	
25175	2025-10-27	Transportation Services	Property Acquisition - Wellington Gateway Project	825,861	
25180	2025-11-17	Transportation Services	Claim for Compensation by SJMA On Site Group and A + Link Architecture - Proposed Settlement	735,256	
25183	2025-11-17	Corporate, Operational and Council Services	LT-2025-260 Limited Tendering and Cooperative Procurement - Sewer Operations Trucks	2,442,240	
25183	2025-11-17	Wastewater and Treatment	LT-2025-260 Limited Tendering and Cooperative Procurement - Sewer Operations Trucks	1,798,259	
25186	2025-12-01	Parks, Recreation and Neighbourhood Services	OVHL Thames Valley Corridor Phase One Construction Contract	356,160	
25189	2025-12-01	Housing, Social and Health Services	122 Base Line Road Update and Property Management Agreement	700,000	700,000
25190	2025-12-08	Water	Cross City Feedermain Condition Assessment	706,040	
25191	2025-12-08	Wastewater and Treatment	RFP-2025-212 Consulting Services Award of Greenway Sanitary Model Calibration	249,785	
25192	2025-12-08	Wastewater and Treatment	City of London's Share of Funding for UTRCA Watercourse Monitoring	423,831	
25193	2025-12-08	Transportation Services	Supply of City Waste Receptacles	271,089	
25194	2025-12-08	Transportation Services	Vehicle Detection Systems Limited Tender Procurement	602,317	
25197	2025-12-08	Transportation Services	LT-2025-289 Limited Tendering and Cooperative Procurement - Road & Parks Operations Equipment	1,093,344	
25197	2025-12-08	Corporate, Operational and Council Services	LT-2025-289 Limited Tendering and Cooperative Procurement - Road & Parks Operations Equipment	972,876	
25197	2025-12-08	Parks, Recreation and Neighbourhood Services	LT-2025-289 Limited Tendering and Cooperative Procurement - Road & Parks Operations Equipment	297,037	
25198	2025-12-01	Protective Services	SS21-08 Amendment to the Base Station Replacement Agreement, Simulcast Upgrade for Emergency Communications System	1,863,714	
				221,227,277	39,984,257

Appendix B - Summary of 2022 Life-To-Date Capital Projects Having No Future Budget

Project	Project Description	Classification	Service Program	LTD Budget	Committed	Uncommitted	Expected Completion Date	Explanation
CS1100	People And The City Monument	Lifecycle Renewal	Culture Services	552,808	496,150	56,658	Q3 2026	Delayed due to weather Dec 2025 to Feb 2026. To be completed by May 2026.
DS1283	Addl Vehicles Dev Services	Service Improvement	Planning and Development Services	25,000	0	25,000	Q4 2026	Business need remains as team expands, but haven't needed to purchase yet.
ES2332	Dingman Creek PS Headworks	Service Improvement	Environmental Services	3,500,000	3,500,002	-2	Q2 2026	Negotiations underway to finalize contract close out. Resolution expected by Q2 2026
ES2476	Elliot-Laidlaw Remediation	Lifecycle Renewal	Environmental Services	200,000	50,354	149,646	Q2 2026	Design initiated under the Drainage Act. Remainder needed for construction.
ES2685	Greenway PCP Treatment	Growth	Environmental Services	44,446,418	43,990,594	455,824	Q2 2026	A final review of the Greenway Upgrade is underway to confirm if any outstanding remedies are required. Pending results, this account will be re-visited in 2026 mid-year review to confirm status.
ES3020-HP6	SWM Facility - Hyde Park No 6	Growth	Environmental Services	2,416,700	2,418,936	-2,236	Q2 2026	Both Phase 1 projects were constructed in 2023-2024 with end of warranty in Q2 2026. Phase 2 of Hyde Park assignment A constructed and in warranty period, Phase 2 B construction ongoing. Sale from the 8 lots will be used to fund the shortfall in budget.
ES3020-PD2	SWM Facility- Pincombe Drain 2	Growth	Environmental Services	2,456,700	0	2,456,700	Q4 2026	Money to be retained for anticipated construction claims by the Developer. Timing for claim submission is dependent on the owner's timing.
ES3045	Horton Sanitary Sewer Upgrades	Lifecycle Renewal	Environmental Services	480,000	221,332	258,668	Q3 2026	Work associated with this project will move forward but without the benefit of partnering up with other Divisions. Other options for completion have been reviewed and are being finalized for implementation.
ES3074	Trunk Sewer Upgrades	Lifecycle Renewal	Environmental Services	1,713,000	1,672,162	40,838	Complete	Initiatives associated with funding through this account have been completed, total budget not required. No additional work is anticipated to be sourced from this account. Account expected to be closed in Mid-Year monitoring after open commitment is closed.
ES3087	Huron Industrial Park Service	Service Improvement	Environmental Services	1,122,673	955,447	167,226	Beyond	Utilized for design and tendering of any engineering for servicing Huron blocks.
ES3097	Vauxhall-Pottersburg Interconnection	Service Improvement	Environmental Services	6,000,000	5,892,131	107,869	2028	The Pottersburg Transfer PS will be tendered Q2 2026 and constructed 2026-27. The remaining funds will go toward construction in conjunction with ES5133. Warranty will go into 2028.
ES3099	Pottersburg-Vauxhall WWTP	Lifecycle Renewal	Environmental Services	3,976,996	1,166,545	2,810,451	Q4 2027	Pottersburg transfer pumping station in design. Tender in early 2026, construction 2026-27.
ES3201	Dingman #1 Remediation SWM	Growth	Environmental Services	7,542,489	1,018,703	6,523,786	2029	Flood mitigation works are planned following completion of Dingman Creek Stage 2 EA. The Stage 2 EA is anticipated to be completed in Q4 2026. This project is expected to include detailed design and construction administration for recommended works from the Stage 2 EA. Budget expected to be spent by 2029.
ES3203	Hyde Park-Stanton Drain	Growth	Environmental Services	287,500	4,070	283,430	Q4 2027	Hyde Park Assignment 'A' Phase 2 construction is substantially performed. Under Warranty.
ES4416	Wastewater Future Development	Growth	Environmental Services	314,573	158,005	156,568	Q4 2027	The One Water DC Study is currently in progress, with completion anticipated by the end of Q4 2027.
ES4418	Inflow And Infiltration	Growth	Environmental Services	300,000	0	300,000	Q3 2027	This budget will be used to cover a future Inflow & Infiltration reduction study for the White Oaks area. This project will have the great benefit of reducing the basement flooding issue and creating more capacity for future development.
ES4825-11	2011 Municipal Drain	Lifecycle Renewal	Environmental Services	561,763	573,733	-11,970	Q4 2026	Project complete. The overage is due to increased construction costs and/or increase in project scope. This account is awaiting grant funding associated with Crinklaw-Scott Drain before being closed.
ES5025	Capacity Improvements - 2 WWTP	Service Improvement	Environmental Services	4,000,000	3,411,925	588,075	2028	Project to establish linkage between Pottersburg and Vauxhall Wastewater Treatment Plant. Remaining funds will be used for future projects (2026-27).
ES5133	Pottersburg/Vauxhall Transfer	Growth	Environmental Services	5,000,000	488,757	4,511,243	2028	The transfer pumping station is currently in design, tender expected summer 2026, with construction to 2028.
ES5145	Sanitary Sewer Internal	Growth	Environmental Services	446,625	192,330	254,295	Beyond	Account funds are used to pay developer claims related to sanitary sewer oversizing program. Claims can be made any time by the developer once the work is complete. Account needs to remain open as there is an open claim for developer led works (33M-753)
ES5233	Vauxhall Expansion	Growth	Environmental Services	6,144,000	1,104,987	5,039,013	2028	Tender planned for 2026. Construction through 2028 (including warranty).
ES5252	KI1B Kilally Growth Area	Growth	Environmental Services	494,600	443,813	50,787	Q1 2027	Final claim still not submitted, as such the project is to remain open until claim is received.
ES5264	Wonderland Pumping Station	Growth	Environmental Services	5,000,000	5,000,003	-3	Q2 2026	Negotiations underway to finalize contract close out. Resolution expected by Q2 2026
ES5272	Greenway WWTP Organic Rankine	Service Improvement	Environmental Services	11,000,000	11,007,105	-7,105	Complete	ORC start-up planned for March 2026. Negative variance was minor due to complications during project start-up. Account expected to be closed in Mid-Year monitoring after financing is finalized.
ES5402	Biosolids Master Plan	Growth	Environmental Services	400,000	401,681	-1,681	Q2 2026	Entering Ministry review period shortly, with completion 2 months following that pending comments.
ES5427	Pre-Assumption Monitoring	Growth	Environmental Services	676,311	676,311	0	Q4 2026	Project is near completion. Survey program for SWM ponds downstream of developing area to monitor sediment accumulation associated to upstream developing conditions. Data will be used for future pond cleanout and to attribute costs to upstream developers.
ES5428	Infill & Intensification Nodes	Growth	Environmental Services	2,263,961	2,214,605	49,356	2028	DC Program to construct storm sewers in the Built Area. To stay open until the next DC study.
ES5429	Storm Sewer Internal	Growth	Environmental Services	5,920,674	5,085,284	835,390	2028	DC program for Developer Claims on Oversized Storm Sewer construction. Budget to be retained as commitments exist for almost entire amount.
ES5520	Community Growth Trunk Storm	Growth	Environmental Services	3,030,480	267,894	2,762,586	2028	Retain funding. Required to fund new Trunk Sewer as part of Ash Drain Strategy and Sunningdale Trunk Storm.
ES5910	UWRF Transition To CSRF-Sewer	Growth	Environmental Services	1,919,000	203,273	1,715,727	2026	Account used to address Wastewater UWRF claims that have been transferred to CSRF with the retirement of the UWRF. One project remains. Timing of the project is at the discretion of the developer. However, it is anticipated that the remaining project will be completed by Q4 2026 to facilitate account closing prior to 2028 DC Study.
ES6066	Dingman Pumping Station Header	Lifecycle Renewal	Environmental Services	500,000	418,634	81,366	Q2 2026	Negotiations underway to finalize contract close out. Resolution expected by Q2 2026

Appendix B - Summary of 2022 Life-To-Date Capital Projects Having No Future Budget

Project	Project Description	Classification	Service Program	LTD Budget	Committed	Uncommitted	Expected Completion Date	Explanation
ES6074	Pottersburg WWTP CSO And Inlet	Lifecycle Renewal	Environmental Services	1,821,504	1,716,308	105,196	2028	Delay during design has tender planned for Q2 2026 in conjunction with ES5133, construction through 2027
ESSWM-DCNLP9	SWM Facility Dingman Creek	Growth	Environmental Services	6,476,927	5,003,996	1,472,931	2028	Funds required for land payment claim to developer.
ESSWMNLT12	SWM Facility-North Lambeth	Growth	Environmental Services	4,244,344	4,252,224	-7,880	Q4 2026	The project is complete with warranty to be completed Q4 2026. This project includes channel reconstruction works to protect against existing and future flooding concerns.
ESSWM-PD3	SWM Facility-Pincombe Drain	Growth	Environmental Services	2,553,859	2,533,584	20,275	Q4 2026	Complete. Project to remain open to address any deficiencies or remediation required prior to subdivision assumption.
ESSWMPDP6	Pincombe Drain P6	Growth	Environmental Services	1,000,900	0	1,000,900	Q4 2027	Schedule delay, just in time process and development application to dictate the timing of the project.
ESSWM-PDR	SWM Facility-Pincombe Drain	Growth	Environmental Services	4,300,000	54,989	4,245,011	2029	Schedule delay, just in time process and development application to dictate the timing of the project.
ESSWM-PKR	SWM Facility - Parker	Growth	Environmental Services	5,387,486	5,364,455	23,031	Q4 2026	Account to remain open as there is still outstanding land purchase required for the SWM Block, timing of land acquisition not yet known.
ESSWM-SC2	SWM Facility-Stoney Creek No 2	Growth	Environmental Services	1,599,000	929,281	669,719	Q4 2026	The land acquisition budget is to remain. Payment to the Developer for SWM block will not be processed/paid until 25% of the building permits in the subdivision have been issued.
ESSWM-SD6A	SWM Facility - Sunningdale	Growth	Environmental Services	620,714	564,314	56,400	Q4 2026	Complete. Project to remain open to address any deficiencies or remediation required prior to subdivision assumption.
EW1102	Lambeth Reservoir Demolition	Service Improvement	Environmental Services	209,715	75,164	134,551	Q3 2026	Project is ongoing. Project timeline is also based on other Lambeth reservoir decommissioning.
EW1105	Southwinds Reservoir	Service Improvement	Environmental Services	262,144	0	262,144	Q4 2026	Project to go to tender Q1 of 2026. Outer Drive reservoir removal is complete.
EW3313	South London Water Servicing	Growth	Environmental Services	500,000	392,959	107,041	2028	Account to help with growth studies and assignments that help inform water infrastructure needs throughout the City.
EW3527	Asset Maintenance Management	Service Improvement	Environmental Services	1,700,000	1,333,775	366,225	Q3 2026	Project will continue to move forward when London Hydro completes update of their SAP system.
EW3541	EMPS - Scada Upgrade	Lifecycle Renewal	Environmental Services	900,000	161,884	738,116	Q4 2026	SCADA equipment replacement and software upgrades have been delayed by the EMPS Operating Authority. Work scheduled with OCWA in conjunction with partnering municipalities' needs and Regional Water Supply.
EW3580	Huron Street River	Lifecycle Renewal	Environmental Services	3,632,249	3,492,392	139,857	Complete	Project expected to be closed in Mid-Year monitoring following the close of the open purchase order.
EW3619	White Oak Pumping Station	Service Improvement	Environmental Services	700,000	606,886	93,114	Q2 2026	Grading and ditch work to be completed and verified.
EW3788	Western Road Watermain	Growth	Environmental Services	1,893,311	59,978	1,833,333	Q4 2027	Western Road Watermain construction scheduled for 2026 with warranty in 2027.
EW3818	Watermain Internal Oversizing	Growth	Environmental Services	766,024	621,182	144,842	Q4 2026	There are 5 open claims remaining to be out of this account (33M-710, 33M-743, 33M-753, 33M-754 & 33M-764)
FS1087	Fire Station 15 - New Station	Growth	Protective Services	3,856,600	3,961,269	-104,669	Q3 2026	New fire station. Opening Q2 2026. Project expenditures and open commitments being reviewed, future updates to be provided as project nears completion
FS1088	Fire Fighter Outfitting - Station 15	Growth	Protective Services	121,100	45,284	75,816	Q3 2026	Delayed in purchasing bunker gear for new Fire Station 15 as the station build/opening was delayed. Scheduled to open in Q2 2026. Funds will be spent by Q3 2026.
FS1090	Relocate Existing Resources To New Fire Stations	Service Improvement	Protective Services	4,449,000	2,682,721	1,766,279	Q4 2026	Funding has been partly allocated to the new Fire Station 15. As the station build/opening was delayed the funds remain available until the Station is complete. Project expected to be complete by Q4 2026.
GG1034	Development Charges Consulting	Growth	Financial Management	850,000	683,024	166,976	2027	Funding for DC process consultant for carry over policy matters related to the 2021 DC Study plus further consideration of recent legislative changes impact on DC policy and process matters.
GG1035	DC Process Consultant 2024	Growth	Financial Management	500,000	285,272	214,728	2030	Funding for DC process consultant for 2028 DC Study as well as post DC Study implementation.
GG1781	Replacement of 6 Rooftop HVAC	Lifecycle Renewal	Economic Prosperity	279,600	0	279,600	Q4 2027	Scheduled to be completed with roof replacement.
ID1110	Trafalgar Industrial Park	Service Improvement	Economic Prosperity	4,062,233	3,848,674	213,559	Beyond	Park is fully assumed for operational costs. Some lots remain to be sold so the possibility of future capital expenses remains until all lots are sold.
ID1148	Industrial Development	Growth	Economic Prosperity	150,000	0	150,000	Q1 2026	Program to determine logical growth areas in support of ILDS. Awaiting updated ILDS and coordination with land needs study and GMIS.
ID1150FCS	Forest City South Industrial	Service Improvement	Economic Prosperity	250,000	230,584	19,416	Beyond	Park is fully assumed for operational costs. 1710 Wilton Grove has development possibility and future capital expenses remain until all lots are sold.
ID1167	Forest City Ind Park	Service Improvement	Economic Prosperity	4,202,798	3,545,568	657,230	Beyond	Park is fully assumed for operational costs. Some lots remain to be sold so the possibility of future capital expenses remains until all lots are sold.
ID1168	Innovation Park	Service Improvement	Economic Prosperity	26,260,844	26,176,059	84,785	2028	Ongoing ILDS. Review status in 2028. Projects come about based on need and development of Innovation Park Phase 5.
ID1170	Huron Industrial Park	Service Improvement	Economic Prosperity	6,012,553	5,782,332	230,221	Beyond	Ongoing ILDS. Projects come about based on need and development of parcels.
ID1265	Skyway Ind Park-Phase II	Service Improvement	Economic Prosperity	1,959,902	1,767,391	192,511	Beyond	Park is fully assumed for operational costs. Some lots remain to be sold so the possibility of future capital expenses remains until all lots are sold.
ID2095OXF	Oxford Business Park	Growth	Environmental Services	325,872	193,289	132,583	Complete	Work is complete, awaiting potential claim related to onsite treatment device as part of development. Review status in Q4 2026.
MU1200	Fleet Radio Replacement	Lifecycle Renewal	Transportation Services	625,000	0	625,000	Q4 2027	The project is currently on hold pending review of legislation regarding the current exemption for transit authorities to use hand held communication devices. To date this exemption keeps extending but nothing permanent has been granted. Note the current radios have exceeded their useful life and are in need of replacement.
MU1210	Fare Processing Equipment	Lifecycle Renewal	Transportation Services	1,495,000	279,100	1,215,900	Q3 2026	The project to replace the bus onboard validators began in 2025 with final installation currently set for Q3 2026. All funds are required for this project.

Appendix B - Summary of 2022 Life-To-Date Capital Projects Having No Future Budget

Project	Project Description	Classification	Service Program	LTD Budget	Committed	Uncommitted	Expected Completion Date	Explanation
MU1438	Bus Stop Amenities - PTIS	Service Improvement	Transportation Services	1,100,000	932,517	167,483	Q4 2027	Project was completed under budget. A request for project modification is being submitted, with hope to expand the number of solar-powered lights at stops from 150 as approved to 200.
PD1105	Resiliency Strategy	Service Improvement	Environmental Services	100,000	0	100,000	Q1 2027	Climate Change Adaptation Framework on hold pending updated climate risk and vulnerability assessment (CRVA). This project will support CRVA update, along with capital from EV1102.
PD1107	Climate Emergency Action Plan	Service Improvement	Environmental Services	50,000	22,896	27,104	Q4 2026	Remaining funds in this account will support efforts to engage the business community in partnership with the Chamber of Commerce to inspire climate action and advance CEAP implementation initiatives.
PD1145	Placemaking Design Guidelines	Service Improvement	Planning and Development Services	100,000	76,612	23,388	2028	Long-term goal is to prepare placemaking design guidelines. Re-envisioned in anticipation of Urban Growth Boundary expansion related studies.
PD1148	Thames Valley Corridor Plan	Service Improvement	Parks,Rec and Neighbourhood Services	1,314,177	1,314,258	-81	Q4 2026	Remaining funding for One River EA projects (implementation of Ph.2 paddling plans at Riverside/Wonderland).
PD1215	Back To The River	Service Improvement	Parks,Rec and Neighbourhood Services	950,000	944,708	5,292	Q4 2026	Project will be closed when open commitment is complete.
PD1300	Commemorative Naming Of City Assets	Service Improvement	Planning and Development Services	250,000	135,455	114,545	Complete	City staff completed the project using internal staffing resources. Project expected to be closed in Mid-Year when the open purchase order is closed.
PD2082	Meadowlily Area Planning Study	Growth	Planning and Development Services	520,000	520,001	-1	Q4 2026	Awaiting final billing. Project will be closed in the 2026 Mid-Year monitoring report.
PD2152	Planning Comprehensive Zoning	Growth	Planning and Development Services	1,000,000	770,327	229,673	Q4 2026	Recruitment underway for final phase consultant.
PD2157	Planning Official Plan Review	Growth	Planning and Development Services	409,600	150,715	258,885	Q4 2027	Project pending upcoming Planning Act regulation changes that will require substantial updates to planning documents.
PD2162	New Urban Civic Spaces	Growth	Parks,Rec and Neighbourhood Services	2,106,436	235,003	1,871,433	Q4 2027	Funding for OVHL Civic Space. Design completed. Coordinating construction with respect to adjacent Indwell housing project to avoid damage. Anticipate construction proceeding in 2027.
PD2176	Urban Design Guidelines	Growth	Planning and Development Services	153,600	0	153,600	2028	Long-term goal is to prepare urban design guidelines for subdivisions and infill projects. Re-envisioned in anticipation of Urban Growth Boundary expansion related studies.
PD2633	Integrated Housing Software	Service Improvement	Housing, Social and Health Services	416,860	293,493	123,367	Q4 2026	Council provided direction to Civic Administration to exit the broader partnership and project. The 6-month notice has been given and activities are underway to complete the closure of the project.
PP1025	Interface & Mobile Data	Service Improvement	Protective Services	1,039,203	487,660	551,543	2028	Schedule delay working with ICO and determining needs. Moving forward with suppression/incidents, fire prevention, HR, GPS and activities and scheduling modules. Expected project duration of 18-36 months.
PP4472	Police Real Time Ops Centre	Service Improvement	Protective Services	450,000	282,041	167,959	2028	The Real-Time Operations Centre, now renamed the Community Safety Coordination Centre (CSCC), and the secure Data Centre remain aligned under the broader Next Generation 911 Centre initiative. The Data Centre is now targeted for completion in Q2 2027. The Communications Centre and CSCC are targeted for completion in 2028. Procurement planning for Video Wall technologies continues, alongside refinement of CSCC Analyst roles, modernization of procedures, and development of MOUs with external CCTV partners. Collaboration with the City of London remains active to support integration of the downtown camera network. Construction of the Data Centre, Communications Centre, and CSCC is now anticipated to be delayed by approximately one year as the project transitions from a proposed Competitive Bidding Exception approach to a formal RFP process. This revised procurement pathway will extend overall design and construction timelines.
PP4473	Police Time And Attendance	Service Improvement	Protective Services	150,000	0	150,000	Q1 2027	Collaboration with the City is ongoing to continue design and development of the T&A solution. Product selection and procurement were completed by the City, with an upgrade to the existing product being chosen. The project is currently on track with an anticipated go-live date of October 2026 and completion in Q1 2027.
RC1035	Dundas Place Storefront	Service Improvement	Economic Prosperity	75,000	48,965	26,035	Q4 2027	Waiting for new Downtown Plan to be completed to finalize plans for front counter. Adding new storage space and fixtures in Canada Life Place once expansion is complete.
RC2012	Master Plan Update (2021)	Growth	Parks,Rec and Neighbourhood Services	150,000	0	150,000	Q4 2026	To be used for gym strategy, sports strategy, legal fees for partnership exploration.
RC2021	Master Plan Substudies	Growth	Parks,Rec and Neighbourhood Services	150,000	154,890	-4,890	Q4 2026	Awaiting final billing. Project will be closed in the 2026 Mid-Year monitoring report. Project deficit will be covered by RC2012.
RC2202	Public Wifi In Rec Facilities	Service Improvement	Parks,Rec and Neighbourhood Services	155,000	5,807	149,193	Q4 2027	Continue to follow implementation plan for public Wi-Fi as needed.
RC2205	T-Block Replacement Storage	Service Improvement	Parks,Rec and Neighbourhood Services	850,000	0	850,000	Q4 2026	This project is aligned with the capital work to be completed at Silverwood's Arena by Q4 2026.
RC2608	Glen Cairn Arena	Service Improvement	Parks,Rec and Neighbourhood Services	683,400	621,076	62,324	Q4 2027	Glen Cairn - Decommission and renovation. Working with Neighbourhood & Community Wide Services on next steps in project scope finalization.
RC2631	CHOC Teaching Kitchen And Elevator	Lifecycle Renewal	Corporate, Oper and Council Services	1,870,000	214,346	1,655,654	Q1 2027	Project delayed due to staffing resources within the service area. Construction expected to finish Q4 2026 with final billing in Q1 2027.
RC2756	East Multi-Purpose Rec Centre	Growth	Parks,Rec and Neighbourhood Services	23,384,735	23,441,672	-56,937	2028	The project will be closed when the remaining open purchase order is closed.

Appendix B - Summary of 2022 Life-To-Date Capital Projects Having No Future Budget

Project	Project Description	Classification	Service Program	LTD Budget	Committed	Uncommitted	Expected Completion Date	Explanation
SW6010	CAAP - Garbage & Recycling	Service Improvement	Environmental Services	325,000	0	325,000	Q4 2026	Dundas Place review has been completed. This shared vehicle purchase between Parks, Forestry and Road Ops is tied to the evolving Downtown Master Plan review and update which is ongoing. Funds are required to purchase new rear packers, the procurement of which has been delayed while the Downtown Master Plan review is completed.
SW6035	Landfill Gas Utilization	Service Improvement	Environmental Services	578,921	99,069	479,852	Beyond	The original 500 kW landfill gas to energy project did not proceed following cancellation of Ontario's Feed In Tariff (FIT) program in 2018. Capital funding remains available for future beneficial use of captured landfill gas, such as Renewable Natural Gas (RNG), subject to regulatory, market, and commercial viability. Landfill gas utilization remains a compliance condition of the Environmental Assessment approval for landfill expansion, and timing will be reassessed once a viable delivery model is confirmed.
SW6051	Municipal Waste Study	Lifecycle Renewal	Environmental Services	2,807,638	2,432,601	375,037	Q4 2026	Capital funds required to facilitate the Individual Environmental Assessment (EA) for the Residual Waste Disposal. The EA was approved by the MECP in Q2 2024. Funds in this project are now required to comply with MECP imposed EA conditions and support ECA applications for expanded W12A Landfill Site as well as support the Resource Recovery Strategy.
TS1040	Transportation Master Plan	Growth	Transportation Services	750,000	749,289	711	Q4 2026	Funding for the Mobility Master Plan, Project will be closed when open commitment is complete.
TS1041	Transportation Impact Studies	Growth	Transportation Services	300,000	274,037	25,963	Q4 2026	Active commitment for Highbury and Wellington / 401 study. Work is complete; yet to receive final report so payment is expected following that.
TS1043	Transportation Development	Growth	Transportation Services	300,000	266,566	33,434	2028	Project delayed due to changes to DC Act.
TS1044	Cycling Master Plan	Growth	Transportation Services	200,000	200,000	0	Q4 2026	Funding for the Mobility Master Plan, Project will be closed when open commitment is complete.
TS1055	Downtown Wayfinding	Service Improvement	Transportation Services	230,000	177,883	52,117	Q4 2026	Downtown wayfinding project. Installation in Q3 & Q4 2024 2-year warranty until Q4 2026.
TS1306	Adelaide Street Grade	Growth	Transportation Services	68,704,874	69,598,123	-893,249	Q4 2027	Construction completed in Q2 2025. In 2 year warranty. Surplus expected on open purchase order to cover deficit/overcommitted amount.
TS1306A	Adelaide Street Connections	Growth	Transportation Services	15,086,730	15,480,980	-394,250	Q4 2027	This capital account is in receipt of ICIP funding for the Active Transportation Connections of the Adelaide Underpass. Construction completed in Q2 2025. In 2-year warranty period. Variance to be moved to TS1306.
TS1306B	Adelaide Street Conn-Land	Growth	Transportation Services	3,813,270	3,004,314	808,956	Q4 2026	Surplus expected on open purchase order to cover deficit amount. Account for property acquisition and realty settlements.
TS1334	Intersection- Pack-Colonel Talbot	Growth	Transportation Services	1,406,250	284,782	1,121,468	Q4 2027	Account active to fund further improvements at this location after TS1329 (Colonel Talbot from South of Southdale to James Street) is complete.
TS1346	Corporate Asset Management Dev	Lifecycle Renewal	Corporate, Oper and Council Services	1,863,895	1,015,305	848,590	2029	Funding used to support the development of a corporate wide asset management process that meets regulatory and transfer funding requirements. Uncommitted balances to be used to support future major asset management initiatives, such as climate change implementation.
TS1357	Bostwick Rd Upgrades - Pack Rd	Growth	Transportation Services	3,350,901	3,350,903	-2	2029	TS1357 and TS1629-1 completed Southdale Rd from Bostwick to Pine Valley. Remaining balance after open commitment is closed to be used for future project in 2027 (Bostwick Rd widening from Pack Rd to Southdale). The completed project only covered 100m on Bostwick so will be tendered in future with TS1455.
TS1371	Road Class Oversizing	Growth	Transportation Services	164,091	101,708	62,383	2027	Entire budget required for multiple DC claims.
TS1475-2	Fanshawe Rd East Widening-Ph 2	Growth	Transportation Services	13,360,000	13,099,939	260,061	Complete	Outstanding developer claims for Stoney Creek South Subdivision M-701 so project must remain open until settled. Savings due to lesser utility works than budgeted. Savings in tender quantities.
TS1487	Wonderland Rd Two Lane Upgrade	Growth	Transportation Services	10,395,000	9,099,462	1,295,538	Q4 2027	Budget is required for future work in this area in 2026-2027.
TS1621-1	Veterans Memorial Pky - Huron St to Clarke Road	Growth	Transportation Services	12,376,900	8,542,130	3,834,770	Q4 2026	Account needs to remain open for realty acquisition. Savings due to awarded work for both design and CA.
TS1629-1	Southdale Road West - Bostwick to Pine Valley	Growth	Transportation Services	8,862,352	8,360,564	501,788	2029	Remaining balance to be used for future project in 2027 (Bostwick Rd widening from Pack Rd to Southdale). The completed project only covered 100m on Bostwick so will be tendered in future with TS1455.
TS1633	Advanced Land Acquisition	Growth	Transportation Services	1,640,000	56,090	1,583,910	2028	Land acquisition account to be used for future projects on VMP interchanges.
TS1651	Minor Roadworks-Channelization	Growth	Transportation Services	3,477,525	3,135,454	342,071	Q4 2026	DC claims outstanding for 33-743, 33M-753, 33M-754 and 33M-764.
TS1653	Minor Rd Works - Sidewalks	Growth	Transportation Services	925,847	464,628	461,219	Q4 2026	Wonderland Road N, Highbury and Boler Road cycling project to use this budget in coming years. Entire budget is required for DC claims.
TS1654	Minor Rd Works - Streetlights	Growth	Transportation Services	1,767,171	1,089,635	677,536	Q4 2026	DC claims outstanding, 33M-743 - \$505,222 and 33M-754 - \$276,177. This account will be exhausted and any remaining claim will be paid from TS165419.
TS1655	Minor Rd Works-New Traffic	Growth	Transportation Services	478,115	478,115	0	Q2 2026	Work on Gainsborough & Coronation signal expecting final bill in Q2 2026.
TS1745	Victoria Bridge Bike Lanes	Growth	Transportation Services	3,300,000	3,300,003	-3	Q4 2026	Warranty period ends in 2026 for vegetation and steel coatings.
TS1747	Dingman Dr - Hwy 401 Bridge	Growth	Transportation Services	4,000,000	1,390	3,998,610	Q4 2026	Project completed by MTO, awaiting final invoice.
TS1748	Dundas Place - TVP Active	Service Improvement	Transportation Services	4,000,000	3,633,180	366,820	Q4 2027	This account contributes to the Queens Bridge work that includes stairs replacement as a connectivity to TVP.
TS1751	New Cycling Facilities	Service Improvement	Transportation Services	2,370,798	2,372,938	-2,140	Q3 2026	Federal-provincial funding for Brydges-Wavell & Ridout-Commissioners. In warranty, contractor has not completed deficiencies.

Appendix B - Summary of 2022 Life-To-Date Capital Projects Having No Future Budget

Project	Project Description	Classification	Service Program	LTD Budget	Committed	Uncommitted	Expected Completion Date	Explanation
TS2170	Bradley From Old Victoria	Growth	Transportation Services	2,350,000	1,167,262	1,182,738	Beyond	Budget to cover Development Charges roadworks associated with a Innovation Park Phase 5 on Bradley Ave.
TS4078	Traffic Management Centre Ph 1	Growth	Transportation Services	830,000	619,847	210,153	2027	Remaining funds to be used for non-eligible PTIS work.
TS4208	Parking Lots Rehabilitation	Lifecycle Renewal	Transportation Services	1,215,000	904,643	310,357	Beyond	The remaining funds were left for the rehabilitation of Municipal lot #5 – 185 Queens Ave. There was uncertainty with the development of Lot #5 so the funds remained until further notice. It has been subsequently found out that, the catch basin repairs/replacement may be required as part of Municipal Parking Lot upgrades pending further inspection this spring. The team will also be re-engaging with rehabilitating Lot #5, however no timeline has been provided given the current understanding that there is likely not going to be re-development on this land.
TS4212	Replace Parking Administrative	Lifecycle Renewal	Transportation Services	500,000	0	500,000	Q4 2026	Vendor Delay. Awaiting software upgrade to come into compliance with our collective technology needs (both the vendor and our ITS teams) which is occurring in March 2026 according to the vendor. At that point, we will be able to re-engage on this project and continue its build.
TS6020	Active Transportation	Lifecycle Renewal	Environmental Services	300,000	103,552	196,448	Beyond	Bike Parking Implementation Plan approved Q4 2025. In 2026, capital costs associated with the Bike Parking Implementation Plan's Phase 1 of implementation are minimal. Capital costs include the procurement of bike racks for the Business Bike Rack Program tied to Smart Commute London, procurement of a bike parking facility for public use at City Hall, procurement of 10 TeMo posts for installation in the public right-of-way.

Appendix C – Completed Capital Projects (as of December 31, 2025)

Table 1 - Tax Supported Budget Completed Capital Projects

Project	Classification	Approved Budget	Actual	Surplus / (Deficit)	Comments (For Variance Greater Than \$50,000)	Tax Supported Capital Levy	Tax Supported Debt	Tax Supported Reserve Fund	Non-Tax Supported Reserve Fund	Non-Tax Supported Debt	Non-Tax Supported Other
CS1200 Songlines Projects	Service Improvement	12,736	25,069	-12,333	The additional capital levy required for this project has been transferred from the public art operating budget.	-12,333					
CS1680 Permanent Indigenous Art Acquisition	Service Improvement	100,000	100,000	0							
CS618623 Centennial Hall Upgrades	Lifecycle Renewal	156,261	156,261	0							
GG1325 POA Virtual Courtroom Expansion	Service Improvement	250,000	143,964	106,036	Efficiencies were found in completing both courtrooms concurrently.	106,036					
GG154523 Municipal Buildings LCR	Lifecycle Renewal	275,694	275,694	0							
GG1597 Top Of The Hall Cafe Upgrades	Service Improvement	124,576	121,900	2,676				2,676			
IT3010L TIS Committee – AI	Lifecycle Renewal	14,755	14,755	0							
IT3010M Subscriptions - Larg*Net & Process	Lifecycle Renewal	122,035	122,035	0							
IT3010R AD Manager Plus Enhancements	Lifecycle Renewal	106,679	106,679	0							
IT3018E IT Security Tokens	Lifecycle Renewal	82,373	82,373	0							
ME202001 Vehicle & Equipment Repl-TCA	Lifecycle Renewal	6,839,438	6,839,438	0							
ME202101 Vehicle & Equipment Repl-TCA	Lifecycle Renewal	4,503,352	4,503,352	0							
ME202201 Vehicle & Equipment Repl-TCA	Lifecycle Renewal	5,903,500	5,903,500	0							
ME202301 Vehicle & Equipment Repl-TCA	Lifecycle Renewal	5,753,401	5,753,401	0							
MU104425 Bus Purchase Replacement	Lifecycle Renewal	16,273,800	16,273,800	0							
PD1012 PED & Building Staff Accommodation	Service Improvement	1,100,000	765,874	334,126	The project came in under budget due to mitigated costs, efficiencies and a change in scope related the new boardroom.	334,126					
PD1015 South Street Campus Redevelopment Environmental Impact Statement Historic Bldgs Conditions Survey	Service Improvement	155,000	155,000	0							
PD1143 Enhance Highbury Avenue	Service Improvement	37,500	0	37,500				37,500			
PD138218 New Neighbourhood Parks	Growth	150,000	149,998	2						2	
PD2043-11 2011 New Major Open Space	Growth	482,048	482,048	0		1,380				3,620	-5,000
PD2043-15A Stoney Creek TVP Connection New Major Open Space Network	Growth	147,378	138,240	9,138			1,451			2,204	5,483
PD204318A Stoney Creek TVP Connection New Major Open Space Network	Growth	425,000	424,294	706				302		404	
PD2168A Stoney Creek TVP Connection North Branch	Service Improvement	28,351	28,101	250		13,082					-12,832
PD218117A Foxfield Park - New Sportsark	Growth	73,267	72,382	885			401			484	
PD2400 Park Farm Trust Fund	Lifecycle Renewal	91,287	91,287	0							
PK102320 Maintain District Parks (Parent)	Lifecycle Renewal	22,407	22,407	0							
PK102324B Major Park Upgrades	Lifecycle Renewal	668,331	668,331	0							
PK103319E Beaverbrook Area	Growth	402,427	402,427	0							
PK128220J CSA Construction	Lifecycle Renewal	1,087,890	1,087,890	0							
PK128220R Lorne Avenue Park	Lifecycle Renewal	24,548	24,548	0							
PK128224F 2024 NDM Projects	Lifecycle Renewal	83,058	83,058	0							
PK128224G Indigenous Medicine Garden - S. Branch Park	Lifecycle Renewal	25,000	25,000	0							
PK1300 Foxfield Park Upgrades ICIP	Service Improvement	3,426,733	3,426,280	453				453			
PK138219F Kent Park	Growth	74,000	74,000	0							
PK1501C Neighbourhood Parks Improvement Fund (NPIF) - District White Oaks Park	Service Improvement	127,256	127,256	0							
PK1501I Ward 1 NPIF	Service Improvement	70,000	70,000	0							
PK1501K Ward 3 NPIF	Service Improvement	70,000	70,000	0							
PK1501L Ward 4 NPIF	Service Improvement	70,000	70,000	0							
PK1501M Ward 5 NPIF	Service Improvement	70,000	70,000	0							
PK1501O Ward 7 NPIF	Service Improvement	70,000	70,000	0							
PK1501P Ward 8 NPIF	Service Improvement	70,000	70,000	0							
PK1501R Ward 10 NPIF	Service Improvement	70,000	70,000	0							
PK1501T Ward 12 NPIF	Service Improvement	70,000	70,000	0							
PK204319F Corlon Golf Course (39T-05508)	Growth	379,137	363,137	16,000				5,767		10,233	
PK204319K Victoria On The River	Growth	83,158	83,158	0							
PK206324D Viscount Woods	Lifecycle Renewal	124,200	124,200	0							
PK2191 5250 Wellington Rd City Wide	Service Improvement	120,091	0	120,091	Cash in Lieu funding from TVDSB to support sport fields at Regina Mundy on Wellington. Project not moving forward.						120,091
PK223019B Foxfield Park Field House	Growth	300,000	296,150	3,850			898			2,952	
PK301919H Riverbend Park	Growth	181,000	176,463	4,537			665			3,872	
PP431421 Replace Police Vehicles	Lifecycle Renewal	2,859,350	2,859,350	0							
PP431422 Replace Police Vehicles	Lifecycle Renewal	2,046,295	2,046,295	0							
PP431423 Replace Police Vehicles	Lifecycle Renewal	2,530,291	2,530,291	0							
PP431424 Replace Police Vehicles	Lifecycle Renewal	2,824,584	2,824,584	0							
PP4475 Police Property Acquisition	Service Improvement	3,500,000	3,500,000	0							
RC2632 Labatt Park - Access, Washroom Bleachers And Lighting	Lifecycle Renewal	2,065,000	2,059,202	5,798				5,798			
RC2755 South West Multi-Purpose Rec Centre	Growth	54,588,465	54,218,839	369,626	The project came in under budget due to not requiring the full amount of contingency.		187,926	68,596		113,104	
RC288123 Golf Course Lifecycle Upgrades	Lifecycle Renewal	1,733,367	1,733,367	0							
RC2882 River Road Decommission	Service Improvement	75,000	52,568	22,432						22,432	
SW601421 W12A Ancillary	Lifecycle Renewal	152,883	152,883	0							
SW601423 W12A Ancillary	Lifecycle Renewal	518,628	518,628	0							

Appendix C – Completed Capital Projects (as of December 31, 2025)

TS301421 Road Network Improvements	Lifecycle Renewal	8,654,898	8,654,898	0							
TS331024 Road Surface Treatment	Lifecycle Renewal	745,260	745,260	0							
UF1001 Invasive Species Management	Service Improvement	1,500,000	1,499,977	23			23				
		134,691,688	133,669,892	1,021,796		442,291	191,341	121,115	159,307	0	107,742

Federal and Provincial Infrastructure Funding							March 26, 2026
Funding Program	Project Description	Federal Funding	Provincial Funding	Municipal Funding	Total Project Value	Project Status	Completion Date
Tax Supported Projects							
ICIP – Public Transit Stream (ICIP – PTS) – Intake 1	Downtown Loop (RTDOWNTOWN)	\$11,280,000	\$9,399,060	\$9,593,392	\$30,272,452	In Progress	December 2027
	East London Link (RTEAST)	\$41,680,000	\$34,729,860	\$105,056,151	\$181,466,011	In Progress	March 2027
	Wellington Gateway (RTSOUTH)	\$41,197,200	\$34,327,567	\$165,837,363	\$241,362,130	In Progress	March 2028
	Expansion Buses	\$10,080,000	\$8,399,160	\$6,720,840	\$25,200,000	In Progress	October 2027
	Bus Stop Amenities	\$440,000	\$366,630	\$293,370	\$1,100,000	In Progress	December 2027
	Intelligent Traffic Signals (TIMMS)	\$7,800,000	\$6,499,349	\$5,200,651	\$19,500,000	In Progress	March 2029
	Adelaide Street Underpass Active Transportation Connections	\$6,034,692	\$5,028,407	\$4,023,631	\$15,086,730	Complete	April 2025
	Dundas Place Thames Valley Parkway Active Transportation Connection	\$1,600,000	\$1,331,999	\$1,068,001	\$4,000,000	In Progress	December 2026
	Dundas Street Old East Village Streetscape Improvements	\$3,280,000	\$2,733,060	\$2,186,940	\$8,200,000	In Progress	December 2027
	Oxford Street / Wharncliffe Road Intersection Improvements	Project deferred - funding transferred to Wellington Gateway (RTSOUTH) project				N/A	N/A
	Total	\$123,391,892	\$102,815,092	\$299,980,339	\$526,187,323		
ICIP – Public Transit Stream (ICIP – PTS) – Intake 3	New On-Road Cycling Facilities	\$5,600,000	\$4,666,200	\$3,733,800	\$14,000,000	In Progress	March 2029
	New Pedestrian Crossings	\$600,000	\$499,950	\$400,050	\$1,500,000	In Progress	November 2027
	Boulevard Bike Lane Renewal	\$1,600,000	\$1,333,200	\$1,066,800	\$4,000,000	In Progress	November 2028
	Bike Parking	\$80,000	\$66,660	\$53,340	\$200,000	In Progress	March 2028
	South Branch TVP Extension	\$1,800,000	\$1,499,850	\$1,200,150	\$4,500,000	In Progress	June 2027
	Intersection Accessibility Compliance	\$1,720,000	\$1,433,190	\$1,146,810	\$4,300,000	In Progress	November 2028

	Active Transportation Improvements across Bridge Pinch Points	\$4,600,000	\$3,832,950	\$3,067,050	\$11,500,000	In Progress	October 2031
	Total	\$16,000,000	\$13,332,000	\$10,668,000	\$40,000,000		
ICIP – Public Transit Stream (ICIP – PTS) – Intake 4	LTC Highbury Facility - Project 1 of two projects to replace the existing facility with room for 252 buses (currently 170). Project 2 is \$131 million for total \$330.5 million.	\$65,043,492	\$54,197,491	\$80,259,017	\$199,500,000	Not Yet Started	December 2030
ICIP – Community, Culture, Recreation Stream (ICIP – CCR)	CHOCC Kitchen - Create a teaching kitchen through the renovation of the current space. Install an elevator to allow accessibility to the viewing gallery.	\$748,000	\$623,271	\$498,729	\$1,870,000	In Progress	November 2026
	Labatt Park - Create accessible washrooms. Repair and restore bleachers to improve safety and enhance the fan experience. Replace aging lights.	\$814,000	\$677,655	\$543,345	\$2,035,000	Complete	December 2023
	Total	\$1,562,000	\$1,300,926	\$1,042,074	\$3,905,000		
Green and Inclusive Community Buildings (GICB)	Earls Nichols Arena Deep Energy Retrofit (Rehabilitation) - Upgrading with a state-of-the-art refrigeration plant and geothermal energy recovery system to provide hot water and building heat.	\$2,355,144	\$0	\$588,786	\$2,943,930	Not Yet Started	October 2027
	Kinsmen Arena Deep Energy Retrofit (Rehabilitation) - Upgrading with a renewed HVAC, roof, stormwater utilization, lighting, building automation, electric ice resurfacer and waste heat recovery.	\$2,189,923	\$0	\$547,481	\$2,737,404	In Progress	September 2026
	Total	\$4,545,067	\$0	\$1,136,267	\$5,681,334		
Community Sport and Recreation Infrastructure Fund (CSRIF)	Former Silverwoods Arena - The upgrades will maintain the dry pad, bring in more multi-use community space and improve the building's HVAC system, washrooms, and entrances.	\$0	\$1,000,000	\$4,500,000	\$5,500,000	In Progress	November 2026
Active Transportation Fund	Stoney Creek Pathway Connection to the TVP - Extend the active transportation system from Windermere Road to the Thames Valley Corridor and the City's Core.	\$1,200,000	\$0	\$800,000	\$2,000,000	Complete	December 2025
Housing-Enabling Core Services (HECS) Fund	Sunningdale Road West Improvements - Improves 4.4 kms of road from Wonderland to Villagewalk Blvd, including widening from two to four lanes, new sidewalks, cycling lanes, drainage, storm sewers, lights and a new bridge crossing Medway Creek.	\$0	\$18,325,000	\$18,325,000	\$36,650,000	In Progress	March 2028
Housing Accelerator Fund (HAF)	London was approved for \$81.5 million for various initiatives, with a total housing target of 2,374 additional units. 1) Housing Accelerator Fund action plans (\$28.1M) 2) Affordable housing (\$20M) 3) Housing related infrastructure (\$12.3M) 4) Infrastructure that supports housing (\$13.7M) 5) Various CIP grant programs (\$7.4 million)	\$81,449,143	\$0	\$0	\$81,449,143	In Progress	September 2027

Canada Public Transit Fund (CPTF) - Active Transportation Fund	Pond Mills Road - Multi-use pathway and sidewalk connections	\$1,800,000	\$0	\$1,700,000	\$3,500,000	Application Outstanding	N/A
	Multi-use pathway connections and pedestrian bridge over the Richmond St right-of-way	\$2,400,000	\$0	\$7,600,000	\$10,000,000	Application Outstanding	N/A
	TVP North Branch multi-use pathway connection - Oxford St W to Waldorf Park	\$1,800,000	\$0	\$2,200,000	\$4,000,000	Application Outstanding	N/A
	Total	\$6,000,000	\$0	\$11,500,000	\$17,500,000		
Canada Public Transit Fund (CPTF) - Baseline Funding	CPTF Baseline Funding is \$5.1 million annually for 10 years and is eligible for buses (zero-emission only, with some exceptions), shelters, maintenance/storage facilities and active transportation. Maximum contribution per project is 40% Federal.	\$5,106,083	\$0	\$0	\$5,106,083	In Progress	Various
Building Faster Fund (BFF)	The Investment Plan supports housing-enabling infrastructure including: 1) Kilally Road - Webster St to Clarke Road; 2) Affordable and Supportive Housing Development; 3) Lambeth Phase 2 Watermain; 4) Longwoods Watermain; and 5) Hyde Park Pumping Station Upgrade.	\$0	\$11,912,933	\$0	\$11,912,933	In Progress	March 2028
Road Safety Initiatives Fund (RSIF)	RSIF supports initiatives in the following areas: - Traffic calming and control measures - Signage enhancements - Targeted roadside enforcement and operational safety measures	\$0	\$1,291,098	\$0	\$1,291,098	In Progress	March 2028
Rate Supported Projects							
Disaster Mitigation and Adaptation Fund (DMAF) – Intake 1	Flood protection at Greenway and Adelaide Wastewater Treatment Plants	\$19,800,000	\$0	\$29,700,000	\$49,500,000	In Progress	December 2027
Disaster Mitigation and Adaptation Fund (DMAF) – Intake 2	Broughdale Dyke Reconstruction Project	\$3,636,000	\$0	\$5,454,000	\$9,090,000	In Progress	December 2028
Housing-Enabling Water Systems Fund (HEWSF)	London Downtown Sewer Capacity Expansion - Replace and expand capacity of a 175m trunk sanitary sewer siphon crossing under the forks of the Thames River in downtown London.	\$0	\$23,725,000	\$8,775,000	\$32,500,000	In Progress	June 2026
Boards & Commissions Projects							

CMHC Co-Investment Fund	LMCH Co-Investment with CMHC to support repairs and rehabilitation to LMCH housing units. The project will address approximately 2,080 units (63% of the total LMCH portfolio), a partial portfolio approach, reducing GHG emissions by 25% and increasing accessible units to 20% (or 413 units) of the invested portfolio. (\$40.1 million Federal funding is \$24.6 million loan, \$15.5 million forgivable loan).	\$40,100,000	\$0	\$28,500,000	\$68,600,000	In Progress	December 2027
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Report to Infrastructure and Corporate Services Committee

To: Chair and Members
Infrastructure and Corporate Services Committee
From: Anna Lisa Barbon, Deputy City Manager, Finance Supports
Subject: Court Security and Prisoner Transportation Program Transfer Payment Agreement
Date: April 20, 2026

Recommendation

That on the recommendation of the Deputy City Manager, Finance Supports, the attached proposed by-law (Appendix “A”) **BE INTRODUCED** at the Municipal Council meeting on April 28th, 2026 to:

- (a) **APPROVE** the Ontario Transfer Payment Agreement between His Majesty the King in right of Ontario as represented by the Solicitor General and The Corporation of the City of London for the provision of funding for the Court Security and Prisoner Transportation Program (“Agreement”) attached as Schedule “1”;
- (b) **AUTHORIZE** the Mayor and Clerk to execute the Agreement;
- (c) **AUTHORIZE** the Deputy City Manager, Finance Supports to approve any future amending agreements between His Majesty the King in Right of Ontario as represented by the Solicitor General and The Corporation of the City of London with respect to the Court Security and Prisoner Transportation Program (“CSPT”);
- (d) **AUTHORIZE** the Mayor and Clerk to execute any future amending agreements between His Majesty the King in Right of Ontario as represented by the Solicitor General and The Corporation of the City of London with respect to the Court Security and Prisoner Transportation Program (“CSPT”) approved by the Deputy City Manager, Finance Supports; and,
- (e) **AUTHORIZE** the Deputy City Manager, Finance Supports (or designate) to execute any reports required by the province under the Agreement.

Executive Summary

The uploading of court security and prisoner transportation costs began in 2012, with total funding of approximately \$35 million provided by the Province of Ontario to the City of London since then. The 2026 agreement sets out the allocation of funding of \$3,611,747. All CSPT funding is transferred to the London Police Service for the delivery of the service.

This report introduces a by-law to authorize the Mayor and the City Clerk to execute the Transfer Payment Agreement and any future amending agreements between His Majesty the King in Right of Ontario as represented by the Solicitor General for the Province of Ontario and The Corporation of the City of London with respect to the Court Security and Prisoner Transportation Program (“CSPT”).

Linkage to the Corporate Strategic Plan

Accessing Court Security and Prisoner Transportation funding contributes to the Corporation’s 2023 – 2027 Strategic Plan under the “Well-Run City” strategic area of focus. Specifically, London’s finances are maintained in a transparent, sustainable, and well-planned manner, incorporating intergenerational equity, affordability and environmental, social, and governance considerations.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- [Court Security Prisoner Transportation Program Transfer Payment Agreement \(Infrastructure and Corporate Services Committee - April 30, 2025\)](#)

2.0 Discussion and Considerations

2.1 Background

On October 3, 2008, the Government of Ontario, the Association of Municipalities of Ontario (AMO), and the City of Toronto announced the results of the Provincial-Municipal Fiscal and Service Delivery Review in a ceremony at Queens Park along with the release of a corresponding report entitled “Facing the Future Together.” One of the results of this review that impacts municipalities was the gradual upload of court security costs and prisoner transportation costs. The uploading of these costs began in 2012 and was phased in over the years up to a maximum of \$125 million province-wide. Since 2012, total funding of approximately \$35 million has been provided by the Province to the City of London. In London, these services are delivered by the London Police Service. The City of London’s involvement in this program is limited to being a conduit of funding between the Province and London Police Service.

The City has received the next agreement for a one-year term which sets out the allocation of funding of \$3,611,747 for 2026 under the CSPT Program. The Province requested receipt of all municipalities’ executed CSPT agreements by April 30, 2026.

As with previous agreements, Civic Administration proposed several changes to the Province to amend the agreement to more appropriately reflect the relationship between the Corporation of the City of London and the London Police Service, the organization responsible for the provision of these services. The agreement, as presented in Schedule 1 of the by-law, reflects the amended agreement which contains similar provisions as previous agreements signed. Unfortunately, Civic Administration continues to have some reservations with the agreement as it stands, however the Province has historically made it clear that they are unwilling to consider any further changes to their standard form agreement. Furthermore, should the municipality decide not to execute the agreement, funding of approximately \$3.611 million would be lost over the one-year term.

Civic Administration notes the following potential areas of concern:

a) Article A9.0 – Indemnity

This provision exposes the City to unlimited liability. The risk is mitigated through insurance, loss transfer and control measures.

b) Article A11.0 – Termination on Notice

This funding is being relied upon for budget purposes. If the agreement were to be terminated by the Province in accordance with this article, a budget shortfall would result.

3.0 Financial Impact/Considerations

3.1 Funding Allocation

The funding allocation for 2026 is \$3,611,747, which is a \$207,754 increase from the

previous year. Funding allocations are determined based on each respective municipality's proportion of the total CSPT costs province wide. This funding is included in the LPS budget to offset the costs of delivering these services.

Additionally, as identified in Article A11.1 – Termination on Notice, “the Province may terminate this Agreement at any time without liability, penalty, or costs upon giving at least 30 days’ Notice to the Recipient”. If this upload is terminated, the City would have to cover the shortfall of funding through other funding sources and/or a reduction in other program expenditures. Civic Administration believes the risk of this occurring is extremely low.

Conclusion

The City of London was allocated \$3,611,747 for a one-year period for the CSPT program. This report introduces a by-law to authorize the Mayor and the City Clerk to execute the Transfer Payment Agreement and any future amending agreements between the His Majesty the King in Right of Ontario as represented by the Solicitor General and The Corporation of the City of London with respect to the CSPT Program.

Prepared by:	Samantha Arcese Financial Business Administrator
Submitted by:	Kyle Murray, CPA, CA Director, Financial Planning & Business Support
Recommended by:	Anna Lisa Barbon, CPA, CGA Deputy City Manager, Finance Supports

Bill No.

2026

A by-law to approve the Ontario Transfer Payment Agreement between His Majesty the King in right of Ontario as represented by the Solicitor General and The Corporation of the City of London for the provision of funding under the Court Security and Prisoner Transportation Program; and to authorize the Mayor and City Clerk to execute the Agreement

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001*, as amended, provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001* provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

AND WHEREAS subsection 10(2) of the *Municipal Act, 2001* provides that a municipality may pass by-laws respecting, among other things: (i) economic, social, and environmental well-being of the municipality; and ii) health, safety and well-being of persons.

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Ontario Transfer Payment Agreement between His Majesty the King in right of Ontario as represented by the Solicitor General and The Corporation of the City of London for the provision of funding under the Court Security and Prisoner Transportation Program ("Agreement"), attached hereto as Schedule "1" to this bylaw, is hereby authorized and approved.
2. The Mayor and City Clerk are authorized to execute the Agreement approved under section 1 of this by-law.
3. The Deputy City Manager, Finance Supports is authorized to approve any future amending agreements between His Majesty the King in Right of Ontario as represented by the Solicitor General and The Corporation of the City of London with respect to the Court Security and Prisoner Transportation Program (CPST);
4. The Mayor and Clerk are authorized to execute any future amending agreements between His Majesty the King in Right of Ontario as represented by the Solicitor General and The Corporation of the City of London with respect to the Court Security and Prisoner Transportation Program (CPST) approved by the Deputy City Manager, Finance Supports.
5. The Deputy City Manager, Finance Supports, or their designate, is authorized to execute any report required under the Agreement authorized under section 1 of this bylaw.

This by-law shall come into force and effect on the day it is passed.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading –
Second Reading –
Third Reading –

ONTARIO TRANSFER PAYMENT AGREEMENT

THE AGREEMENT is effective as of the 1st day of January, 2026.

BETWEEN:

**His Majesty the King in right of Ontario
as represented by the Solicitor General**

(the “Province”)

- and -

The Corporation of the City of London

(the “Recipient”)

BACKGROUND

- A. The Province implemented the Court Security and Prisoner Transportation (CSPT) Program (the “**Program**”) in 2012 to assist municipalities in offsetting their costs of providing CSPT services in their jurisdictions.
- B. The Province will upload CSPT costs from municipalities to a maximum of \$125 million in 2026.
- C. Pursuant to subsection 10(1) of the *Community Safety and Policing Act* the London Police Services Board is required to provide adequate and effective police services in accordance with the *Community Safety and Policing Act*.
- D. Pursuant to subsection 243(1) of the *Community Safety and Policing Act*, the London Police Services Board has the following responsibilities, with respect to premises where court proceedings are conducted in the City of London:
 1. Ensuring the security of judges and other judicial officers and of persons taking part in or attending proceedings;
 2. During the hours when judges, other judicial officers and members of the public are normally present, ensuring the security of the premises;
 3. Ensuring the secure custody of persons in custody who are on or about the premises, including persons taken into custody at proceedings;
 4. Determining appropriate levels of security for the purposes of paragraph 1, 2, and 3 in accordance with the regulations, if any.

- E. Pursuant to subsection 50(2) of the *Community Safety and Policing Act, 2019*, the London Police Services Board submits the operating and capital estimates to the Recipient and upon reviewing the estimates, the council for the Recipient establishes an overall budget for the London Police Services Board.
- F. The cost of court security and prisoner transportation provided by the London Police Services Board are included in the estimates provided by the London Police Services Board and funded by the Recipient.
- G. The Ministry has agreed to provide funding to the Recipient to be used to fund the costs of court security and prisoner transportation provided by the London Police Services Board in accordance with its obligations under subsection 50(2) of the *Community Safety and Policing Act, 2019*.
- H. The Recipient has provided its 2024 CSPT costs, as confirmed in the 2024 Annual Financial Report submitted by the Recipient.
- I. Funding is allocated based on the Recipient's relative share of the total 2024 provincial CSPT cost.

CONSIDERATION

In consideration of the mutual covenants and agreements contained in the Agreement and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the Province and the Recipient agree as follows:

1.0 ENTIRE AGREEMENT

1.1 Schedules to the Agreement. The following schedules form part of the Agreement:

- Schedule "A" - General Terms and Conditions
- Schedule "B" - Project Specific Information and Additional Provisions
- Schedule "C" - Project
- Schedule "D" - Payment Plan and Reporting Schedule
- Schedule "E" - Court Security and Prisoner Transportation Services and Activities Eligible for Funding
- Schedule "F" - 2026 Financial and Performance Measurement Report Template

1.2 Entire Agreement. The Agreement constitutes the entire agreement between the Parties with respect to the subject matter contained in the Agreement and supersedes all prior oral or written representations and agreements.

2.0 CONFLICT OR INCONSISTENCY

2.1 **Conflict or Inconsistency.** In the event of a conflict or inconsistency between the Additional Provisions and the provisions in Schedule “A”, the following rules will apply:

- (a) the Parties will interpret any Additional Provisions in so far as possible, in a way that preserves the intention of the Parties as expressed in Schedule “A”; and
- (b) where it is not possible to interpret the Additional Provisions in a way that is consistent with the provisions in Schedule “A”, the Additional Provisions will prevail over the provisions in Schedule “A” to the extent of the inconsistency.

3.0 COUNTERPARTS

3.1 **One and the Same Agreement.** The Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

4.0 AMENDING THE AGREEMENT

4.1 **Amending the Agreement.** The Agreement may only be amended by a written agreement duly executed by the Parties.

5.0 ACKNOWLEDGEMENT

5.1 **Acknowledgement.** The Recipient acknowledges that:

- (a) by receiving Funds it may become subject to legislation applicable to organizations that receive funding from the Government of Ontario, including the *Broader Public Sector Accountability Act, 2010* (Ontario), the *Public Sector Salary Disclosure Act, 1996* (Ontario), and the *Auditor General Act* (Ontario);
- (b) His Majesty the King in right of Ontario has issued expenses, perquisites, and procurement directives and guidelines pursuant to the *Broader Public Sector Accountability Act, 2010* (Ontario);
- (c) the Funds are:
 - (i) to assist the Recipient to carry out the Project and not to provide goods or services to the Province;

- (ii) funding for the purposes of the *Public Sector Salary Disclosure Act, 1996* (Ontario);
- (d) the Province is not responsible for carrying out the Project;
- (e) the Province is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Province in connection with the Project or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act; and
- (f) the Province is bound by the *Financial Administration Act* (Ontario) (“FAA”) and, pursuant to subsection 11.3(2) of the FAA, payment by the Province of Funds under the Agreement will be subject to,
 - (i) an appropriation, as that term is defined in subsection 1(1) of the FAA, to which that payment can be charged being available in the Funding Year in which the payment becomes due; or
 - (ii) the payment having been charged to an appropriation for a previous fiscal year.

5.2 The Province acknowledges that the Recipient is bound by the *Municipal Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Recipient in connection with the Project or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act.

SIGNATURE PAGE FOLLOWS

The Parties have executed the Agreement on the dates set out below.

**HIS MAJESTY THE KING IN RIGHT OF
ONTARIO as represented by the Solicitor
General**

Date

Name: Mario Di Tommaso

Name: Deputy Solicitor General, Community
Safety

The Corporation of the City of London

Date

Name:

Title:

Date

Name:

Title:

SCHEDULE "A"
GENERAL TERMS AND CONDITIONS

A1.0 INTERPRETATION AND DEFINITIONS

A1.1 Interpretation. For the purposes of interpretation:

- (a) words in the singular include the plural and vice-versa;
- (b) words in one gender include all genders;
- (c) the headings do not form part of the Agreement; they are for reference only and will not affect the interpretation of the Agreement;
- (d) any reference to dollars or currency will be in Canadian dollars and currency; and
- (e) "include", "includes" and "including" denote that the subsequent list is not exhaustive.

A1.2 Definitions. In the Agreement, the following terms will have the following meanings:

"Additional Provisions" means the terms and conditions set out in Schedule "B".

"Agreement" means this agreement entered into between the Province and the Recipient, all of the schedules listed in section 1.1, and any amending agreement entered into pursuant to section 4.1.

"Business Day" means any working day, Monday to Friday inclusive, excluding statutory and other holidays, namely: New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day and any other day on which the Province has elected to be closed for business.

"Effective Date" means the date set out at the top of the Agreement.

"Event of Default" has the meaning ascribed to it in section A12.1.

"Expiry Date" means the expiry date set out in Schedule "B".

"Funding Year" means the period commencing on the Effective Date and ending on December 31 of the calendar year.

“Funds” means the money the Province provides to the Recipient pursuant to the Agreement.

“Indemnified Parties” means His Majesty the King in right of Ontario, and includes His ministers, agents, appointees, and employees.

“Loss” means any cause of action, liability, loss, cost, damage, or expense (including legal, expert and consultant fees) that anyone incurs or sustains as a result of or in connection with the Project or any other part of the Agreement.

“Maximum Funds” means the maximum set out in Schedule “B”.

“Notice” means any communication given or required to be given pursuant to the Agreement.

“Notice Period” means the period of time within which the Recipient is required to remedy an Event of Default pursuant to section A12.3(b), and includes any such period or periods of time by which the Province extends that time pursuant to section A12.4.

“Parties” means the Province and the Recipient.

“Party” means either the Province or the Recipient.

“Proceeding” means any action, claim, demand, lawsuit, or other proceeding that anyone makes, brings or prosecutes as a result of or in connection with the Project or with any other part of the Agreement.

“Project” means the undertaking described in Schedule “C”.

“Records Review” means any assessment the Province conducts pursuant to section A7.4.

“Reports” means the reports described in Schedule “F”.

“Services” means the court security and prisoner transportation services and activities **eligible for funding** as set out in Schedule “E” as provided by the London Police Services Board in accordance with subsection 243(1) of the *Community Safety and Policing Act, 2019*.

A2.0 REPRESENTATIONS, WARRANTIES, AND COVENANTS

A2.1 General. The Recipient represents, warrants, and covenants that:

- (a) it is, and will continue to be, a validly existing legal entity with full power to fulfill its obligations under the Agreement;

- (b) it has, and will continue to have, the experience and expertise necessary to carry out the Project;
- (c) it is in compliance with, and will continue to comply with, all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules, and by-laws related to any aspect of the Project, the Funds, or both; and
- (d) unless otherwise provided for in the Agreement, any information the Recipient provided to the Province in support of its request for funds (including information relating to any eligibility requirements) was true and complete at the time the Recipient provided it and will continue to be true and complete.

A2.2 Execution of Agreement. The Recipient represents and warrants that it has:

- (a) the full power and capacity to enter into the Agreement; and
- (b) taken all necessary actions to authorize the execution of the Agreement.

A2.3 Governance. The Recipient represents, warrants, and covenants that it has, will maintain in writing, and will follow:

- (a) a code of conduct and ethical responsibilities for all persons at all levels of the Recipient's organization;
- (b) procedures to enable the Recipient's ongoing effective functioning;
- (c) decision-making mechanisms for the Recipient;
- (d) procedures to enable the Recipient to manage Funds prudently and effectively;
- (e) procedures to enable the preparation and submission of all Reports required pursuant to Article A7.0; and
- (f) procedures to enable the Recipient to address such other matters as the Recipient considers necessary to enable the Recipient to carry out its obligations under the Agreement.

A2.4 Supporting Proof. Upon the request of the Province, the Recipient will provide the Province with proof of the matters referred to in Article A2.0.

A3.0 TERM OF THE AGREEMENT

A3.1 Term. The term of the Agreement will commence on the Effective Date and will expire on the Expiry Date unless terminated earlier pursuant to Article A11.0 or Article A12.0.

A4.0 FUNDS AND CARRYING OUT THE PROJECT

A4.1 Funds Provided. The Province will:

- (a) provide the Recipient with Funds up to the Maximum Funds for the purpose of carrying out the Project;
- (b) provide the Funds to the Recipient in accordance with the payment plan attached to the Agreement as Schedule “D”; and
- (c) deposit the Funds into an account the Recipient designates provided that the account:
 - (i) resides at a Canadian financial institution; and
 - (ii) is in the name of the Recipient.

A4.2 Limitation on Payment of Funds. Despite section A4.1:

- (a) the Province is not obligated to provide any Funds to the Recipient until the Recipient provides the certificates of insurance or other proof required pursuant to section A10.2;
- (b) the Province is not obligated to provide instalments of Funds until it is satisfied with the progress of the Project; and
- (c) the Province may adjust the amount of Funds it provides to the Recipient for any Funding Year based upon the Province’s assessment of the information the Recipient provides to the Province pursuant to section A7.2.

A4.3 Use of Funds and Carry Out the Project. The Recipient will do all of the following:

- (a) carry out the Project in accordance with the Agreement;
- (b) use the Funds only for the purpose of carrying out the Project;
- (c) spend the Funds only in accordance with Schedule “E”;
- (d) not use the Funds to cover any cost that has been or will be funded or reimbursed by one or more of any third party, ministry, agency, or organization of the Government of Ontario.

A4.4 Interest-Bearing Account. If the Province provides Funds before the Recipient's immediate need for the Funds, the Recipient will place the Funds in an interest-bearing account in the name of the Recipient at a Canadian financial institution.

A4.5 Interest. If the Recipient earns any interest on the Funds, the Province may do either or both of the following:

- (a) deduct an amount equal to the interest from any further instalments of Funds;
- (b) demand from the Recipient the payment of an amount equal to the interest.

A4.6 Rebates, Credits, and Refunds. The Province will calculate Funds based on the actual costs to the Recipient to carry out the Project, less any costs (including taxes) for which the Recipient has received, will receive, or is eligible to receive, a rebate, credit, or refund.

A5.0 RECIPIENT'S ACQUISITION OF GOODS OR SERVICES, AND DISPOSAL OF ASSETS

A5.1 Acquisition. If the Recipient acquires goods, services, or both with the Funds, it will do so through a process that promotes the best value for money.

A5.2 Disposal. The Recipient will not, without the Province's prior consent, sell, lease, or otherwise dispose of any asset purchased or created with the Funds or for which Funds were provided, the cost of which exceeded the amount as set out in Schedule "B" at the time of purchase.

A6.0 CONFLICT OF INTEREST

A6.1 Conflict of Interest Includes. For the purposes of Article A6.0, a conflict of interest includes any circumstances where:

- (a) the Recipient; or
- (b) any person who has the capacity to influence the Recipient's decisions, has outside commitments, relationships, or financial interests that could, or could be seen by a reasonable person to, interfere with the Recipient's objective, unbiased, and impartial judgment relating to the Project, the use of the Funds, or both.

A6.2 No Conflict of Interest. The Recipient will carry out the Project and use the Funds without an actual, potential, or perceived conflict of interest unless:

- (a) the Recipient:
 - (i) provides Notice to the Province disclosing the details of the actual, potential, or perceived conflict of interest; and
 - (ii) requests the consent of the Province to carry out the Project with an actual, potential, or perceived conflict of interest;
- (b) the Province provides its consent to the Recipient carrying out the Project with an actual, potential, or perceived conflict of interest; and
- (c) the Recipient complies with any terms and conditions the Province may prescribe in its consent.

A7.0 REPORTS, ACCOUNTING, AND REVIEW

A7.1 Province Includes. For the purposes of sections A7.4, A7.5 and A7.6, “Province” includes any auditor or representative the Province may identify.

A7.2 Preparation and Submission. The Recipient will:

- (a) submit to the Province at the address set out in Schedule “B”:
 - (i) all Reports in accordance with the timelines and content requirements set out in Schedule “D”;
 - (ii) any other reports in accordance with any timelines and content requirements the Province may specify from time to time;
- (b) ensure that all Reports and other reports are:
 - (i) completed to the satisfaction of the Province; and
 - (i) signed by an authorized signing officer of the Recipient.

A7.3 Record Maintenance. The Recipient will keep and maintain for a period of seven years from their creation:

- (a) all financial records (including invoices and evidence of payment) relating to the Funds or otherwise to the Project in a manner consistent with either international financial reporting standards or generally accepted accounting principles or any comparable accounting standards that apply to the Recipient; and
- (b) all non-financial records and documents relating to the Funds or

otherwise to the Project.

A7.4 Records Review. The Province may, at its own expense, upon twenty-four hours' Notice to the Recipient and during normal business hours enter upon the Recipient's premises to conduct an audit or investigation of the Recipient regarding the Recipient's compliance with the Agreement, including assessing any of the following:

- (a) the truth of any of the Recipient's representations and warranties;
- (b) the progress of the Project;
- (c) the Recipient's allocation and expenditure of the Funds.

A7.5 Inspection and Removal. For the purposes of any Records Review, the Province may take one or both of the following actions:

- (a) inspect and copy any records and documents referred to in section A7.3;
- (b) remove any copies the Province makes pursuant to section A7.5(a).

A7.6 Cooperation. To assist the Province in respect of its rights provided for in section A7.5, the Recipient will cooperate with the Province by:

- (a) ensuring that the Province has access to the records and documents wherever they are located;
- (b) assisting the Province to copy records and documents;
- (c) providing to the Province, in the form the Province specifies, any information the Province identifies; and
- (d) carrying out any other activities the Province requests.

A7.7 No Control of Records. No provision of the Agreement will be construed to give the Province any control whatsoever over any of the Recipient's records.

A7.8 Auditor General. The Province's rights under Article A7.0 are in addition to any rights provided to the Auditor General pursuant to section 9.1 of the *Auditor General Act* (Ontario).

A8.0 COMMUNICATIONS REQUIREMENTS

A8.1 Acknowledge Support. Unless the Province directs the Recipient to do otherwise, the Recipient will in each of its Project-related publications, whether written, oral, or visual, including public announcements or communications:

- (a) acknowledge the support of the Province for the Project;
- (b) ensure that any acknowledgement is in a form and manner as the Province directs;
- (c) indicate that the views expressed in the publication are the views of the Recipient and do not necessarily reflect those of the Province and
- (d) obtain prior written approval from the Province before using any Government of Ontario or ministry logo or symbol in any communications including press releases, published reports, radio and television programs and public or private meetings, or in any other type of promotional material, relating to the Project or this Agreement.

A8.2 Notice of Project-Related Communications. Unless the Province directs the Recipient to do otherwise, the Recipient will provide written notice to the Province a minimum of 14 Business Days in advance of all Project-related publications, whether written, oral, or visual, including public announcements or communications.

A9.0 INDEMNITY

A9.1 Indemnify. The Recipient will indemnify and hold harmless the Indemnified Parties from and against any Loss and any Proceeding, unless solely caused by the gross negligence or wilful misconduct of the Indemnified Parties.

A10.0 INSURANCE

A10.1 Insurance. The Recipient represents, warrants, and covenants that it has, and will maintain for the Term of the Agreement, at its own cost and expense, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person carrying out obligations similar to the obligations of the Recipient under this agreement would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury, and property damage, to an inclusive limit of not less than the amount set out in Schedule "B" per occurrence, which commercial general liability insurance policy will include the following:

- (a) the Indemnified Parties as additional insureds with respect to liability arising in the course of performance of the Recipient's obligations under, or otherwise in connection with, the Agreement;
- (b) a cross-liability clause;
- (c) contractual liability coverage; and

- (d) at least 30 days' written notice of cancellation.

A10.2 Proof of Insurance. The Recipient will:

- (a) provide to the Province, either:
 - (i) certificates of insurance that confirm the insurance coverage required by section A10.1; or
 - (ii) other proof that confirms the insurance coverage required by section A10.1; and
- (b) in the event of a Proceeding, and upon the Province's request, the Recipient will provide to the Province a copy of any of the Recipient's insurance policies that relate to the Project or otherwise to the Agreement, or both.

A11.0 TERMINATION ON NOTICE

A11.1 Termination on Notice. The Province may terminate the Agreement at any time without liability, penalty, or costs upon giving 30 days' Notice to the Recipient.

A11.2 Consequences of Termination on Notice by the Province. If the Province terminates the Agreement pursuant to section A11.1, the Province may take one or more of the following actions:

- (a) cancel further instalments of Funds;
- (b) demand from the Recipient the payment of any Funds remaining in the possession or under the control of the Recipient; and
- (c) determine the reasonable costs for the Recipient to wind down the Project, and do either or both of the following:
 - (i) permit the Recipient to offset such costs against the amount the Recipient owes pursuant to section A11.2(b); and
 - (ii) subject to section A4.1(a), provide Funds to the Recipient to cover such costs.

A12.0 EVENT OF DEFAULT, CORRECTIVE ACTION, AND TERMINATION FOR DEFAULT

A12.1 Events of Default. Each of the following events will constitute an Event of Default:

- (a) in the opinion of the Province, the Recipient breaches any representation, warranty, covenant, or other material term of the Agreement, including failing to do any of the following in accordance with the terms and conditions of the Agreement:
 - (i) carry out the Project;
 - (ii) use or spend Funds; or
 - (iii) provide, in accordance with section A7.2, Reports or such other reports as the Province may have requested pursuant to section A7.2(a)(ii);
- (b) the Recipient's operations, its financial condition, its organizational structure or its control changes such that it no longer meets one or more of the eligibility requirements of the program under which the Province provides the Funds;
- (c) the Recipient makes an assignment, proposal, compromise, or arrangement for the benefit of creditors, or a creditor makes an application for an order adjudging the Recipient bankrupt, or applies for the appointment of a receiver;
- (d) the Recipient ceases to operate.

A12.2 Consequences of Events of Default and Corrective Action. If an Event of Default occurs, the Province may, at any time, take one or more of the following actions:

- (a) initiate any action the Province considers necessary in order to facilitate the successful application of the Funds for the Services ;
- (b) provide the Recipient with an opportunity to remedy the Event of Default;
- (c) suspend the payment of Funds for such period as the Province determines appropriate;
- (d) reduce the amount of the Funds;
- (e) cancel further instalments of Funds;
- (f) demand from the Recipient the payment of any Funds remaining in the possession or under the control of the Recipient;
- (g) demand from the Recipient the payment of an amount equal to any Funds the Recipient used, but did not use in accordance with the Agreement;

- (h) demand from the Recipient the payment of an amount equal to any Funds the Province provided to the Recipient;
- (i) demand from the Recipient the payment of an amount equal to the costs the Province incurred or incurs to enforce its rights under the Agreement, including the costs of any Records Review and the costs it incurs to collect any amounts the Recipient owes to the Province; and
- (j) upon giving Notice to the Recipient, terminate the Agreement at any time, including immediately, without liability, penalty or costs to the Province.

A12.3 Opportunity to Remedy. If, pursuant to section A12.2(b), the Province provides the Recipient with an opportunity to remedy the Event of Default, the Province will give Notice to the Recipient of:

- (a) the particulars of the Event of Default; and
- (b) the Notice Period.

A12.4 Recipient not Remediating. If the Province provides the Recipient with an opportunity to remedy the Event of Default pursuant to section A12.2(b), and:

- (a) the Recipient does not remedy the Event of Default within the Notice Period;
- (b) it becomes apparent to the Province that the Recipient cannot completely remedy the Event of Default within the Notice Period; or
- (c) the Recipient is not proceeding to remedy the Event of Default in a way that is satisfactory to the Province,

the Province may extend the Notice Period, or initiate any one or more of the actions provided for in sections A12.2(a), (c), (d), (e), (f), (g), (h), (i) and (j).

A12.5 When Termination Effective. Termination under Article A12.0 will take effect as provided for in the Notice.

A13.0 FUNDS AT THE END OF A FUNDING YEAR

A13.1 Funds at the End of a Funding Year. Without limiting any rights of the Province under Article A12.0, if, by the end of a Funding Year, the Recipient has not spent all of the Funds allocated for the Funding Year, the Province may take one or both of the following actions:

- (a) demand from the Recipient payment of the unspent Funds;

- (b) adjust the amount of any further instalments of Funds accordingly.

A14.0 FUNDS UPON EXPIRY

A14.1 Funds Upon Expiry. Upon expiry of the Agreement, the Recipient will pay to the Province any Funds remaining in its possession, under its control, or both.

A15.0 DEBT DUE AND PAYMENT

A15.1 Payment of Overpayment. If at any time the Province provides Funds in excess of the amount to which the Recipient is entitled under the Agreement, the Province may:

- (a) deduct an amount equal to the excess Funds from any further instalments of Funds; or
- (b) demand that the Recipient pay to the Province an amount equal to the excess Funds.

A15.2 Debt Due. If, pursuant to the Agreement:

- (a) the Province demands from the Recipient the payment of any Funds, an amount equal to any Funds or any other amounts owing under the Agreement; or
- (b) the Recipient owes to the Province any Funds, an amount equal to any Funds or any other amounts owing under the Agreement, whether or not the Province has demanded their payment,

such amounts will be deemed to be debts due and owing to the Province by the Recipient, and the Recipient will pay the amounts to the Province immediately, unless the Province directs otherwise.

A15.3 Interest Rate. The Province may charge the Recipient interest on any money owing to the Province by the Recipient under the Agreement at the then current interest rate charged by the Province of Ontario on accounts receivable.

A15.4 Payment of Money to Province. The Recipient will pay any money owing to the Province by cheque payable to the "Ontario Minister of Finance" and delivered to the Province at the address set out in Schedule "B".

A15.5 Fails to Pay. Without limiting the application of section 43 of the *Financial Administration Act* (Ontario), if the Recipient fails to pay any amount owing under the Agreement, His Majesty the King in right of Ontario may deduct any unpaid amount from any money payable to the Recipient by His Majesty the King in right of Ontario.

A16.0 NOTICE

A16.1 Notice in Writing and Addressed. Notice will be:

- (a) in writing;
- (b) delivered by email, postage-prepaid mail, personal delivery, courier or fax; and
- (c) addressed to the Province or the Recipient as set out in Schedule “B”, or as either Party later designates to the other by Notice.

A16.2 Notice Given. Notice will be deemed to have been given:

- (a) in the case of postage-prepaid mail, five Business Days after the Notice is mailed; or
- (b) in the case of fax, one Business Day after the Notice is delivered; and
- (c) in the case of email, personal delivery or courier on the date on which the Notice is delivered.

A16.3 Postal Disruption. Despite section A16.2(a), in the event of a postal disruption:

- (a) Notice by postage-prepaid mail will not be deemed to be given; and
- (b) the Party giving Notice will give Notice by email, personal delivery, courier or fax.

A17.0 CONSENT BY PROVINCE AND COMPLIANCE BY RECIPIENT

A17.1 Consent. When the Province provides its consent pursuant to the Agreement:

- (a) it will do so by Notice;
- (b) it may attach any terms and conditions to the consent; and
- (c) the Recipient may rely on the consent only if the Recipient complies with any terms and conditions the Province may have attached to the consent.

A18.0 SEVERABILITY OF PROVISIONS

A18.1 Invalidity or Unenforceability of Any Provision. The invalidity or

unenforceability of any provision of the Agreement will not affect the validity or enforceability of any other provision of the Agreement.

A19.0 WAIVER

A19.1 Condonation not a waiver. Failure or delay by either Party to exercise any of its rights, powers or remedies under the Agreement will not constitute a waiver of those rights, powers or remedies and the obligations of the Parties with respect to such rights, powers or remedies will continue in full force and effect.

A19.2 Waiver. Either Party may waive any of its rights, powers or remedies under the Agreement by providing Notice to the other Party. A waiver will apply only to the specific rights, powers or remedies identified in the Notice and the Party providing the waiver may attach terms and conditions to the waiver.

A20.0 INDEPENDENT PARTIES

A20.1 Parties Independent. The Recipient is not an agent, joint venturer, partner, or employee of the Province, and the Recipient will not represent itself in any way that might be taken by a reasonable person to suggest that it is or take any actions that could establish or imply such a relationship.

A21.0 ASSIGNMENT OF AGREEMENT OR FUNDS

A21.1 No Assignment. The Recipient will not, without the prior written consent of the Province, assign any of its rights or obligations under the Agreement.

A21.2 Agreement Binding. All rights and obligations contained in the Agreement will extend to and be binding on:

- (a) the Recipient's heirs, executors, administrators, successors, and permitted assigns; and
- (b) the successors to His Majesty the King in right of Ontario.

A22.0 GOVERNING LAW

A22.1 Governing Law. The Agreement and the rights, obligations, and relations of the Parties will be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with the Agreement will be conducted in the courts of Ontario, which will have exclusive jurisdiction over such proceedings.

A23.0 FURTHER ASSURANCES

A23.1 Agreement into Effect. The Recipient will:

- (a) provide such further assurances as the Province may request from time to time with respect to any matter to which the Agreement pertains; and
- (b) do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of the Agreement to their full extent.

A24.0 JOINT AND SEVERAL LIABILITY

A24.1 Joint and Several Liability. Where the Recipient comprises more than one entity, each entity will be jointly and severally liable to the Province for the fulfillment of the obligations of the Recipient under the Agreement.

A25.0 RIGHTS AND REMEDIES CUMULATIVE

A25.1 Rights and Remedies Cumulative. The rights and remedies of the Province under the Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

A26.0 FAILURE TO COMPLY WITH OTHER AGREEMENTS

A26.1 Other Agreements. If the Recipient:

- (a) has failed to comply with any term, condition, or obligation under any other agreement with His Majesty the King in right of Ontario or one of His agencies (a "Failure");
- (b) has been provided with notice of such Failure in accordance with the requirements of such other agreement;
- (c) has, if applicable, failed to rectify such Failure in accordance with the requirements of such other agreement; and
- (d) such Failure is continuing,

the Province may suspend the payment of Funds for such period as the Province determines appropriate.

A27.0 SURVIVAL

A27.1 Survival. The following Articles and sections, and all applicable cross-referenced Articles, sections and schedules, will continue in full force and effect for a period of seven years from the date of expiry or termination of the Agreement: Article 1.0, Article 2.0, Article A1.0 and any other applicable definitions, section A2.1(a), sections A4.4, A4.5, A4.6, section A5.2, section A7.1, section A7.2 (to the extent that the Recipient has not provided the

Reports or other reports as the Province may have requested and to the satisfaction of the Province), sections A7.3, A7.4, A7.5, A7.6, A7.7, A7.8, Article A8.0, Article A9.0, section A11.2, section A12.1, sections A12.2(d), (e), (f), (g), (h), (i) and (j), Article A13.0, Article A14.0, Article A15.0, Article A16.0, Article A18.0, section A21.2, Article A22.0, Article A24.0, Article A25.0 and Article A27.0.

END OF GENERAL TERMS AND CONDITIONS

SCHEDULE "B"
PROJECT SPECIFIC INFORMATION AND ADDITIONAL PROVISIONS

Maximum Funds	\$3,611,747.00
Expiry Date	April 30, 2027
Amount for the purposes of section A5.2 (Disposal) of Schedule "A"	\$5,000.00
Insurance	\$5,000,000.00
Contact information for the purposes of Notice to the Province	<p>Name: Ministry of the Solicitor General Public Safety Division, External Relations Branch Program Development Section</p> <p>Address: 25 Grosvenor Street, 12th Floor Toronto, ON M7A 2H3</p> <p>Attention: Fionne Yip, Community Safety Analyst</p> <p>Email: Fionne.Yip@ontario.ca</p>
Contact information for the senior financial person, for the purposes of Notice to the Recipient, and to respond as required to requests from the Province related to the Agreement	<p>Name: The Corporation of the City of London</p> <p>Address: 300 Dufferin Avenue London, ON N6A 4L9</p> <p>Attention: Mr. Ian Collins Director, Financial Services</p> <p>Email: ICollins@London.ca</p>

Additional Provisions:

None

**SCHEDULE “C”
PROJECT**

The Project is the Recipient receiving the Funds and in turn providing the Funds to the London Police Services Board for the costs of providing security for court premises during hours of court operations and security of persons attending court, and/or the costs of transporting prisoners between correctional institutions, custodial facilities and court locations for the purposes of court attendance.

To assist the Recipient, the Province has agreed to provide the Recipient up to the Maximum Funds in accordance with the terms of the Agreement to offset costs for the provision of such court security and prisoner transportation within the Recipient’s jurisdiction.

The Recipient shall ensure the Funds are used only for eligible services and activities as described in Schedule “E”.

SCHEDULE “D”
PAYMENT PLAN AND REPORTING SCHEDULE

The Funds in the amount of **\$3,611,747.00** will be provided to the Recipient according to the following schedule:

- A. First Instalment: \$902,936.75 will be paid to the Recipient once the Recipient has signed the Agreement and provided adequate proof of insurance to the Province, in accordance with section A10.2 of the Agreement, and the Agreement has then been signed by the Province.

- B. Second Instalment: \$902,936.75 will be paid to the Recipient, following the Province’s receipt and approval of the 2025 Annual Financial and Performance Measurement Report, due by **March 31, 2026**. *Subsequent payments will not be released until the Province has received and approved the 2025 Annual Financial and Performance Measurement Report.*

- C. Third Instalment: \$902,936.75 will be paid to the Recipient by the end of September 2026.

- D. Final Instalment: \$902,936.75 will be paid to the Recipient by the end of December 2026.

- E. The Recipient must submit the 2026 Financial and Performance Measurement Report (Schedule “F”) to the Province by March 31, 2027.

**SCHEDULE “E”
COURT SECURITY AND PRISONER TRANSPORTATION
SERVICES AND ACTIVITIES ELIGIBLE FOR FUNDING**

COURT SECURITY Eligible Costs Include:

1. Facility Perimeter Security

Costs associated with external and/or internal presence of sworn police officers, special constables or other security personnel during regular or non-regular hours, including WASH (Weekends And Statutory Holidays) court, to secure the perimeter of the facility, to respond to a specific threat or for high-profile matters.

2. Courtroom Security

Costs associated with the presence of sworn police officers, special constables or other security personnel in the courtroom to ensure the safety and security of the proceedings and attendees.

3. General Courthouse Security Presence

Costs associated with the use of screening stations to screen all public visitors to the courthouse, including the use of magnetometers and x-ray machines, and police or other security personnel assigned to perform roving patrols of the court facility.

4. Prisoner Movement in Courthouse

Costs associated with monitoring the movement of prisoners between holding cells and other areas within the courthouse.

5. Prisoner Guarding in Holding Cells

Costs associated with guarding and monitoring of prisoners brought to court and held in courthouse holding cells (where applicable).

6. Prisoner Meals

Costs associated with the provision of meals to prisoners required while in the custody of local police services for the purpose of attending court.

7. Virtual Court Proceedings

Costs associated with the guarding, monitoring and transportation of prisoners when court proceedings are held remotely outside of court locations. This excludes virtual court appearances that take place within a correctional institution.

PRISONER* TRANSPORTATION Eligible Costs Include:

1. Prisoner Transport

Costs associated with the movement of prisoners between correctional institutions or police holding cells to court locations for the purposes of attending court.

2. Prisoner Transport - Youth

Costs associated with the movement of youth (youth aged 12-17 years old) in custody between correctional and/or custodial facilities and court locations for the purposes of attending court.

3. Vehicle Maintenance

Costs associated with maintaining prisoner transport vehicles such as fuel, repairs and maintenance.

For the purposes of this Agreement, **prisoner includes persons being held in custody as a result of provincial or federal offence proceedings, including persons under immigration detention.*

TRAINING, EQUIPMENT, UNIFORMS AND RECRUITING Eligible Costs Include:

1. Costs associated with training that is relevant to court security and prisoner transportation only.
2. Cost associated with equipment that is unique to the provision of court security and prisoner transportation and does not include equipment that would be utilized for other purposes.
3. Costs associated with uniforms and outfitting officers who perform court security and prisoner transportation only.
4. Costs associated with recruitment that is specific to the staffing of court security and prisoner transportation only. Costs may include advertising for applicants, physical fitness and/or psychological testing, applicant screening, interviews or other related human resources expenses.

OTHER Eligible Costs Include:

1. Transport of Prisoner Belongings

Costs associated with the transport of essential prisoner belongings (i.e., the Red Bag program).

INELIGIBLE COURT SECURITY AND PRISONER TRANSPORTATION COSTS:

Court Administration

Costs associated with performing court administrative duties, including the scheduling of staff for daily deployment, supervision/management of staff, the service of legal documents, the preparation/maintenance of Crown Brief materials, the entry of data into court information systems, preparing or

swearing/affirming legal documentation, scheduling of court appearances, and other duties of a related nature.

General Administration

Costs associated with other administrative duties such as finance, payroll, information technology support, general human resources support, and other duties of an administrative nature.

Other

Costs including but not limited to building costs, overhead costs, and courthouse infrastructure related items.

SCHEDULE "F"
2026 FINANCIAL AND PERFORMANCE MEASUREMENT REPORT TEMPLATE

2026 Financial and Performance Measurement Report Template attached.

Report to Infrastructure and Corporate Services Committee

To: Chair and Members
Infrastructure and Corporate Services Committee

From: Anna Lisa Barbon, Deputy City Manager, Finance Supports

Subject: 2025 Compliance Report in Accordance with the Procurement of Goods and Services Policy

Date: April 20th, 2026

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports:

- a) The administrative contract awards for Professional Consulting Services with an aggregate total greater than \$100,000, as per Section 15.1(g) of the Procurement of Goods and Services Policy in effect prior to October 1, 2025, decentralized from Procurement and Supply that have been reported to the Senior Manager, Procurement and Supply and have been reviewed for compliance to the Procurement of Goods and Services Policy, **BE RECEIVED** for information, attached as Appendix “A”;
- b) The list of administrative contract awards for Tenders with a value up to \$6,000,000 that do not have an irregular result, as per Section 13.2(c) of the Procurement of Goods and Services Policy in effect prior to October 1, 2025, **BE RECEIVED** for information, attached as Appendix “B”;
- c) The 2025 Annual Procurement Compliance Review, conducted in accordance with the reporting requirements of the legacy Procurement of Goods and Services Policy and the Annual Procurement Compliance Review provisions established under Section 35-Reporting Requirements of the Procurement of Goods and Services Policy effective October 1, 2025, **BE RECEIVED** for information; attached as Appendix “C”;
- d) The City Treasurer, or delegate, **BE DELEGATED** authority to, at any time, refer questions concerning compliance with the Procurement of Goods and Services Policy to the City’s internal auditor. The City Treasurer, or delegate, is hereby further authorized to ratify and confirm completed awards or purchases between \$15,000 and \$50,000 where the City Treasurer or delegate is of the opinion that the awards or purchases were in the best interests of the Corporation.

Executive Summary

The 2025 Annual Procurement Compliance Review has been completed in accordance with Section 8.11- Reporting to Committee and Council of the legacy Procurement of Goods and Services Policy and reflects the transition to the enhanced reporting framework introduced under Section 35- Reporting Requirements of the updated policy.

Procurement and Supply Services, in collaboration with Financial Business Supports, Financial Systems and Accounts Payable, conducted a comprehensive review of procurement transactions to assess compliance with applicable policy requirements, including procurement thresholds, competitive processes, approval authority, and documentation standards.

The majority of procurement activity occurred under the legacy policy (January 1 to September 30, 2025). This report maintains consistency with prior reporting while establishing the foundation for expanded compliance reporting under Section 35- Reporting Requirements

The review confirms that procurement activities were conducted in accordance with the City’s governance framework, supporting transparency, accountability, and compliance

with applicable trade agreements, including the Canadian Free Trade Agreement (CFTA) and the Comprehensive Economic and Trade Agreement (CETA).

Civic Administration will report back to Council through future procurement reports, including a bi-annual procurement report, on the full implementation of Section 35 Reporting Requirements and enhanced governance practices.

Linkage to the Corporate Strategic Plan

Council's 2023–2027 Strategic Plan for the City of London identifies "Well Run City" as a key strategic area of focus. The annual Procurement Compliance Report supports this strategic area of focus by demonstrating transparency and accountability in decision making, financial expenditures, and the delivery of municipal programs and services.

Analysis

1.0 Background Information

1.1 Overview

In accordance with the Municipal Act, 2001, Section 270(1), municipalities are required to adopt and maintain policies governing the procurement of goods and services.

The City of London's Procurement of Goods and Services Policy establishes the governance framework, procurement tools, approval authorities, and accountability requirements used to obtain goods and services for the Corporation.

The policy ensures procurement activities achieve best value while maintaining fairness, openness, transparency, and responsible stewardship of public funds. Procurement practices are aligned with trade agreement obligations, including CFTA and CETA, requiring open and non-discriminatory processes above prescribed thresholds.

This report fulfills the City's annual procurement compliance reporting obligations for the 2025 reporting year.

The policy identifies authorization thresholds and approval authorities as outlined in Schedule "A" of the Procurement of Goods and Services Policy, for both the legacy policy that was in effect up to September 30, 2025, and updated policy frameworks effective October 1, 2025, attached as Appendix "D".

1.2 Previous Reports Related to this Matter

Infrastructure and Corporate Services Committee, June 16th, 2025, Consent Item 2.6, Procurement of Goods and Services Policy Update

Infrastructure and Corporate Services Committee, May 26th, 2025, Consent Item 2.11, Procurement Strategy: Prioritizing Canadian Businesses

Infrastructure and Corporate Services Committee, April 9th, 2025, Consent Item 2.8, 2024 Compliance Report in Accordance with the Procurement of Goods and Services Policy

2.0 Discussion and Considerations

2.1 Procurement Policy Transition

Council approved an updated Procurement of Goods and Services Policy in 2025 following a comprehensive review of the City's procurement governance framework. The updated policy came into effect on October 1, 2025, and introduced revised procurement thresholds, enhanced governance requirements, improved reporting mechanisms, and updated procurement tools to strengthen operational efficiency and policy compliance.

Procurement transactions dated January 1, 2025, through September 30, 2025, were conducted under the legacy Procurement of Goods and Services Policy and have been assessed for compliance against that policy.

Procurement activities undertaken between October 1 and December 31, 2025, were conducted under the revised Procurement Policy and reviewed against the enhanced compliance requirements outlined in Section 35- Reporting Requirements.

As the majority of the reporting year occurred under the legacy policy framework that was in effect, the reporting format for the appendices remains consistent with previous annual compliance reports to maintain continuity and comparability with prior years to support the updated policy reporting framework.

Future compliance reports will fully align with the analytical and reporting framework established under the revised Procurement Policy.

Accordingly, the 2025 report fulfills the reporting obligations of both the legacy Procurement Policy and the enhanced compliance reporting framework introduced under Section 35- Reporting Requirements of the updated policy.

2.2 Section 35 Compliance Reporting – Transition Approach

The Procurement of Goods and Services Policy effective October 1, 2025, introduced a materially expanded compliance reporting framework under Section 35- Reporting Requirements. This framework moves beyond transactional compliance and establishes expectations for enhanced transparency, procurement planning oversight, contract lifecycle governance, and more structured reporting of procurement methods.

Given that the revised policy came into force in the final quarter of the reporting year, the 2025 Annual Procurement Compliance Review reflects a transitional application of these requirements. Procurement activities undertaken between January 1 and September 30, 2025, were conducted and assessed under the legacy policy framework, which was in effect, which focused on compliance with procurement thresholds, approval authority, and administrative award reporting.

Procurement activities undertaken between October 1 and December 31, 2025, were reviewed against the updated policy framework, including enhanced governance controls such as strengthened application of Procurement Initiation Authorization (PIA), improved documentation standards, and more structured procurement categorization. PIA requirements existed under the legacy policy and have been further formalized to strengthen front-end procurement planning and oversight.

As a result, this report does not include consolidated full-year reporting for certain Section 35 elements, including detailed reporting on limited tendering activity, contract amendments and extensions, procurement initiation compliance metrics, and enhanced categorization of compliance outcomes. These elements require consistent application of the updated policy framework across a full reporting cycle to ensure accuracy, comparability, and audit reliability.

Notwithstanding these limitations, Procurement and Supply Services has operationalized these enhanced governance controls, establishing the foundation for expanded reporting and improved oversight beginning in the 2026 reporting cycle under the updated policy and will be reflected in the future reports to Council.

2.3 Administratively Awarded Professional Consulting Services

Under the legacy Procurement of Goods and Services Policy, Deputy City Managers were authorized to administratively appoint professional consulting services up to \$100,000 from a pre-qualified list. Where aggregate expenditures with a consulting firm exceeded \$100,000 within a calendar year, these appointments were required to be disclosed through the annual compliance reporting process.

Appendix “A” presents the list of professional consulting firms whose aggregate expenditures exceeded the \$100,000 reporting threshold. These transactions were reviewed by Procurement and Supply Services to confirm compliance with the applicable procurement process, approval authority, and documentation requirements.

During the January to September 2025 period, a total of 14 consulting firms exceeded the reporting threshold, representing an aggregate value of approximately \$4.3 million. As this reflects a partial-year reporting period (January to September 2025), direct comparison to prior full-year reporting periods is not presented.

All consulting transactions included in this review were assessed for potential aggregation risks, including the splitting or sequencing of work assignments to remain within administrative approval thresholds. No material concerns were identified that would indicate non-compliance with policy requirements.

Professional consulting services continue to represent a significant component of the City's procurement activity, supporting infrastructure delivery, environmental initiatives, planning services, and specialized technical requirements across Service Areas.

2.4 Administratively Awarded Tenders

Under Section 13.2(c) of the legacy Procurement Policy, Deputy City Managers were authorized to administratively award tenders up to \$6,000,000, provided that the procurement did not result in an irregular result and that all procurement requirements were satisfied.

Appendix "B" provides a summary of administratively awarded tenders within this approval authority threshold. These procurements were conducted through formal competitive processes, including publicly advertised Requests for Tender, and were awarded in accordance with the Procurement Policy.

For 2025, a total of 63 tenders were administratively awarded, with a combined value of approximately \$73.5 million and an average award value of approximately \$1.16 million.

These results demonstrate continued reliance on competitive procurement methods for higher-value procurements and confirm that approval authority is being exercised within the limits established by the Procurement Policy.

The administrative award process continues to be an effective mechanism for delivering timely procurement outcomes while maintaining compliance with governance requirements and ensuring appropriate oversight.

2.5 Purchases Between \$15,000 and \$50,000 Methodology

As part of the annual compliance review under the legacy policy, procurement transactions between \$15,000 and \$50,000 that were processed without a purchase order were extracted from the City's financial system and reviewed for compliance with procurement requirements.

These transactions were assessed to determine whether appropriate procurement methods were followed, including the requirement to obtain multiple quotations, ensure appropriate approvals, and maintain adequate supporting documentation.

Where potential compliance concerns were identified, Procurement and Supply Services engaged the relevant Client Service Areas to review the transactions, validate supporting documentation, and assess whether the procurement met policy requirements.

The review identified limited instances where procurement processes were not fully aligned with formal procurement requirements. These were not indicative of control failures but rather were primarily related to procurement planning, documentation gaps, and aggregation of purchases made throughout the Corporation exceeding prescribed thresholds without initiating a formal procurement process in accordance with the policy.

All identified items were addressed through Service Area engagement, with corrective actions implemented including enhanced documentation practices, targeted training, and reinforcement of procurement initiation requirements.

The Procurement Initiation Authorization (PIA) process has been strengthened through the updated policy framework. While PIA requirements existed under the legacy policy, enhancements improve consistency, documentation, and early engagement with Procurement and Supply Services.

2.6 Procurement Activity Analysis (2025)

Procurement activity during the 2025 reporting year reflects a strong alignment with competitive procurement principles, approval authority controls, and trade agreement

obligations, including the Canadian Free Trade Agreement (CFTA) and the Comprehensive Economic and Trade Agreement (CETA).

Detailed procurement activity metrics are provided in Appendix “C.”

2.6.1 January 1 to September 30, 2025 (Legacy Policy Period)

During this period, procurement activity included 1,996 purchase order transactions with a total value of approximately \$294.3 million.

The majority of procurement value was delivered through formal competitive procurement processes. Requests for Tender (RFT) represented the largest share of procurement activity reflecting the City’s infrastructure-driven capital program and continued reliance on open, competitive processes. Requests for Proposal (RFP) supported more complex and service-based procurements where evaluation criteria extend beyond price.

Overall, procurement activity during this period demonstrates consistent application of competitive procurement processes and adherence to the principles of openness, fairness, transparency, and value for taxpayer dollars.

2.6.2 October 1 to December 31, 2025 (Updated Policy Period)

Procurement activity during this period reflects the initial implementation of the updated Procurement of Goods and Services Policy and the transition to enhanced governance and reporting requirements. During this time, procurement activity included a total of 574 purchase order transactions completed with an aggregate value of approximately \$43.3 million.

Competitive procurement methods continued to represent the primary approach for higher-value procurements. Bids and Tenders data confirms that procurements above applicable trade agreement thresholds were conducted through structured, publicly advertised processes, with total competitive award values exceeding approximately \$19.6 million.

Limited tendering activity during this period included 3 procurements with a total value of approximately \$5.6 million above \$133,800 threshold under the Procurement of Goods and Services Policy. These procurements were reviewed to confirm that the use of limited tendering was consistent with permitted conditions under the Policy, including appropriate justification, documentation, and were reported and approved by Council. Appendix “C” reflects only those procurements requiring disclosure under Section 35 reporting requirements.

One emergency procurement award totalling \$260,440 was required. This procurement was reviewed against Section 19(ii) of the Procurement of Goods and Services Policy to confirm that the circumstances met the defined criteria for emergency procurement, including documented operational urgency related to the micro-modular shelter program and considerations of public health and safety, as well as market constraints. This procurement was undertaken in accordance with Procurement of Goods and Services Policy.

Overall, procurement activity during the October to December period demonstrates consistent application of the updated procurement framework, including improved documentation standards, clearer categorization of procurement methods, and enhanced oversight of non-competitive procurement activity.

2.6.3 Full-Year Observations

Across the full 2025 reporting year, procurement activity totaled approximately \$337.6 million across 2,570 transactions. This reflects a consistent and disciplined application of the City’s procurement framework throughout both the legacy and updated policy periods.

The majority of procurement value, approximately 80%, was delivered through competitive procurement processes, while non-competitive procurement remained limited and appropriately controlled within policy requirements. Procurement activities

were conducted with appropriate documentation and oversight applied and demonstrate continued alignment with trade agreement obligations and established public sector procurement practices.

2.7 Procurement of Goods and Services Policy Implementation and Governance Enhancements

The updated Procurement of Goods and Services Policy introduces several key governance enhancements designed to strengthen procurement planning, improve compliance oversight, and enhance reporting transparency.

The Procurement Initiation Authorization (PIA) process is a foundational procurement control that existed under the legacy policy framework and has been further strengthened under the updated policy. Enhancements focus on improved consistency, documentation, and earlier engagement with Procurement and Supply Services to support compliant procurement planning and execution.

Additional governance enhancements include strengthened contract lifecycle management controls, including improved oversight of procurement award approvals tracking, contract amendments and extensions, renewals, and the introduction of standardized documentation requirements for limited tendering and non-competitive procurement.

These enhancements improve the consistency, transparency, and auditability of procurement activities and support more effective monitoring of procurement practices across the organization.

As these tools become fully operational, they will support expanded procurement compliance reporting and improved data visibility across procurement activities.

In accordance with Council direction provided at the time of policy approval, Civic Administration will report back to Council on the implementation of the updated Procurement Policy and associated reporting improvements as part of future procurement reporting cycles.

2.8 Future Reporting and Continuous Improvement

The transition to the updated Procurement Policy establishes a more comprehensive compliance reporting framework that will be fully implemented in future reporting cycles.

In addition to the annual compliance report, a bi-annual procurement report will be introduced to provide interim updates to Council on procurement activity under the updated policy framework.

These enhancements will strengthen governance oversight, improve transparency, and support continuous improvement in procurement practices across the Corporation.

2.9 Scope of Responsibility

This compliance review applies to procurement activities undertaken by the Corporation of the City of London.

Procurement activities conducted by Agencies, Boards, and Commissions are outside the scope of this review and are governed by their respective procurement policies and governance frameworks.

Conclusion

This report fulfills the City's 2025 procurement compliance reporting obligations under the legacy Procurement of Goods and Services Policy, while reflecting the transition to the enhanced reporting framework introduced under Section 35 of the updated policy.

The review confirms that procurement activities were conducted in accordance with established governance, approval authority, and competitive procurement requirements.

As 2025 represents a transition year, full alignment with Section 35 reporting will be reflected in future reports. Civic Administration will report back to Council with expanded

reporting, strengthening transparency, oversight, and alignment with public sector procurement best practices and trade agreement obligations.

Submitted by: **Vakul Arora, MCIPS, CPSCM, SCMP**
Senior Manager, Procurement and Supply

Concurred by: **Ian Collins, CPA, CMA**
Director, Financial Services

Recommended by: **Anna Lisa Barbon, CPA, CGA**
Deputy City Manager, Finance Supports

Attachments:

Appendix A - Administratively Awarded Professional Consulting Services Greater than \$100K on Aggregate.

Appendix B - Administratively Awarded Tenders less than \$6M

Appendix C- 2025 -Procurement Activity Summary (Transition Year – Section 35 Reporting Requirements Alignment)

Appendix D – Schedule ‘A’ of the Procurement of Goods & Services Policy (Legacy and Updated Policies)

Appendix "A"

**Professional Consulting with Aggregate Expenditures > \$100K (Legacy Policy 15.1 (g))
January 1, 2025 to September 30, 2025**

Consultant Name	2025 Amount
DILLON CONSULTING LIMITED	\$1,392,568
STANTEC CONSULTING LTD.	\$698,778
MONTROSE ENVIRONMENTAL SOLUTIONS CANADA	\$471,162
AECOM CANADA ULC	\$448,485
WSP CANADA INC.	\$183,655
MTE CONSULTANTS INC.	\$166,620
WF GROUP INC	\$166,060
STONECAIRN CONSULTING INC.	\$154,870
C.F. CROZIER & ASSOCIATES INC.	\$129,800
ARCHIBALD GRAY & MCKAY ENGINEERING LTD.	\$119,267
EXP SERVICES INC.	\$117,691
TMHC INC.	\$115,732
RON KOUDYS LANDSCAPE ARCHITECTS INC	\$110,015
CIMA CANADA INC.	\$105,946
Grand Total	\$4,380,648

Appendix "B"
2025 -List of Administratively Awarded Tenders <\$6M
Section 13.2 (Legacy Policy - 13.2(c))
January 1, 2025 to September 30, 2025

Project Number	Project Name	Award Total Project Value	Deputy City Manager
RFT-2024-271	Traffic Signal Rebuild for Oxford Street East at Richmond Street	\$ 748,985.20	Kelly Scherr
RFT-2024-326	Supply and Delivery of Breathing Apparatus Parts for the London Fire Department	\$ 759,975.95	Cheryl Smith
RFT-2024-330	Supply and Delivery of Palo Alto Hardware and Software and Services for City of London	\$ 319,116.00	John Paradis
RFT-2024-342	Annual Inspections & Service of Lifting & Rigging Devices	\$ 31,278.75	Anna Lisa Barbon
RFT-2024-346	Removal of existing UV system and installation of Pre-Purchased UV Equipment	\$ 157,407.00	Kelly Scherr
RFT-2024-348	Supply & Installation of Play Equipment	\$ 808,700.00	Kelly Scherr
RFT-2024-360	Roof Replacement at Pottersburg GBT Building and Adelaide Pumping Station	\$ 569,996.00	Kelly Scherr
RFT-2024-364	Contract # 7 – Sterling Street, Mornington Avenue and Salisbury Street	\$ 3,769,566.37	Kelly Scherr
RFT-2024-365	Adelaide Street North Bridge Rehabilitation	\$ 3,889,009.42	Kelly Scherr
RFT-2024-370	Demolition of 6 Properties along Wellington Road	\$ 206,690.00	Kelly Scherr
RFT-2024-374	Replacement, and Installation of Existing Aluminum Walkway and Aluminum Hatches.	\$ 233,973.75	Kelly Scherr
RFT-2024-376	Installation of Permanent Traffic Signals at Queens Street and English Street	\$ 249,560.91	Kelly Scherr
RFT-2024-377	Infrastructure Renewal Program - William Street Reconstruction	\$ 5,483,500.00	Kelly Scherr
RFT-2024-383	Adelaide Operations Centre Roof Repairs	\$ 173,000.00	Anna Lisa Barbon
RFT-2024-385	Argyle Arena Roof Replacement	\$ 927,550.00	Anna Lisa Barbon
RFT-2025-005	Central Ave Reconstruction - Infrastructure Renewal Program 2025 Contract 08	\$ 3,430,583.93	Kelly Scherr
RFT-2025-006	New Pedestrian Intersection Signal for Plane Tree Dr at Richmond St	\$ 198,658.60	Kelly Scherr
RFT-2025-009	Pond Mills Pumping Station Pump Replacement	\$ 54,885.00	Kelly Scherr
RFT-2025-014	Supply and Delivery Yubikey for 5 Series for Two Factor Authentication on Microsoft Office 365 user accounts	\$ 80,948.00	John Paradis
RFT-2025-023	Kent Park Construction Project	\$ 809,870.84	Kelly Scherr
RFT-2025-026	Expansion of Clarke Rd EnviroDepot	\$ 1,752,962.39	Kelly Scherr
RFT-2025-032	2025 Infrastructure Renewal Program - Craig Street	\$ 1,956,613.95	Kelly Scherr
RFT-2025-033	North London Optimist Community Centre - Resurface Indoor Tennis Courts	\$ 94,889.00	Anna Lisa Barbon

Appendix "B"
2025 -List of Administratively Awarded Tenders <\$6M

Project Number	Project Name	Award Total Project Value	Deputy City Manager
RFT-2025-041	Coordinated Access - Bridging Supports	\$ 290,000.00	Kevin Dickins
RFT-2025-044	2025 Stormwater Management Facility Remediation Program	\$ 1,788,819.00	Kelly Scherr
RFT-2025-045	Outer Drive Reservoir Removal	\$ 278,886.74	Kelly Scherr
RFT-2025-052	Construction of the Jenkins Municipal Drain	\$ 277,430.00	Kelly Scherr
RFT-2025-059	Infrastructure Renewal Program 2025-2026 Florence, Eleanor, and York Streets	\$ 5,742,970.12	Kelly Scherr
RFT-2025-060	Municipal Fire Hydrant Painting	\$ 545,000.00	Kelly Scherr
RFT-2025-062	Reconstruction of Rectory St from Little Simcoe St to Florence St	\$ 3,082,065.59	Kelly Scherr
RFT-2025-076	Arterial Road Rehabilitation 2025	\$ 2,347,804.35	Kelly Scherr
RFT-2025-078	CIPP Sewer Lining 2025	\$ 4,542,387.00	Kelly Scherr
RFT-2025-080	River Road Improvement	\$ 1,922,949.00	Kelly Scherr
RFT-2025-094	New Pedestrian Intersection Signal for Fanshawe Park Rd W at Foxwood Ave	\$ 236,715.00	Kelly Scherr
RFT-2025-097	Ridout St Rehabilitation & Commissioners Rd Multi-Use Path	\$ 659,415.00	Kelly Scherr
RFT-2025-104	Dearness Home Roof Restoration	\$ 740,295.00	Anna Lisa Barbon
RFT-2025-105	2025 New Sidewalk Program	\$ 1,077,415.00	Kelly Scherr
RFT-2025-106	Annual Cathodic Protection of Watermain for 2025	\$ 843,360.73	Kelly Scherr
RFT-2025-114	Installation of New Traffic Signals at Byron Baseline Road and Lansing Avenue	\$ 287,072.08	Kelly Scherr
RFT-2025-115	Rebuild of Traffic signals at Wonderland Road South at Pine Valley Gate/Pine Valley Boulevard and Southdale Road East at Dundalk Drive/Jalna Boulevard	\$ 636,452.11	Kelly Scherr
RFT-2025-116	Construction Survey and Design Services for Annual Roadwork Contracts	\$ 142,988.00	Kelly Scherr
RFT-2025-117	Removal and Replacement of a Walk In Cooler and Freezer at City Hall	\$ 95,545.00	Anna Lisa Barbon
RFT-2025-118	Replacement of Inlet Piping for Greenway Raw Sewage Pumps	\$ 114,040.00	Kelly Scherr
RFT-2025-119	Removal of Debris Associated with Encampments - Coordinated Informed Response	\$ 669,098.20	Kevin Dickins
RFT-2025-120	Traffic Signal Rebuild for Southdale Rd East at White Oak Rd	\$ 609,358.81	Kelly Scherr
RFT-2025-124	Local Road Reconstruction Program - Contract #1	\$ 3,876,027.00	Kelly Scherr
RFT-2025-125	2025 CIPP Spot Repair Program	\$ 358,108.52	Kelly Scherr
RFT-2025-132	Gibbons Pool Heater Replacement	\$ 237,827.77	Anna Lisa Barbon
RFT-2025-136	2025 Local Road Reconstruction Program, Contract #2	\$ 2,098,800.00	Kelly Scherr

Appendix "B"
2025 -List of Administratively Awarded Tenders <\$6M

Project Number	Project Name	Award Total Project Value	Deputy City Manager
RFT-2025-137	2025 Local Road Reconstruction Program Wexford Avenue & Wexford Court	\$ 2,324,000.00	Kelly Scherr
RFT-2025-140	AJ Tyler Operations Centre Exterior Remediation	\$ 169,320.00	Anna Lisa Barbon
RFT-2025-147	Wonderland Road at Springbank Drive Oxford Street E at Industrial Road Traffic Signal Construction	\$ 957,929.82	Kelly Scherr
RFT-2025-149	Traffic Signal Replacement for Exeter Road at Bessemer Road and Bradley Avenue at Pond Mills Road	\$ 880,019.81	Kelly Scherr
RFT-2025-158	2025 Local Road Reconstruction Program Hillside, McStay, & Taplow	\$ 2,588,319.30	Kelly Scherr
RFT-2025-169	Traffic Signal and Roadway Lighting Installation on Wharncliffe Road South	\$ 499,078.92	Kelly Scherr
RFT-2025-170	Pedestrian Traffic Signal Installation (IPS) on Fanshawe Park Rd W and Hyde Park Trail	\$ 174,805.96	Kelly Scherr
RFT-2025-173	Infrastructure Renewal Program 2025-2026 Cherry Street Reconstruction	\$ 444,415.00	Kelly Scherr
RFT-2025-198	Operate and Maintain the Coal Tar Treatment System Located at 75 Horton St.	\$ 205,453.60	Kelly Scherr
RFT2025-230	Retrofit Construction of the Hyde Park SWM Facility #4 for City of London	\$ 1,601,320.33	Kelly Scherr
RFT-2025-387	Purchase Replacement Ozone Based Odor Control Unit(s)	\$ 604,176.00	Kelly Scherr
RFT-2025-390	Stronach Pool Heater Replacement	\$ 279,569.00	Anna Lisa Barbon
RFT-2025-392	Supply and Installation of Emergency Vehicle Lighting	\$ 97,238.00	Cheryl Smith
RFT-2025-394	Duluth Crescent Road Extension	\$ 2,421,603.62	Scott Mathers
	Number of Administrative Approvals:	63	
	Total Value of Administrative Approvals:	\$ 73,455,800.44	
	Average Value of Administrative Approvals:	\$1,165,965	

Appendix "C"
2025 Procurement Activity Summary (Transition Year – October 1, 2025 to December 31, 2025
Section 35- Reporting Requirements Alignment)

Procurement Activity – January 1 to September 30, 2025	
Total Purchase Order Transactions	1996
Total Procurement Value	\$ 294,300,000

Procurement Activity – October 1st to December 31st, 2025	
Total Purchase Order Transactions	574
Total Procurement Value	\$ 43,300,000

Open Competition Procurement Activity (Above Trade Agreement Thresholds)		
Procurement Method	Number of Awards	Total Award Value
Request for Tender (RFT)	9	\$ 16,531,918
Request for Proposal (RFP)	6	\$ 3,078,190
Total Open Competitive	15	\$ 19,610,108
Non-Competitive Procurement Activity (Above \$133,800)		
Limited Tendering / Single Source	3	\$ 5,575,408
Emergency Procurement	1	\$ 260,440

Appendix "C" - Schedule 1
Open Competition - Request for Tenders - October 1 to December 31, 2025 - Current Policy

Project Number	Project Name	Award Total Project Value	City Manager/ Deputy City Manager	Awarded Supplier
RFT-2024-374	Replacement, and Installation of Existing Aluminum Walkway and Aluminum Hatches.	\$ 233,973.75	Kelly Scherr	New Rise Demolition inc.
RFT-2025-110	Supply & Delivery of Bioxide (Calcium Nitrate Solution)	\$ 875,976.00	Kelly Scherr	Global Cathodic Protection Inc.
RFT-2025-127	Supply & Delivery of Appliances for London Fire Department	\$ 801,200.00	Cheryl Smith	Wessuc Inc.
RFT-2025-156	Streetlighting for Southdale Road East and Wharncliffe Road South	\$ 490,305.00	Kelly Scherr	J-AAR Civil Infrastructures Limited
RFT-2025-181	Supply & Delivery of Water Meters	\$ 4,896,850.00	Kelly Scherr	EMCO CORPORATION WATERWORKS
RFT-2025-182	Supply and Delivery of Itron Encoder Receiver Transmitter (ERT)	\$ 4,260,000.00	Kelly Scherr	Metercor Inc.
RFT-2025-184	2025 Local Road Reconstruction Program Geary Avenue & Waverley Place	\$ 1,578,249.71	Kelly Scherr	ASG Excavating Inc
RFT-2025-213	The Discretionary Benefits Bed Program	\$ 2,573,586.00	Kevin Dickins	1899864 ONTARIO INC O/A DIRECT BED
RFT-2025-214	Bridge Structure Maintenance and Repair	\$ 821,777.50	Kelly Scherr	Weathertech Restoration Services inc
	Number of RFT	9		
	Total Procurement Value of RFTs:	\$ 16,531,917.96		
	Average Procurement Value of RFTs	\$ 1,836,879.77		

Appendix "C" - Schedule 1
Open Competition - Request for Proposals - October 1 to December 31, 2025 - Current Policy

Project Number	Project Name	Award Total Project Value	City Manager/ Deputy City Manager	Award
RFP-2025-103	Design and Implement a New Online Public Engagement Platform for City of London	\$ 250,000.00	Sandara Bere Datars	AECOM Canada ULC
RFP-2025-171	Firefighting Nozzles and Attack Hoses	\$ 761,750.00	Cheryl Smith	AECOM Canada ULC
RFP-2025-190	Consulting Engineering-Hyde Park Pumping Station Upgrade	\$ 547,317.00	Kelly Scherr	Devine and Associates Ltd
RFP-2025-201	Gainsborough Road Rehabilitation	\$ 306,884.60	Kelly Scherr	Devine and Associates Ltd
RFP-2025-212	Greenway Sanitary Model Calibration	\$ 245,465.00	Kelly Scherr	Devine and Associates Ltd
RFP-2025-217	Broughdale Dyke Reconstruction	\$ 966,773.28	Kelly Scherr	Devine and Associates Ltd
	Number of RFPs	6		
	Total Procurement Value of Approvals:	\$ 3,078,189.88		
	Average Procurement Value of RFPs	\$ 513,031.65		

**Appendix "C" - Schedule 2- Non- Competitive - Limited Tendering >\$133,800
October 1, 2025 to December 31, 2025 - Current Policy**

Project Number	Project Name	Award Amount	Person Responsible	Awarded Supplier
LT-2025-260	Sewer Operation Trucks	\$ 3,980,000.00	Anna Lisa Barbon	Amaco Construction Equipment Inc. and Joe Johnson Equipment Inc.
LT-2025-265	Cross City Feedermain Condition Assessment	\$ 693,827.88	Kelly Scherr	Pure Technologies Ltd
LT-2025-289	Energreen ILF Alpha Mower	\$ 901,579.80	Anna Lisa Barbon	Colvoy Equipment and Heat Design Equipment Inc.
	Number of LT	3		
	Total Value	\$ 5,575,407.68		

**Appendix "C" - Schedule 3- Emergency Procurement
October 1, 2025 to December 31, 2025 - Current Policy**

Vendor	Description	Value	Circumstances	City Manager/ Deputy City Manager
ATCO Structures & Logistics Ltd.	Trailer rentals and ancillary modifications to support micro-modular shelter operations (including installation of mop sink and additional storage/laundry assets)	\$260,440	Emergency procurement required to support urgent operationalization of the micro-modular shelter program, addressing immediate public health and safety needs. Market constraints confirmed that alternative suppliers could not meet required timelines.	Kevin Dickins

Appendix D

SCHEDULE “A” – Levels of Contract Approval Authority(Legacy Policy in effect till September 30, 2025)

Sales taxes, excise taxes, goods and service taxes and duties shall be excluded in determining the price of a contract for the supply of goods or services for the purpose of the relationship of the price to the preauthorized expenditure limit. In the case of multi-year supply and/or service contracts, the preauthorized expenditure limit shall refer to the estimated annual expenditure under the contract. Emergencies as defined in Section 14.2 are exempt from this Approval Authority.

Dollar Value (excluding taxes, duty or shipping)	Tool / Procurement Process	Approval Authority	Policy Section
Under \$15,000	Purchasing Card or Purchase Order	Deputy City Manager or any employee exercising delegated authority approval	9
\$15,000 up to \$50,000	IRFQ (Informal Request for Quotation) – three written quotes. Note: A copy of the quotes must be provided to Procurement and Supply for their records.	Deputy City Manager or any employee exercising delegated authority approval	10
Greater than \$50,000 to \$100,000	RFQ	Deputy City Manager or any employee exercising delegated authority approval jointly with Senior Manager, Procurement and Supply, or delegate	11
Up to \$100,000	RFP – note that Irregular Results greater than \$15,000 require Committee and City Council Approval.	Deputy City Manager or any employee exercising delegated authority approval jointly with Senior Manager, Procurement and Supply, or delegate	12

Dollar Value (excluding taxes, duty or shipping)	Tool / Procurement Process	Approval Authority	Policy Section
Greater than \$100,000 to \$6,000,000	RFT without an Irregular Result	Deputy City Manager or any employee exercising delegated authority approval jointly with Senior Manager, Procurement and Supply, or delegate	13
Greater than \$6,000,000	RFT	Committee and City Council	13
Greater than \$100,000	All RFP and RFQ/RFT with an Irregular Result	Committee and City Council	11,12,13 & 8.10
Up to \$50,000	Single Source or Sole Source	Deputy City Manager or any employee exercising delegated authority approval jointly with Senior Manager, Procurement and Supply, or delegate – requires documented rationale	14.3, 14.4 & 14.5
Greater than \$50,000	Single Source or Sole Source	Committee and City Council	14.3, 14.4 & 14.5
Less than \$6,000,000	Contract Renewals – previously approved by City Council	Deputy City Manager or any employee exercising delegated authority approval jointly with Senior Manager, Procurement and Supply, or delegate – requires documented rationale	20.2

Dollar Value (excluding taxes, duty or shipping)	Tool / Procurement Process	Approval Authority	Policy Section
Greater than \$6,000,000	Contract Renewals – previously approved by City Council	Committee and City Council	20.2
Up to \$50,000 or 3% of the original Contract Value	Contract Amendments – subject to availability of sufficient funds in appropriate accounts and budget	Deputy City Manager or any employee exercising delegated authority approval OR Committee and City Council	20.3, 4.6
Exceeding \$50,000 or 3% of the original Contract Value	Contract Amendments – subject to availability of sufficient funds in appropriate accounts and budget	Committee and City Council	20.3, 4.6

Note: The City Manager may also exercise the approval authority of a Deputy City Manager.

Note: For all IRFQ, RFQ, RFP, RFT as outlined under policy sections 8.10, 10, 11, 12, and 13, the criteria and analysis to determine best value must be clearly documented if not the lowest bid.

SCHEDULE “A” – Levels of Contract Approval Authority [Continued]

For the Appointment of Professional Consulting Services:

Dollar Value (excluding taxes, duty or shipping)	Tool / Procurement Process	Approval Authority	Policy Section
Less than \$100,000	Appointment from Pre-approved List	Deputy City Manager, or delegate	15.2(c)
\$100,000 to the CFTA threshold for goods and services limit as amended.	Proposals invited from 3 Firms on Pre-approved List	City Council	15.2(d)
Greater than the CFTA threshold for goods and services limit as amended.	Two stages: REOI/RFPQ and RFP	City Council	15.2(e)

Note: The City Manager may also exercise the approval authority of a Deputy City Manager.

Schedule A - Approval Authority Schedule (in effect from October 1, 2025)

1.0 Approval to Award

Approval Authority

Initiation of the following Competitive Processes is subject to the corresponding Approval Authority:

1.1 Low Dollar Procurement- Goods and Services and Construction

Procurement Method	Procurement Value	Procurement Method	Award Approval Service Area	Binding Document/ contract type
Low dollar purchase	\$0 up to \$30K	Purchase Card, call off contracts, quick quote	Director/ Delegate	Purchase order, Contract Record, Agreement City's Standard form of agreement, Contract Record, VOR, Standing offer arrangements

1.2 Competitive Process- Goods and Services

Competitive Procurement	Procurement Value	Procurement Method	Approving Authority
Invitational competition and collaborative procurement	Greater than \$30K up to \$133,800	Min 3 quotes/ proposals RFQ/ RFP/ RFT can be preceded by RFPQ. RFPQ can be utilized to Develop VOR, QSR	Deputy City Manager / Delegate & Senior Manager, Procurement & Supply/ Delegate
Open Competition	Greater than \$133,800 up to \$1 million	RFQ/ RFP/ RFT can be preceded by RFPQ. RFPQ can be utilized to Develop VOR RFEOI, EOI can be used prior to RFPQ / RFP/ RFT to develop Specification. Acquisition utilizing GPO – 3 min quotes/ proposals	Deputy City Manager & Senior Manager, Procurement & Supply
Open Competition	Greater than \$1 million up to \$6 million	RFQ/ RFP/ RFT can be preceded by RFPQ. RFP can be utilized to Develop VOR RFEOI, EOI can be used prior to RFPQ / RFP/ RFT to develop Specification. Acquisition utilizing GPO – 3 min quotes/ proposals	City Manager or Delegate

Competitive Procurement	Procurement Value	Procurement Method	Approving Authority
Open Competition	Greater than \$6 million	RFQ/ RFP/ RFT can be preceded by RFPQ. RFPQ can be utilized to Develop VOR RFEOI, EOI can be used prior to RFPQ / RFP/ RFT to develop Specification. Acquisition utilizing GPO – 3 min quotes/ proposals	City Council

1.3 Competitive Procurement - Construction Thresholds-

Competitive Procurement	Procurement Value	Procurement Method	Approving Authority
Invitational competition and collaborative procurement	Greater than \$30K up to \$334,400	Min 3 quotes/ proposals RFP/ RFT can be preceded by RFPQ. RFPQ can be utilized to Develop VOR	Deputy City Manager / Delegate & Senior Manager, Procurement & Supply/ Delegate
Open Competition	Greater than \$334,400 up to \$6 million	RFP/ RFT can be preceded by RFPQ. RFPQ can be utilized to Develop VOR RFEOI, EOI can be used prior to RFPQ / RFP/ RFT to develop Specification. Acquisition utilizing GPO – 3 min quotes /proposals	Deputy City Manager & Senior Manager, Procurement & Supply
Open Competition	Greater than \$6 million	RFQ/ RFP/ RFT can be preceded by RFPQ. RFPQ can be utilized to Develop VOR RFEOI, EOI can be used prior to RFPQ / RFP/ RFT to develop Specification. Acquisition utilizing GPO – 3 min quotes /proposals	City Council

Note: For Procurement Values between \$30,000 and the applicable CFTA Threshold, an Invitational Competition may be conducted in accordance with Section 12.4.5 (Invitational

Procurement – Service Area) or Section 12.4.6 (Invitational Competitions – Conducted by Procurement and Supply), provided the requirements of this Policy are met.

Group Purchasing Organizations (GPOs) may be used at any procurement value threshold, provided that the GPO agreement was established through a Competitive Process compliant with applicable trade agreements and City Policies. If the GPO has only one contracted supplier for the required Deliverables, and the agreement includes defined terms, the City may proceed with direct purchase under that arrangement without seeking additional quotes.

If the GPO agreement includes multiple suppliers, the City must typically seek a minimum of three quotes or proposals from those suppliers, unless the GPO agreement specifies ranked suppliers or assigns a primary vendor. The rationale for selecting a supplier must be clearly documented, especially in single-supplier scenarios, to maintain transparency and trade compliance.

For the minimum three (3) quote requirement under Invitational Procurement, the process may still be considered compliant where fewer than three written bids are received, provided that reasonable and documented efforts were made to solicit bids from at least three (3) bidders. Documentation must include records of supplier invitations, responses (or non-responses), and any follow-up efforts to engage additional bidders. If the limited response is due to suppliers declining to participate or market conditions, and not due to procedural deficiencies, the evaluation and award may proceed.

In all of the above Procurement methods, the City Manager may also exercise the Approval Authority of a Deputy City Manager.

2.0 Limited Tendering Process

2.1 Approval Authority

Initiation of a Limited Tendering Process is subject to the corresponding Approval Authority:

Procurement Value	Approval Authority
Up to \$133,800	(i) Deputy City Manager, and (ii) Senior Manager of Procurement, <i>With required documented rationale</i>
Greater than \$133,800	Committee and Council

Note: In all of the above Procurement methods, the City Manager may also exercise the Approval Authority of a Deputy City Manager.

2.2 Authorization Process

- 2.2.1 If the Procurement Value does not exceed \$133,800, the Deputy City Manager may authorize the Limited Tendering Process and, if so approved, shall send Limited Tendering Process request to the Senior Manager of Procurement & Supply for review and approval.
- 2.2.2 If the procurement Value exceeds \$133,800 the Deputy City Manager in consultation with Senior Manager of Procurement & Supply shall submit a report to Council seeking authority to proceed with the Limited Tendering Process.

2.2.3 A Limited Tendering Process may not be approved, and no Contract may be awarded, unless sufficient funding is available in a Budget.

3.0 Contract Issuance or Signature of Contract Amendment

3.1 Approval Authority

Completing Purchase / Signing	Procurement Value	Approval Authority
Low-Value Procurement – Purchase Card or Purchase Order, Contract Record	Up to \$30,000	Directors / Delegate & Senior Manager of Procurement Supply/ Delegate
Goods and Services Contract award to Supplier on the Master framework agreement for VOR, Standing offer, Supplier Roster, Contract Record Construction Contract award to Supplier on the Master framework agreement for VOR, Standing offer, Supplier Roster, Contract Record- Goods and Services	Greater than \$30,000 up to \$133,800 Greater than \$30,000 up to \$334,400	Deputy City Manager/ Delegate & Senior Manager of Procurement Supply
Contract- Goods and Services Construction Other than Low-Value Procurement, Contract Record, Purchase Order.	Greater than \$133,800 up to \$6,000,000 Greater than \$334,400 up to \$6,000,000	Mayor and City Clerk unless Council has expressly delegated the authority to Sign the Contract to another officer or employee of the City.
Contract Renewals	up to \$6,000,000	(i) Deputy City Manager (ii) Senior Manager, Procurement & Supply <i>With required documented rationale</i>
Contract Renewals	Greater than \$6,000,000	Committee and Council
Contract Amendments- Goods and Services Contract Amendment - Construction	Increase up to \$133,800 above the original Contract Value Increase up to \$334,400 above the original Contract Value	Deputy City Manager
Contract Amendments- Goods and Services Contract Amendments- Goods and Services	Increase exceeding \$133,800 above the original Contract Value or 3% of the original Contract Value	Committee and Council

Completing Purchase / Signing	Procurement Value	Approval Authority
	Increase exceeding \$334,800 above the original Contract Value or 3% of the original Contract Value	

Note: In all of the above Procurement methods, the City Manager may also exercise the Approval Authority of a Deputy City Manager.

3.2 Contract Review and Signing Process

- 3.2.1 In accordance with the delegation of Approval Authority, the authorized individual(s) shall:
- i) confirm all pre-conditions of award of the Contract, including those pre-conditions set out in this Policy, relevant purchasing procedures, the Solicitation Document (if applicable), and the Contract, are met;
 - ii) approve the award of the Contract;
 - iii) assemble and provide to the City Solicitor's Office all relevant documents; and
 - iv) draft and provide to the City Solicitor's Office a written memorandum confirming the approvals required under this Policy.
- 3.2.2 The City Solicitor's Office will review the Contract, and if it approves, will send the Contract to the authorized signatories for Signature. No Contract may be Signed by the City unless it has been reviewed and approved by the City Solicitor's Office.
- 3.2.3 If the Contract is evidenced by a Purchase Order only, City's Standard Terms and Conditions /City's pre- approved contracts, Procurement and Supply will execute the contract.

3.3 Contract Options

- 3.3.1 Where an existing Contract includes Contract Options, the Senior Manager of Procurement & Supply may exercise a Contract Option, provided that the following is satisfied and documented:
- i) the Supplier's performance has met the requirements of the Contract;
 - ii) the Contract was awarded in accordance with this Policy based on the Procurement Value;
 - iii) exercise of the Contract Option is, in the opinion of the Senior Manager of Procurement & Supply in the best interests of the City; and
 - iv) sufficient funding for the exercise of the Contract Option is available in an approved Budget.
- 3.3.2 If the above conditions of delegated Approval Authority are not met, City Manager approval must be obtained for the authority to exercise the Contract Option.

3.4 Contract Change Orders

- 3.4.1 Where any Contract has been authorized pursuant to this Policy, disbursement of additional funds required to complete Deliverables that are necessary as part of the original scope of the Contract must be approved by the applicable Approval Authority noted above at Section 3.1 of this Schedule, provided that the additional funds do not expand the scope of Deliverables contemplated under the original Contract.

3.4.2 Where sufficient contingency funding is not available in a Budget, the City Treasurer approval must be obtained for the additional expenditure.

3.5 Contract Scope Changes

3.5.1 Any expansion or extension of a Contract to Procure Deliverables that were not contemplated in the original Procurement is considered a Limited Tendering Process and must be approved by the applicable Approval Authority for a Limited Tendering Process noted above at Section 2.1 of this Schedule and may only be authorized in the Limited Tendering Process circumstances set out in Section 13.0 of this Policy.

3.5.2 Where sufficient funding is not available in a Budget, the City Treasurer approval must be obtained for the additional expenditure.

4.0 Delegation of Approval Authority

4.1 Delegated Approval Authority

4.1.1 A person with Approval Authority (or delegated Approval Authority, where the delegation is in accordance with this Policy) has the authority to:

- i) initiate the Procurement process in accordance with this Policy;
- ii) approve the Solicitation Document(s) for a Competitive Process;
- iii) approve the selection of pre-qualified Bidders in a multi-stage Open Competition; and
- iv) approve the award of the Contract.

4.1.2 Approval Authority to Procure is subject to the following conditions:

- i) no Procurement may be initiated unless sufficient funding for the Procurement Value is available in a Budget; and
- ii) the total length of the Contract term, including any Contract Options, must not exceed five (5) years unless otherwise approved in writing by Senior Manager, Procurement and Supply.

4.1.3 No award of Contract may be approved unless:

- i) sufficient funding is available in an approved Budget;
- ii) the selection of the Procurement method is determined in accordance with this Policy;
- iii) the Procurement process was conducted in accordance with this Policy;
- iv) in the case of a Competitive Process, the Contract is awarded in accordance with the Solicitation Document.

4.1.4 If any of the applicable conditions of delegated Approval Authority are not met, City Manager approval must be obtained before proceeding with any Procurement activity.

4.2 Method of Delegation

4.2.1 Deputy City Managers may only delegate their Approval Authority as follows:

- i) The Deputy City Managers shall prepare a delegated Approval Authority list of position or roles within their respective areas.
- ii) The list will provide evidence that the position or roles listed have been delegated Approval Authority by the Deputy City Manager.
- iii) The list will include each position title, associated approval limit and indicate whether that position may act in an acting capacity during staff absences and transition.

- iv) The list will be updated immediately upon any change to the roles, responsibilities or organizational structure that impacts delegated authority
 - v) A copy of the updated list shall be sent to the Senior Manager, Procurement and Supply each time there is a revision.
 - vi) The Senior Manager, Procurement and Supply will ensure the delegation of Approval Authority lists are available to all Procurement and Supply Staff.
 - vii) Procurement and Supply staff will review the list prior to completing tasks that require approval.
- 4.2.2 The Deputy City Managers and Senior Manager, Procurement and Supply shall develop a delegated Approval Authority list for the approvals and tasks they are responsible for under this Policy.
- 4.2.3 Only the Deputy City Managers may further delegate Approval Authority to their staff at the Procurement Values deemed appropriate by the applicable Deputy City Manager. Staff with delegated Approval Authority from the Deputy City Managers to approve Procurements shall have no authority to delegate this approval authority to any other person.
- 4.2.4 Council may explicitly delegate further Approval Authority as it considers necessary from time to time, including but not limited to, any extended time periods during which Council does not meet.

Report to Infrastructure and Corporate Services Committee

To: Chair and Members
Infrastructure and Corporate Services Committee

From: Anna Lisa Barbon, Deputy City Manager, Finance Supports

Subject: Municipal Buy Ontario Procurement Directive under the Buy Ontario Act (Bill 72)

Date: April 20th, 2026

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports:

- a) The Municipal Buy Ontario Procurement Directive effective April 13, 2026, **BE RECEIVED** for information, attached as Appendix “A”;
- b) The Association of Municipalities of Ontario (AMO) submission titled “*Building Ontario’s Economy with Flexible Municipal Procurement*”, **BE RECEIVED** for information, attached as Appendix “B”; and,
- c) Civic Administration **BE DIRECTED** to report back on required updates to the Procurement of Goods and Services Policy, contract governance controls and associated resource requirements arising from the Municipal Buy Ontario Procurement Directive.

Executive Summary

The Province has issued the Municipal Buy Ontario Procurement Directive, establishing requirements and implementation timelines for municipalities. Civic Administration had completed a comprehensive review of the Province’s proposed Buy Ontario policies under the Buy Ontario Act (Public Sector Procurement), 2025 (Bill 72) and had submitted formal feedback through AMO and the Province’s consultation survey process back in February.

The framework represents a significant shift in municipal procurement by introducing requirements to prioritize Ontario-made and Canadian-made goods and services in capital infrastructure and construction procurements, supported by mandatory Domestic Supply Chain Plans and preferential evaluation methodologies.

While the City supports the Province’s objective to strengthen domestic supply chains and support local industry, the directive introduces important considerations related to trade compliance, procurement defensibility, financial impact, and operational feasibility. These considerations arise from the interaction of domestic preference requirements with binding obligations under Canadian Free Trade Agreement (CFTA) and the Comprehensive Economic and Trade Agreement (CETA), the absence of standardized definitions and evaluation frameworks, and the lack of clarity regarding implementation, exemptions, and municipal liability.

Linkage to the Corporate Strategic Plan

Council’s 2023–2027 Strategic Plan for the City of London identifies “Well Run City” as a key strategic area of focus, including the strategy of “Accountable and Transparent Governance.” This report supports that strategy by ensuring procurement practices remain open, compliant, and aligned with trade obligations and established governance frameworks. It also supports “Financial Management and Stewardship” by promoting responsible use of public funds and managing financial risks associated with procurement decisions.

Analysis

1.0 Background Information

1.1 Overview of Bill 72 and Proposed Policies

The Buy Ontario Act (Public Sector Procurement), 2025 (Bill 72) enables the Province to establish procurement directives requiring public sector entities to prioritize Ontario-made and Canadian-made goods and services. Through associated regulations under the Act, municipalities and municipal entities are prescribed as public sector entities and are subject to these requirements.

The Province has issued the Municipal Buy Ontario Procurement Directive, pursuant to the Act and its regulations, which applies to municipalities and establishes requirements and implementation timelines for procurement activities.

The directive includes two primary policy areas:

- Made-in-Ontario Vehicle Fleet Policy (Light Duty Fleet Vehicles); and
- Policy for Goods and Services in Capital Infrastructure and Construction Projects

The capital infrastructure and construction policy has the most significant impact on municipal procurement delivery. It requires municipalities to prioritize domestic content for “major goods” and services and is operationalized through vendor-submitted Domestic Supply Chain Plans and associated evaluation methodologies.

The directive applies broadly to capital infrastructure procurements across all procurement methodologies and delivery models, with implementation for municipalities effective May 15, 2026.

1.2 Provincial Consultation and City Participation

The Ministry of Public and Business Service Delivery and Procurement, in collaboration with the Association of Municipalities of Ontario (AMO), initiated a formal consultation process to inform policy design, with a submission deadline of March 2, 2026.

Civic Administration participated in AMO-led technical sessions and completed the Province’s detailed consultation survey. The City’s feedback addressed key policy areas including scope and application, definitions, evaluation methodology, reporting requirements, and implementation considerations.

The feedback provided reflects cross-functional input and builds on prior Council-directed work related to prioritizing Canadian businesses, ensuring alignment with the City’s Procurement of Goods and Services Policy and trade agreement obligations.

1.3 Previous Reports Related to this Matter

Infrastructure and Corporate Services Committee, May 13th, 2025, Consent Item 2.8, Procurement Strategy: Prioritizing Canadian Businesses

Infrastructure and Corporate Services Committee, June 16th, 2025, Consent Item 2.6, Procurement Strategy: Procurement of Goods and Services Policy update

2.0 Discussion and Considerations

2.1 Policy Direction and Alignment with Municipal Procurement Objectives

The Buy Ontario framework, now formalized through the Municipal Buy Ontario Procurement Directive, represents a strategic shift in how public procurement is leveraged to support domestic economic development. The City of London supports the Province’s objective to strengthen Ontario’s economy, enhance supply chain resilience, and increase opportunities for Ontario and Canadian businesses through public sector procurement.

This direction is consistent with prior Council-approved strategies that prioritize Canadian suppliers where feasible and compliant with trade agreements. It also aligns with the City's broader objective of leveraging procurement to support economic outcomes while maintaining fairness, transparency, and value-for-money.

The directive introduces requirements that extend beyond the City's current Procurement of Goods and Services Policy, including mandatory Domestic Supply Chain Plans, domestic content evaluation methodologies, and expanded compliance and reporting obligations. These requirements represent a shift from a primarily price- and value-based evaluation model to one that incorporates policy-driven economic considerations.

Implementation will require updates to procurement processes, templates, and evaluation frameworks, as well as alignment with existing governance controls. Ensuring that these new requirements are integrated in a manner consistent with the City's procurement principles will be critical to maintaining transparency, fairness, and defensibility.

2.2 Trade Compliance and Non- Discrimination Considerations

The City's Procurement of Goods and Services Policy is designed to ensure compliance with trade agreements, including the Canadian Free Trade Agreement (CFTA) and the Comprehensive Economic and Trade Agreement (CETA). These agreements require that procurements above prescribed thresholds be conducted in a manner that is open, transparent, and non-discriminatory.

These obligations are reflected in the City's policy framework, including Section 11 Non-Discrimination provisions, which prohibit the use of criteria that provide preferential treatment based on geographic origin.

The Municipal Buy Ontario Procurement Directive introduces mechanisms that prioritize Ontario-made and Canadian-made goods and services. While this aligns with provincial economic objectives, the application of these preferences must be carefully managed to ensure consistency with trade obligations.

Civic Administration's review, supported by sector engagement and legal input, indicates that additional clarity is required regarding how domestic preference requirements will operate within trade agreement frameworks, including how thresholds, exemptions, and exceptions are to be applied.

Without this clarity, there is a risk that procurement processes could be subject to challenge where domestic preference is perceived to conflict with trade obligations. Ensuring alignment between the directive and the City's Procurement of Goods and Services Policy will be essential to maintaining procurement defensibility and minimizing legal and audit risk.

2.3 Procurement Operational and Contract Governance Implications

The directive introduces new requirements across the full procurement lifecycle, affecting both sourcing and contract administration practices.

At the procurement stage, Service Areas and Procurement will be required to identify major goods within each procurement, incorporate domestic content requirements into solicitation documents, and evaluate Domestic Supply Chain Plans submitted by proponents. This introduces additional complexity into procurement design and evaluation processes, particularly for large or technically complex capital projects.

At the contract administration stage, there will be increased expectations to monitor compliance with supply chain commitments throughout the lifecycle of the contract. This includes managing substitutions, change orders, and potential deviations from the original Domestic Supply Chain Plan.

These requirements represent an evolution in contract governance, shifting from a focus primarily on scope, cost, and schedule to include supply chain compliance as an ongoing contractual obligation.

Sector discussions and legal commentary have highlighted the importance of establishing clear verification and monitoring frameworks, including defining the extent to which municipalities can rely on vendor attestations and the level of due diligence required.

Implementation will require enhancements to governance controls, documentation standards, and internal coordination across Procurement, Legal, Finance, and Capital Project Management functions to ensure consistent and defensible application.

2.4 Financial and Market Considerations

The directive introduces evaluation methodologies that incorporate domestic content alongside price and other technical factors. While this approach supports broader economic policy objectives, it introduces implications for procurement outcomes and capital cost management.

In markets where domestic supply is limited or where specialized goods and equipment are required, applying domestic preference criteria may reduce competition and result in higher procurement costs. This is particularly relevant for infrastructure projects that rely on globally integrated supply chains or specialized technologies not readily available within Ontario or Canada.

Reduced competition may also affect vendor participation and procurement timelines, particularly in complex capital projects.

These impacts can be managed through careful application of the directive, including the use of flexibility where domestic supply is not available, and alignment with value-for-money principles. Clear provincial guidance will be important to support consistent and balanced application across municipalities.

2.5 Implementation Timing and Readiness

The Municipal Buy Ontario Procurement Directive establishes implementation timelines beginning in April 2026, including requirements applicable to capital infrastructure procurements effective May 15, 2026.

Based on the Municipal Buy Ontario Directive, Supply Ontario is developing guidance materials and training for municipalities, however this remains a work in progress. As of early April 2026, the Capital Infrastructure Guideline remains under development and is expected to be released. In the interim, one hour training sessions have been scheduled commencing April 22nd running through to May 13th, 2026, to support initial awareness and implementation.

These timelines present challenges within the context of municipal procurement and capital planning cycles. Municipal budgets and procurement plans are developed in advance, and many procurements are already planned or underway. Introducing new mid-cycle requirements may require adjustments to procurement documents, evaluation methodologies, and approval processes, and may impact project timelines.

In addition to timing considerations, the directive introduces ongoing operational requirements that extend beyond current procurement practices. These include the evaluation of Domestic Supply Chain Plans, enhanced documentation, and audit requirements, reporting obligations to provincial ministries, and ongoing monitoring of contract compliance related to supply chain commitments.

The requirement for bidders, including subcontractors, to prepare and submit Domestic Supply Chain Plans introduces additional effort and complexity on the vendor community. For complex capital projects, supply chains are often not fully defined at bid stage, particularly under design-build and construction management models. This may require bidders to make assumptions or provide preliminary information, increasing the risk of incomplete submissions, reduced bid participation, or challenges in validating supply chain commitments. Smaller and mid-sized contractors may face additional capacity constraints in meeting these requirements, which could impact competitiveness and overall market response.

These requirements are aligned with the Directive’s documentation and reporting obligations, which require municipalities to retain procurement records and provide information and data to provincial ministries upon request.

These requirements represent a material expansion of workload across Procurement, Legal, Finance, and Capital Project Management functions.

Implementation will require additional organizational capacity to support procurement design, evaluation, compliance oversight, vendor engagement, reporting, and audit readiness. It will also require updates to the Procurement of Goods and Services Policy and supporting procedures to ensure alignment with the directive.

Civic Administration will assess these impacts and report back with recommended policy, governance, and resourcing adjustments required to support effective and compliant implementation.

2.6 Summary of City of London’s Position

The City of London supports the Province’s objective to strengthen domestic supply chains and recognizes the opportunity to leverage municipal procurement to support Ontario’s economy.

The City’s feedback, informed by internal analysis and sector engagement, emphasizes that successful implementation will require alignment with trade obligations, clear and standardized policy tools, operational flexibility, and clear implementation guidance and operational readiness.

With these elements in place, the directive can be implemented in a manner that advances economic objectives while maintaining the integrity, fairness, and effectiveness of the City’s procurement framework.

Conclusion

The City of London supports the Province’s objective under the Buy Ontario Act to strengthen domestic supply chains and leverage public procurement to support Ontario’s economy.

The Municipal Buy Ontario Procurement Directive introduces new requirements that will impact procurement practices, contract governance, and capital delivery. Successful implementation will require alignment with trade agreement obligations, clear and standardized guidance, and appropriate operational capacity.

Civic Administration will continue to monitor provincial direction and will report back with required policy, governance, and resourcing updates to support effective and compliant implementation.

Submitted by: **Vakul Arora, MCIPS, CPSCM, SCMP**
Senior Manager, Procurement and Supply

Reviewed by: **Ian Collins, CPA, CMA**
Director, Financial Services

Recommended by: **Anna Lisa Barbon, CPA, CGA**
Deputy City Manager, Finance Supports

Attachments:

Appendix “A” – Municipal Buy Ontario Procurement Directive (Issued March 30, 2026)
Appendix “B” – Association of Municipalities of Ontario (AMO) Submission: *Building Ontario’s Economy with Flexible Municipal Procurement*

Appendix A

Ministry of Municipal Affairs and Housing

Office of the Deputy Minister

777 Bay Street, 17th Floor
Toronto ON M7A 2J3
Tel.: 416 585-7100

Ministère des Affaires Municipales et du Logement

Bureau du sous-ministre

777, rue Bay, 17^e étage
Toronto (Ontario) M7A 2J3
Tél. : 416 585-7100



April 10, 2026

Memorandum to: Municipal Chief Administrative Officers, City Managers

Subject: Municipal Buy Ontario Procurement Directive – Phased Implementation Dates

In the fall of 2025, the Ontario government introduced and enacted the *Buy Ontario Act (Public Sector Procurement), 2025*. This Act allows the government to issue procurement directives that require prioritizing Ontario/Canadian goods and services in public sector procurements.

To leverage public sector procurement spending to support Ontario's economy, workers and key sectors, municipalities and municipal entities—including local boards and wholly-owned municipal services corporations—are now prescribed as public sector entities under the Act. As a result, all these organizations will have to comply with the newly released Municipal Buy Ontario Procurement Directive.

We recognize the significant work municipalities do to deliver services and build infrastructure in your communities, and we appreciate your partnership as these new requirements are introduced.

Timelines for effective dates

The new Municipal Buy Ontario Procurement Directive will include requirements related to fleet vehicles and capital infrastructure. This applies to municipalities, local boards, and municipal services corporations on the following phased timeline:

Municipalities

- Fleet vehicles requirements: April 13, 2026
- Capital infrastructure requirements: May 15, 2026

Local boards and municipal services corporations (MSCs)

- Capital infrastructure and fleet vehicles requirements: June 1, 2026

To assist with implementation, guidance materials and other support resources are available on [Ontario.ca](https://www.ontario.ca) and [Supply Ontario's website](#) to help your organization understand the requirements and apply them consistently.

Actions required of municipalities

1. Municipalities should begin preparing procurement teams and internal stakeholders in advance of these effective dates. Additional guidance and supports, such as training sessions, will be provided to facilitate implementation.

2. Municipalities should inform applicable local boards and municipal services corporations of the Municipal Buy Ontario Procurement Directive and the phased effective dates above.

Questions related to implementation and support can be directed to doingbusiness@supplyontario.ca.

Yours truly,

Original Signed by

Martha Greenberg
Deputy Minister of Ministry of Municipal Affairs and Housing

c: Samantha Poisson, Deputy Minister, Ministry of Public and Business Service
Delivery and Procurement
Lindsay Jones, Executive Director, Association of Municipalities of Ontario – AMO

Municipal Buy Ontario Procurement Directive

As of April 13, 2026, this directive requires the municipal sector to prioritize Ontario and Canadian goods and services in procurements.

1 Introduction

The *Buy Ontario Act (Public Sector Procurement), 2025* establishes a framework to prioritize Ontario and Canadian goods and services in procurement across the public sector. This supports Ontario workers and businesses by ensuring that public spending strengthens local supply chains and reduces exposure to global economic and trade uncertainty.

The Municipal Buy Ontario Procurement Directive supports this by requiring the municipal sector to prioritize Ontario and Canadian goods and services in procurements.

This directive is issued by Management Board of Cabinet under the authority of the *Buy Ontario Act (Public Sector Procurement), 2025*.

The Chair of Treasury Board and Management Board of Cabinet has the delegated authority to make periodic updates to procurement value thresholds in this directive, in alignment with Ontario's trade commitments.

2 Purpose

The purpose of this directive is to enable Ontario to set out procurement requirements in support of the government's Buy Ontario mandate.

3 Application and Scope

This directive applies to municipal sector entities, which means all municipalities, local boards, and municipal services corporations that are prescribed as public sector entities under the *Buy Ontario Act (Public Sector Procurement), 2025*.

Municipal sector entities should refer to the regulation under the *Buy Ontario Act (Public Sector Procurement), 2025* for details about the specific entities that are prescribed.

The table below specifies the dates that each of the requirements of this directive take effect for specific municipal sector entities.

Organization	Municipalities	Local Boards	Municipal Services Corporations
4.1 General	April 13, 2026	June 1, 2026	June 1, 2026
4.2.1 Strategic Category - Fleet Vehicles	April 13, 2026	June 1, 2026	June 1, 2026
4.2.2 Strategic Category - Capital Infrastructure	May 15, 2026	June 1, 2026	June 1, 2026

The Municipal Buy Ontario Procurement Directive does not apply to:

- Procurements needed to address a situation that is both urgent and unforeseen (for example, emergencies). In these cases, organizations should follow their internal procedures to effectively manage these emergency procurements.

This directive does not prevail over legislation.

4 Requirements

4.1 General

Documentation

Municipal sector entities are required to retain documentation for any procurements covered by this directive, including details to support any decisions or approvals related to the application of this directive.

Reporting

Municipal sector entities must prepare and provide information and data as requested by Supply Ontario, Ministry of Public and Business Service Delivery and Procurement (MPBSDP), the Ministry of Municipal Affairs and Housing (MMAH) and Treasury Board Secretariat (TBS).

4.2 Strategic Categories

These requirements set out Ontario's approach to procurements in key strategic categories that support the goals of the *Buy Ontario Act (Public Sector Procurement), 2025*. The requirements reflect Ontario's priorities for public sector procurement and may change over time to respond to emerging issues or challenges.

4.2.1 Fleet Vehicles

Objective

The objective of section 4.2.1 is to support the domestic automotive industry and jobs in the province by leveraging the significant purchasing power of the public sector.

Municipal sector entities are required to purchase or lease vehicles that are manufactured in Ontario or from original equipment manufacturers operating in Ontario as specified below.

Scope

Section 4.2.1 applies:

- to all new procurements of new light-duty passenger fleet vehicles with a Gross Vehicle Weight Rating at or less than 4,500 kg
- regardless of the value or method of the procurement (invitational, open competitive or non-competitive) or procurement type (purchase or lease)

Section 4.2.1 does not apply to:

- Existing contracts that were executed prior to the effective date of this policy.
- Contract extensions included in the original agreement.
- Short term leases up to 12 months.
- Vehicles that are physically modified or upfitted (excluding changes that only affect the visual appearance of the vehicle) for an intended operational use or function. This includes, but is not limited to specialty vehicles, such as ambulances, school buses, police cruisers, enforcement vehicles and emergency response vehicles.
- Vehicles purchased for covert or surveillance purposes.
- Vehicles with a Gross Vehicle Weight Rating (GVWR) greater than 4,500 kg.
- Used vehicles.

Requirement

Municipal sector entities must purchase or lease Made-in-Ontario Fleet Vehicles when they acquire new light-duty passenger vehicles using an applicable procurement process.

If a Made-in-Ontario Fleet Vehicle is unavailable or if a municipal sector entity determines that it is not operationally feasible to purchase or lease such a vehicle, the entity is required to purchase or lease a new vehicle from an Ontario Vehicle Producer.

If a Made-in-Ontario Fleet Vehicle or a vehicle from an Ontario Vehicle Producer is unavailable or if the municipal sector entity determines that purchasing or leasing such a vehicle is not operationally feasible, the entity may consider alternative acquisition strategies.

Municipal sector entities should refer to the Operational Guide for information about how to apply these requirements.

Documentation

If a Made-in-Ontario Fleet Vehicle or a vehicle from an Ontario Vehicle Producer is unavailable or the vehicle is not operationally feasible, document the rationale and seek appropriate approval.

4.2.2 Capital Infrastructure

Objective

The objective of section 4.2.2 is to maximize the use of Ontario-Made and Canadian-Made Goods and Ontario and Canadian Services in procurements covered by the directive, while maintaining value for money for Ontario and the timely delivery of infrastructure projects.

Scope

Section 4.2.2 applies to all new capital infrastructure procurements. For the purposes of this section, “capital infrastructure procurements” means:

- construction (see Definitions)
- fixtures, furniture and equipment that are included in and incidental to the Construction of the facility and required to support the facility’s operational readiness immediately following completion of Construction, whether those items are delivered through the construction contract or procured separately
- transit fleet vehicles, including rolling stock (e.g., subways and rail cars) and buses, but excluding light duty passenger vehicle

Municipal sector entities must apply this directive to the use of Vendor of Record arrangements (VORs) managed by Supply Ontario or other purchasing arrangements, whenever possible. Municipal sector entities must not use purchasing arrangements to avoid the requirements of this directive.

Section 4.2.2 does not apply to the procurement of:

- medical equipment
- information technology
- fixtures, furniture or equipment acquired solely for ongoing or operational purposes after the facility is operational

- routine maintenance, repair and operations (MRO) unless the MRO activities involve repairing or renovating the physical structure

Municipal sector entities may apply the requirements of the directive to procurements not covered by the directive, where feasible.

Requirement

Municipal sector entities must do all of the following in respect of each capital infrastructure procurement:

- Include in the procurement documents:
 - A list of each major good and each service required for the deliverables being procured.
 - A requirement for vendors to submit a Domestic Supply Chain Plan that identifies, at a minimum, the source of each of the listed major goods and each service.
- Use one of the applicable methods for Domestic Supply Chain Plans described in Table 1 below that best supports the objective of this section (4.2.2).

Table 1 – Domestic Supply Chain Plan Methods

Dome stic Supply Chain Plan Appro ach	Method to be Applied
Domes tic Supply Chain Plan - Evalua ted	<p>Include in the procurement documents one of the approaches below to evaluate the Domestic Supply Chain Plan. The approach should be selected based on the estimated procurement value.</p> <p>Below \$347,400 for construction procurements, and below \$139,000 for goods or services procurements</p> <ul style="list-style-type: none"> • Apply a 10% evaluation advantage to the bidder with the highest proportion of Ontario-Made Goods and Ontario Services in their Domestic Supply Chain Plan. <p>At or above \$347,400 for construction procurements, and at or above \$139,000 for goods or services procurements</p> <p>Choose one of the following:</p> <ul style="list-style-type: none"> • Apply a 10% evaluation advantage to the bidder with the highest proportion of Ontario-Made Goods and Ontario Services, followed by Canadian-Made Goods and Canadian Services in their Domestic Supply Chain Plan • The Domestic Supply Chain Plan accounts for 10% of the total evaluation score for the procurement. Select the vendor whose Domestic Supply Chain Plan score is at least 50% higher than the top-ranked vendor and <ul style="list-style-type: none"> ◦ their bid price is within 10% and ◦ their construction schedule is no more than 10% longer, the municipal sector entity should award the contract to

Domestic Supply Chain Plan Approach	Method to be Applied
	that vendor, subject to all other award conditions
Domestic Supply Chain Plan - Commitment	Include in the procurement documents a mandatory eligibility requirement for vendors to commit in a Domestic Supply Chain Plan to meet or exceed a specified proportion of Ontario or Canadian-Made Goods and Services as a part of the procurement. The specified proportion may be any percentage of the total estimated procurement value that the municipal sector entity has determined would maximize the use of Ontario and Canadian-made Goods and Services.

If it would not be feasible to require vendors to submit a Domestic Supply Chain Plan on account of the procurement model, municipal sector entities may use an alternative method that is consistent with and advances the objective of this section (4.2.2).

Municipal sector entities may refer to operational guidance issued by the ministry for direction about how to apply of any of these requirements, including but not limited to Domestic Supply Chain Plans or methods, and more.

Value for money exclusion

On a case-by-case basis where strictly necessary, a municipal sector entity may exclude a procurement from the requirements of section 4.2.2 when the following criteria are met:

- A detailed market assessment indicates that applying the requirements in this section (4.2.2) could increase the procurement's estimated cost by 25% or more compared to not applying the requirements and

- Appropriate approval has been obtained to exclude the procurement based on the value of the procurement

A municipal sector entity may be required to provide information about any approved exclusion as a part of the reporting requirement under section 4.1 of this directive.

Conflicts with funding agreements

If a capital infrastructure procurement is or will be funded in part by the Crown in right of Canada, municipal sector entities should:

- where possible, negotiate terms for the funding that would allow requirements of section 4.2.2 to apply to the capital infrastructure procurement
- apply the requirements to the capital infrastructure procurement unless they conflict with the funding arrangement with the Crown in right of Canada

Reliance on attestations

Municipal sector entities may rely on a vendor's Domestic Supply Chain Plan as evidence of what goods are Ontario or Canadian-Made or what services are Ontario or Canadian services for the purposes of this directive.

5 Implementation and Support

Municipal sector entities should use the information and operational direction designed to support this directive, available publicly on the following sites:

- Doing Business with the Government of Ontario (<https://www.ontario.ca/page/doing-business-government-ontario>)
- Supply Ontario's website (<https://www.supplyontario.ca/>)
- For questions, contact doingbusiness@supplyontario.ca (<mailto:doingbusiness@supplyontario.ca>)

6 Definitions

For the purposes of this directive the following definitions apply:

Canadian-Made Good means a good that meets any **one** of the following criteria:

- wholly manufactured or originating in Canada
- at least 51% of the total direct costs of producing or manufacturing the good have been incurred in Canada
- labelled as “Made in Canada” or “Product of Canada”

Canadian Service means a service wholly provided by individuals (natural persons) located in Canada.

Construction means construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.

Made-in Ontario Vehicle means a vehicle that is manufactured in Ontario and contains the number "2" as the first digit of the Vehicle Identification Number (VIN).

Major goods means durable materials, systems or components that are essential to ensuring the operational readiness or performance of the deliverable, and include:

- structural materials: concrete, steel and other metals, lumber, stone, aggregates
- building envelope components: windows, glass, roofing systems, bricks
- mechanical and electrical systems: HVAC units, generators, elevators
- specialty items: prefabricated panels, major fixtures
- fixtures, furniture and equipment
- transit fleet vehicles

New procurement means a procurement that has not yet been issued or posted by the date the applicable section of this directive takes effect.

Ontario Service means a service wholly provided by individuals (natural persons) located in Ontario.

Ontario Vehicle Producer means an Original Equipment Manufacturer (OEM) that sells vehicles and would meet the threshold of 1,500 annualized jobs across their Ontario footprint of active and/or planned fully and partially owned vehicle assembly and plants.

Ontario-Made Good means a good that meets any **one** of the following criteria:

- wholly manufactured or originating in Ontario
- at least 51% of the total direct costs of producing or manufacturing the good have been incurred in Ontario.

Related

Buy Ontario (<https://www.ontario.ca/page/buy-ontario>)

Buy Ontario Procurement Directive (<https://www.ontario.ca/page/buy-ontario-procurement-directive>)

Broader public sector accountability (<https://www.ontario.ca/page/broader-public-sector-accountability>)

Doing business with the Government of Ontario (<https://www.ontario.ca/page/doing-business-government-ontario>)

Updated: March 30, 2026

Published: March 30, 2026



Association of
Municipalities
of Ontario

Appendix B

Building Ontario's Economy with Flexible Municipal Procurement

AMO'S SUBMISSION TO THE MINISTRY OF PUBLIC AND BUSINESS SERVICE
DELIVERY AND PROCUREMENT

Regulatory Registry 26-MPBSD001

March 2, 2026

About AMO

The Association of Municipalities of Ontario (AMO) is a non-profit, non-partisan association that represents the interests of all 444 municipal governments across Ontario. AMO addresses common challenges facing our members and provides meaningful advice to the provincial and federal governments on practical solutions on a wide range of issues that directly impact local governments and the citizens they serve.

Procurement is an important issue for municipalities as they are major players in light duty fleet vehicle, infrastructure, and construction procurement. The sector owns 52%¹ of Ontario's infrastructure, and these assets were valued at \$1 trillion, in 2025.² Municipalities are planning for more than \$250 billion in capital expenditures over the next decade.³ Changes to municipal procurement processes proposed in this regulatory posting could have significant cost implications for residents and taxpayers.

We continue to support the province's strong, ongoing leadership in managing the impacts of tariffs and related measures. These remain a significant challenge, requiring ongoing action to protect Ontario's economy, residents, and communities. Municipalities are willing and eager to use their significant buying power to support the federal and provincial governments in protecting our shared economic well-being.

¹ Ontario Financial Accountability Office. [Provincial Infrastructure](#) Report, 2020.

² AMO analysis based on combined 2025 current replacement values from municipal asset management plans, available at [MAP of AMPS in Ontario](#)

³ AMO. [Social and Economic Prosperity Review](#), 2024.

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Executive Summary

AMO and its members are committed to helping protect and grow Ontario's economy through procurement spending, including supporting efforts to source more Ontario and Canadian manufactured goods and services. We are pleased to share our feedback on proposed *Buy Ontario Act (Public Sector Procurement)*, 2025 regulations that would:

1. extend existing light duty fleet vehicles requirements to municipalities and local boards, and
2. introduce Ontario Made and Canada Made requirements to capital infrastructure and construction projects.

AMO provided [recommendations on light duty fleet vehicle](#) procurement last year. We applaud the province's decision to incorporate feedback from AMO and municipalities about how to effectively implement fleet procurement requirements in these new proposed procurement directives. Building on this collaborative approach, this submission presents seven recommendations organized across four key themes, each focused on refining the proposed requirements for capital infrastructure and construction projects.

1. **Keep Local Flexibility:** Let municipalities and local boards set local policies to ensure they can deliver value-for-money procurement and meet the unique needs and priorities of their communities.
2. **Clarify New Procurement Rules:** Provide clear guidance on how the proposed procurement requirements will be put into practice.
3. **Coordinate with Existing Funding Programs:** Align proposed procurement rules to ensure they support the objectives of existing provincial and federal funding initiatives.
4. **Match Supply and Demand:** Work with industry to ensure domestic capacity can be ramped up to meet the anticipated increase in policy driven demand.

These themes reflect input, research, and analysis we received from our members, industry associations, and commissioned studies. We also co-hosted a webinar for the municipal sector on the proposed changes and polled participants on range of issues. The poll results encompass the views of 140 municipalities that represent more than 60% of Ontario's population, including a representative sample of regional, single- and lower-tier governments.

Analysis and Recommendations

1. Keep Local Flexibility

Recommendation 1: Prioritize Ontario and Canadian suppliers but allow foreign suppliers when local options are not viable.

The proposed procurement rules are likely to increase the demand on a limited number of domestic vendors. This could lead to increased costs on already strained municipal budgets, and delays in delivering infrastructure projects. Municipalities want to prioritize buying from Ontario and Canadian businesses, but these options are not always viable due to significant cost, timing impacts, and/or lack of vendors. Municipalities need the flexibility to buy from international suppliers to maintain value-for-money and the prudent management of taxpayer dollars.

According to a [2025 Oxford Economic](#) report examining the impacts of tariffs on municipal capital expenditure, about 30% of construction materials for Ontario projects come from outside Canada.⁴ The same report found that 31% of construction firms and 47% of manufacturers say they are facing higher prices because of limited competition.⁵ Proposed procurement directives could worsen this by limiting the local flexibility required to balance project budgets with vendors' materials supply and qualifications.

Ontario municipalities are planning for over \$250 billion in capital expenditures over the next decade.⁶ A provincial policy favouring domestic content – even where costs are up to 10% higher than the top-ranked bid – could inflate annual municipal infrastructure spending by \$2.5 billion. This occurs when the top-ranked competitive bid is bypassed for a more expensive option with more domestic sources. This is a significant sum of money for municipalities. The municipal sector shoulders 80% of infrastructure costs.⁷ Yet, municipalities are limited in how much revenue they can raise through debt financing or their own sources of revenue, such as property taxes, to absorb any policy driven cost increase.⁸

⁴ Oxford Economics. "[Tariff Impacts on Ontario Municipality Capital Expenditure](#)", 2025.

⁵ Ibid.

⁶ AMO. [Social and Economic Prosperity Review](#), 2024."

⁷ AMO analysis of municipal Financial Information Returns, 2018 to 2023.

⁸ AMO. [Social and Economic Prosperity Review](#), 2024."

In addition to cost considerations, infrastructure projects rely heavily on technical professionals to execute. During municipal consultation 88% of municipal participants polled said they need flexibility to prioritize technical and qualifications-based selection.⁹ Without flexibility to secure vendors with a high level of technical experience there is a risk of project delays, and lower quality infrastructure that could result in increased asset lifecycle maintenance costs or increased public safety risk.

Municipal consultation participants identified options to provide flexibility that would provide the right balance between prioritizing domestic content, value for money, and technical considerations. These options include:

- Exemptions or scaling of domestic-content requirements for:
 - Projects below a cost threshold where there is limited economic impact.
 - Goods and services where there is high reliance on international supply chains and domestic supply may not be available without significant cost increase or procurement delays.
 - Regional differences where the market size and availability of qualified vendors is low (e.g., remote, rural, and northern communities), and procurement restrictions may reduce the number of competitive bids.
- Allowing attestations rather than detailed Domestic Supply Chain Plans for small, local vendor that may not have capacity to meet strict regulatory requirements.
- Exemptions for emergency procurement where timely purchasing outweighs other considerations.

AMO is aware that municipal infrastructure experts, and construction industry representatives plan to make their own comments on this proposal.¹⁰ We strongly encourage the Ministry to consider their views and recommendations as they are best positioned to provide an informed of the challenges and risks of new procurement requirements, and how to best mitigate them, while also supporting the province's objectives.

⁹ See chart in Appendix A titled *Theme: Evaluation Methodology "Will flexibility be needed in more complex models?"*

¹⁰ For example: Good Roads, Toronto Area Road Builders Association, Ontario Association of Road Supervisors, Ontario Sewer and Watermain Construction Association.

Recommendation 2: Maintain de-centralized municipal procurement to allow flexibility to support local vendors and maintain high service quality.

In addition to assessing the quality of goods and services, municipalities may prioritize local suppliers if their specific procurement by-laws have local content provisions. This evaluation approach helps ensure value for money procurement while supporting local economic development.

AMO understands that provincial organizations designated under the *Buy Ontario Act* are required to use Supply Ontario's centralized Vendor of Record (VOR). While municipalities can choose to use the province's VOR, many choose not to do so. Smaller and rural municipalities have a preference to buy from small and medium-sized local vendors because it keeps local money recycling through the local economy. These vendors have the technical qualifications but not necessarily the scale required to participate in Supply Ontario's VOR program. Although the proposed procurement directives would not require municipal use of Supply Ontario's VOR, municipal representatives have expressed concern that were this flexibility to be removed in the future, it would limit opportunities for municipalities to support businesses in their own communities.

Rural and northern municipal representatives are particularly concerned that narrowing the supply of vendors could lower service quality if vendors are located far from a municipality. For example, in the event of an IT service outage that requires on-site service, a local vendor may be able to provide same-day service while a vendor located at a greater distance may require one or more days to arrive on site.

AMO is also aware of concerns from Indigenous industry groups like the Anishnawbe Business Professional Association that many of their members rely on municipal contracts but would be ineligible under *Buy Ontario Act* definitions. Losing the ability to purchase from these Indigenous vendors undermines the principles of economic reconciliation.

For these reasons, AMO supports the Ministry's decision to exclude a requirement that municipalities use Supply Ontario's VOR as part of the proposed procurement directives. We recommend continued flexibility to procure outside of the central VOR program. This could include maintaining the status quo, or building in threshold exemptions based on population size, geography, or contract value.

Recommendation 3: Protect municipalities from liability under international trade agreements.

Municipalities are concerned that rising costs could push contracts above exemption limits in trade agreements like the *Canada-European Union Comprehensive Economic and Trade Agreement* (CETA). If a purchase exceeds those limits and there is no liability protection, a municipality prioritizing Ontario and Canadian businesses could be sued by a foreign vendor for violating CETA's non-discrimination rules.

Consultation documents are silent on how infrastructure and construction procurement is to be shield from CETA requirements. Given the high dollar value of infrastructure and construction projects, there is a high likelihood that these undertakings will exceed CETA's exemption limits. We encourage the province to extending the provisions for light duty fleet vehicles to infrastructure and construction projects as well.

2. Clarify New Procurement Rules

The success of directing municipal procurement dollars to Ontario and Canadian businesses relies on clear and consistent implementation across the province. We have two recommendations to support a smooth rollout of the proposed regulations.

Recommendation 4: Move the implementation date to 2027.

Municipal consultation participants noted the proposed March 2026 implementation date is insufficient for municipalities and business to implement new policies and practices without impacting 2026 budgets and the 2026 construction season.¹¹

- Most municipal budgets for the 2026 calendar year – including those for capital projects – will be approved by councils before the proposed March 2026 implementation date. A March implementation date will materially affect procurements that are already in the planning and execution stages, in particular construction procurement. Changes to the procurement rules for in-flight projects may require budgets, business cases, and/or bid documents to be amended or reapproved to account for the new requirements and anticipated cost increases. This will delay the preparation of requests for proposals and bid submissions,

¹¹ See chart in Appendix A titled *Theme: Implementation* “What will be the impact of the proposed implementation date – early spring 2026- be on your organization?”

increasing the risk of projects not proceeding in time for the 2026 construction season.

- Ninety percent (90%) of consultation participants polled indicated it is not feasible for vendors to submit a Domestic Supply Chain Plan that covers all major goods and services due to time constraints, project complexity, market knowledge gaps, and a lack of guidance to identify major goods. This increases a risk that bids received will be incomplete, or not competitive, risking delayed project starts, or projects being deferred to 2027.¹²

- Delayed bidding or contract selection may lead to limits on the ability of municipal councils to approve bids or enter contracts if “Restricted Acts” rules come into effect during the 2026 municipal election. Under these rules, councils cannot make expenditures or incur liabilities exceeding \$50,000 once it becomes statistically impossible for three quarters of the existing council to return after the election. This could occur after Nomination Day (August 21) if fewer than three quarters of council submit nominations to run for re-election, or after Voting Day (October 26) if three quarters of council are not re-elected.

For these reasons, we propose a 2027 effective date. A longer implementation timeline would provide an adequate window for municipalities and industry to implement the new policies and minimize disruption and delays to the 2026 construction season.

Recommendation 5: Provide guidance materials to help municipalities and businesses comply with new procurement rules.

During municipal consultation, 91% of participants polled said that having clear guidance materials and a dedicated Ministry contact would help municipalities and industry quickly comply with the proposed regulations.¹³ Based on feedback from participants, we recommend the following areas for guidance:

¹² See chart in Appendix A titled *Theme: Policy Requirement “Is it feasible for a vendor to submit a Domestic Supply Chain Plan covering all major goods and services (including those of sub-contractors)? If not, why is this not feasible?”*

¹³ See chart in Appendix A titled *Theme: Implementation “What types of support of resources would help your organization comply with the policy?”*

- **Clarifying Definitions:** Buyers and vendors need clear definitions of “Canada Made” and “Ontario Made” to set RFP criteria and prepare Domestic Supply Chain Plans. These definitions need to account for the full breadth of domestic supply chains, end-to-end, while minimizing impacts to local businesses. For example, vehicles or water pipes manufactured in the United States rely on Ontario parts or natural resources as intermediate inputs. However, definitions that consider the final point of assembly, but not intermediate inputs may not consider these products as having domestic content. We recommend the province work with industry and procurement professionals to ensure the proposed definitions can be operationalized in the real economy and do not harm Ontario suppliers that sell to foreign manufacturers.
- **Assessing Compliance:** Clear direction on how to verify compliance with domestic content/location requirements including confirming supply chain inputs. Direction needs to include whether a point-in-time attestation at bid submission is sufficient, or if ongoing verification is needed over the project lifetime.
- **Scoring Bids:** Sixty-four percent (64%) of consultation participants polled prefer flexibility for municipalities to set their own scoring methodology as opposed to a provincially established standardized approach.¹⁴ Proponents of both approaches agree that guidance on how to evaluate and score bids would be valuable. Participants are also seeking guidance on how to balance prioritizing domestic content, with value for money, and project timelines.

3. Coordinate with Existing Funding Programs

Recommendation 6: Provide exemptions for projects receiving provincial and federal grants.

Municipalities fund 80% of infrastructure costs, with federal and provincial grants funding the remaining balance.¹⁵ Some grants have program specific requirements that may not be consistent with the proposed regulations. If provincial procurement and funding program rules are misaligned, municipalities may take on an even higher share

¹⁴ See chart in Appendix A titled *Theme: Evaluation Methodology “Should the policy prescribe a standardized scoring methodology or should procuring entities retain flexibility to select their own approaches?”*

¹⁵ AMO. [Social and Economic Prosperity Review](#), 2024.”

of project costs, due to funding ineligibility or reductions arising from program design exclusions such as grant stacking. For example:

- **Municipal Housing Infrastructure Program (MHIP):** Municipalities are responsible for funding unanticipated cost escalations for MHIP projects. If the proposed procurement requirements result in increased input costs or schedule delays, municipalities may need to review in-flight projects to scale back project scope, delay completion or cancel projects entirely, to stay within budget.

Provincial *Buy Ontario* consultation documents indicate procurement requirements “may not apply” when an infrastructure project is subject to a program-based requirement tied to federal funding. To mitigate risks arising from funding eligibility criteria or unfunded cost increases, municipalities need certainty that such requirements will not apply in these cases. We recommend the province engage with the relevant federal departments to identify and address across its suite of programs, program design requirements that may unintentionally disqualify municipalities or reduce their funding entitlements.

4. Match Supply with Demand

Recommendation 7: Work with municipalities and industry to target exemptions and investments needed to match supply with demand.

Ontario’s construction and vehicle manufacturing industry have high exposure to and reliance on international supply chains. Oxford Economics’ report on tariff impacts on municipal construction identified diesel, construction machinery, electrical components, and structural steel as the largest import categories coming from the United States, representing around three-quarters of Ontario’s imports of construction related inputs.¹⁶ With high reliance on imports for construction, new procurement requirements and the policy driven demand that is anticipated may exceed domestic manufacturing and supplier capacity.

The 2025 consultation documents on the proposed light duty fleet vehicle procurement policy included market assessment of municipal demand, and industry capacity to allow the province to provide targeted procurement directive exemptions¹⁷ and investments in

¹⁶ Oxford Economics. “[Tariff Impacts on Ontario Municipality Capital Expenditure](#)”, 2025.

¹⁷ For example: for specialized fleet vehicles like emergency services and undercover police vehicles

the auto manufacturing sector. A similar assessment needs to be conducted for the construction industry to determine if domestic vendors have the capacity to supply specialized construction materials and deliver an increased number of complex infrastructure projects. Insight from this type of assessment could also be used to create a list of construction materials with heavy reliance on US sources that could be exempt from domestic-content requirements while the province works with industry and federal partners to realign supply chains and establish domestic sources. Other ongoing initiatives like removing inter-provincial trade and labour mobility barriers could also be leveraged to help position industry to meet growing demand.

Conclusion

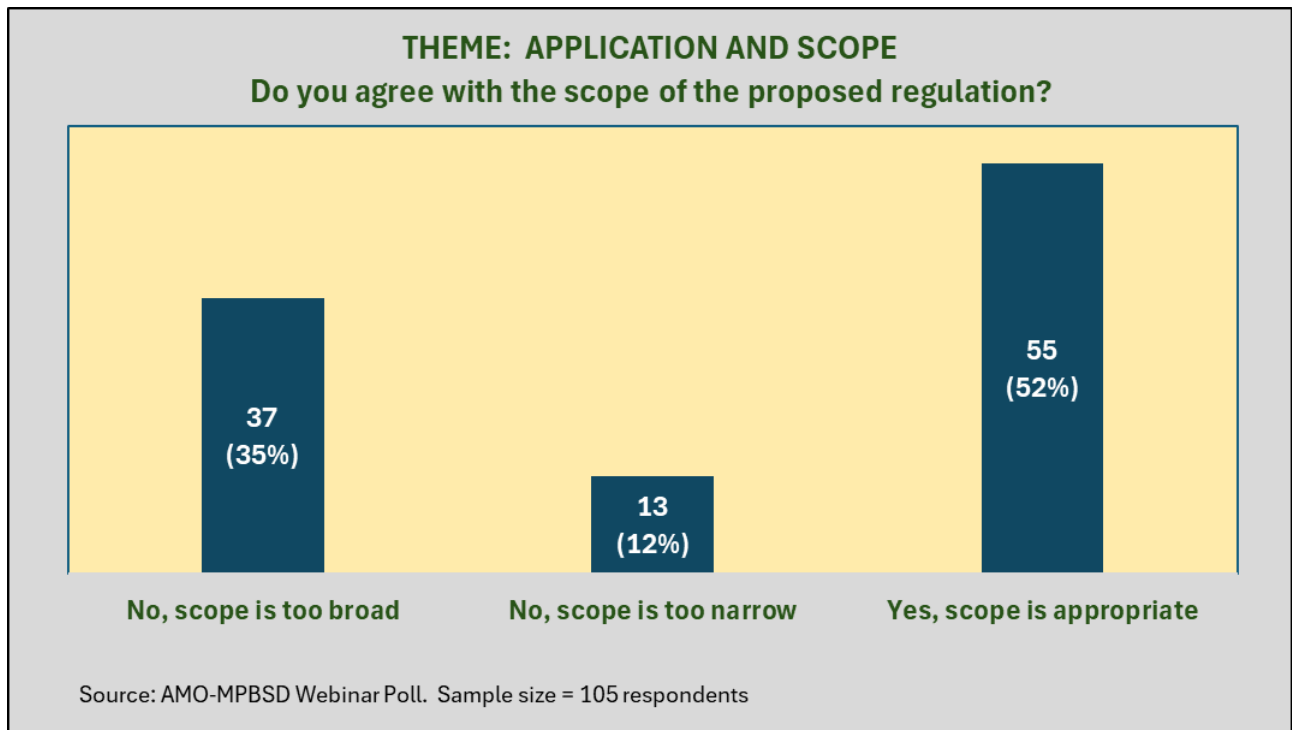
AMO and its members value the province's acknowledgement of the important role that municipalities can and do play in the province's response to changing global trade relationships. Protecting flexible local procurement and providing clear guidance on implementation will be key to meeting this goal. At the same time, municipalities need the right framework to prevent cost escalation and procurement delays that could significantly hurt municipal budgets, service delivery, or capital project delivery timelines. We look forward to working with the province to support its broader economic development and strategic industrial policy push to strengthen industries and support domestic jobs and businesses.

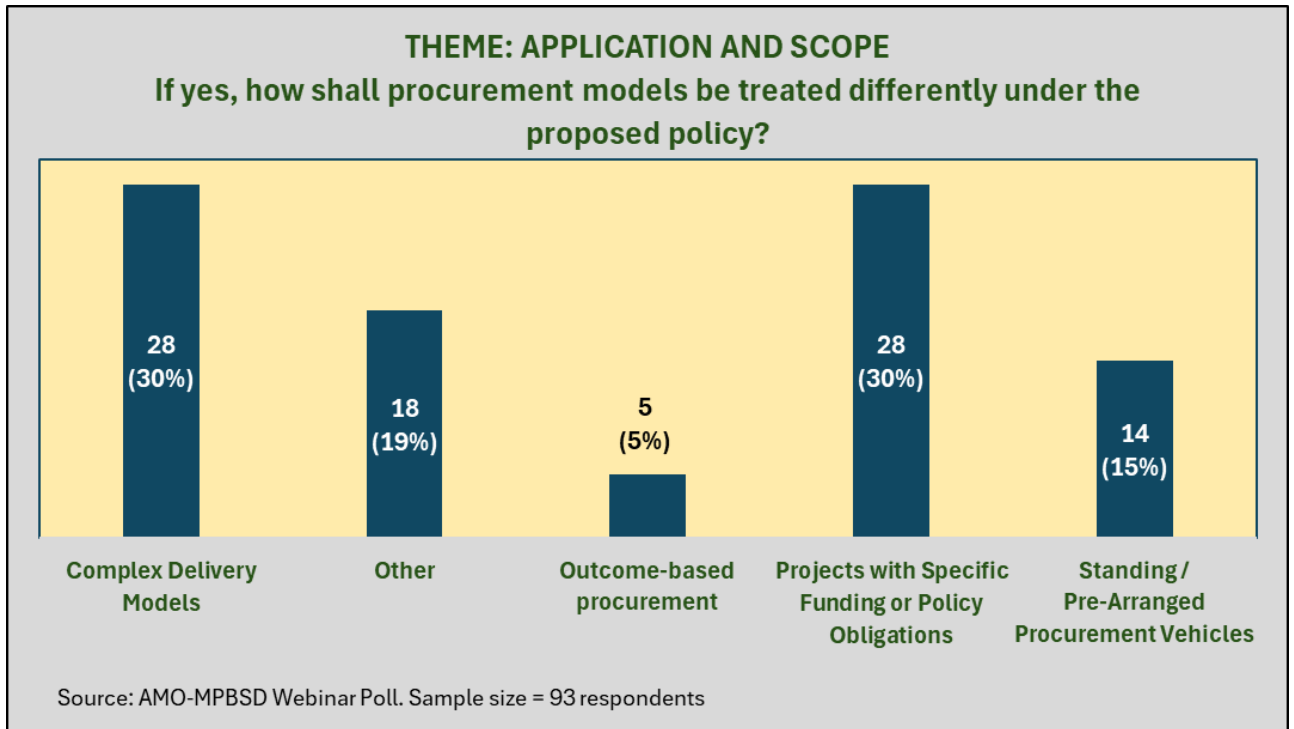
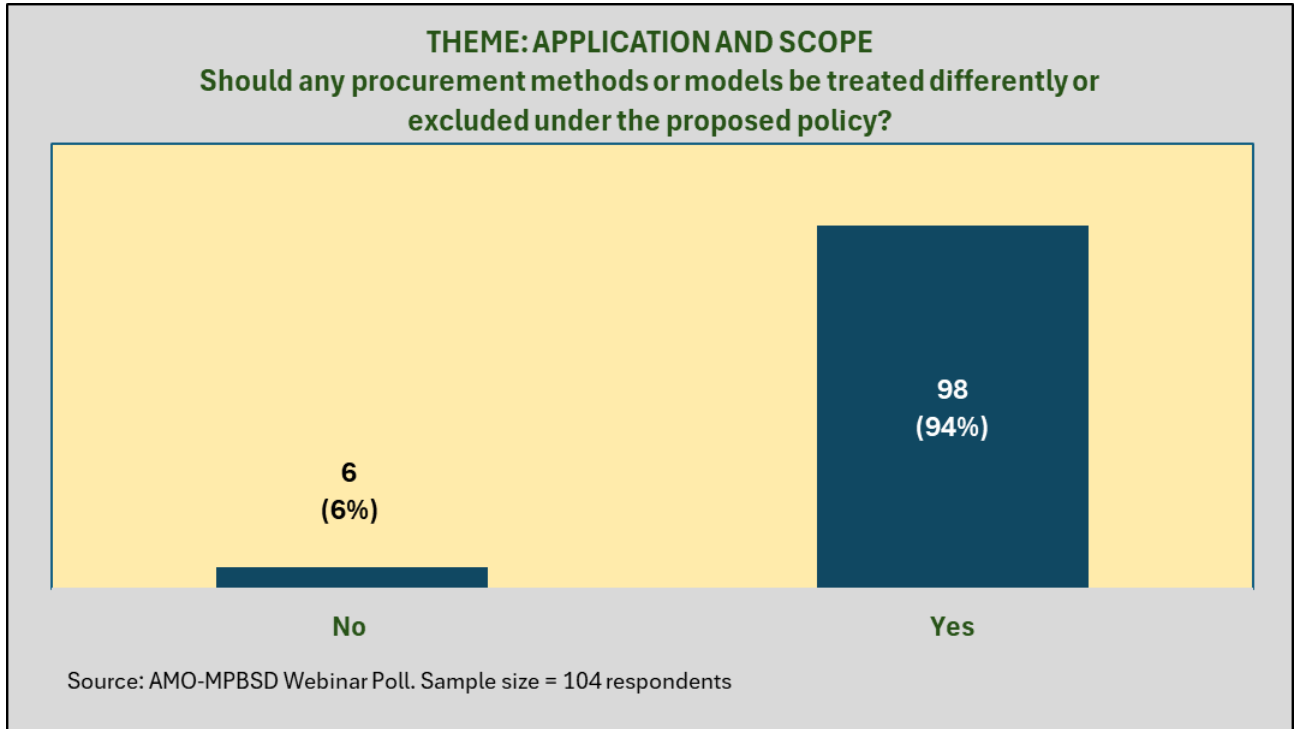
Appendix A: Summary of Consultation Feedback

AMO co-hosted a consultation webinar in partnership with staff from the Ministry of Public and Business Service Delivery and Procurement on February 24, 2026, to gather feedback on the proposed regulations. One hundred eighty-nine (189) participants from 140 municipalities and representing over 60% of Ontario’s population attended. Participants included a range of senior municipal professionals including those working in procurement, finance, public works, and legal departments.

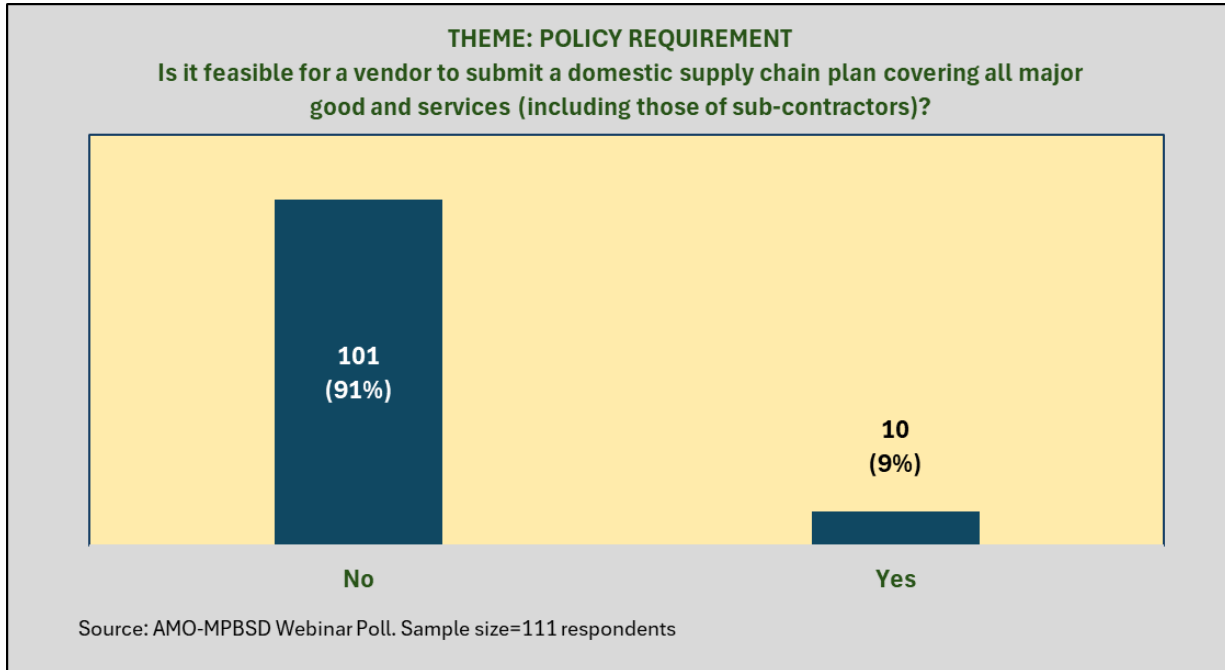
The webinar included several poll questions on the following topics: application and scope of the proposed regulations, policy requirements, evaluation methodology, implementation dates, and reporting. The poll results are shown below, by topics.

THEME: APPLICATION AND SCOPE





THEME: POLICY REQUIREMENT

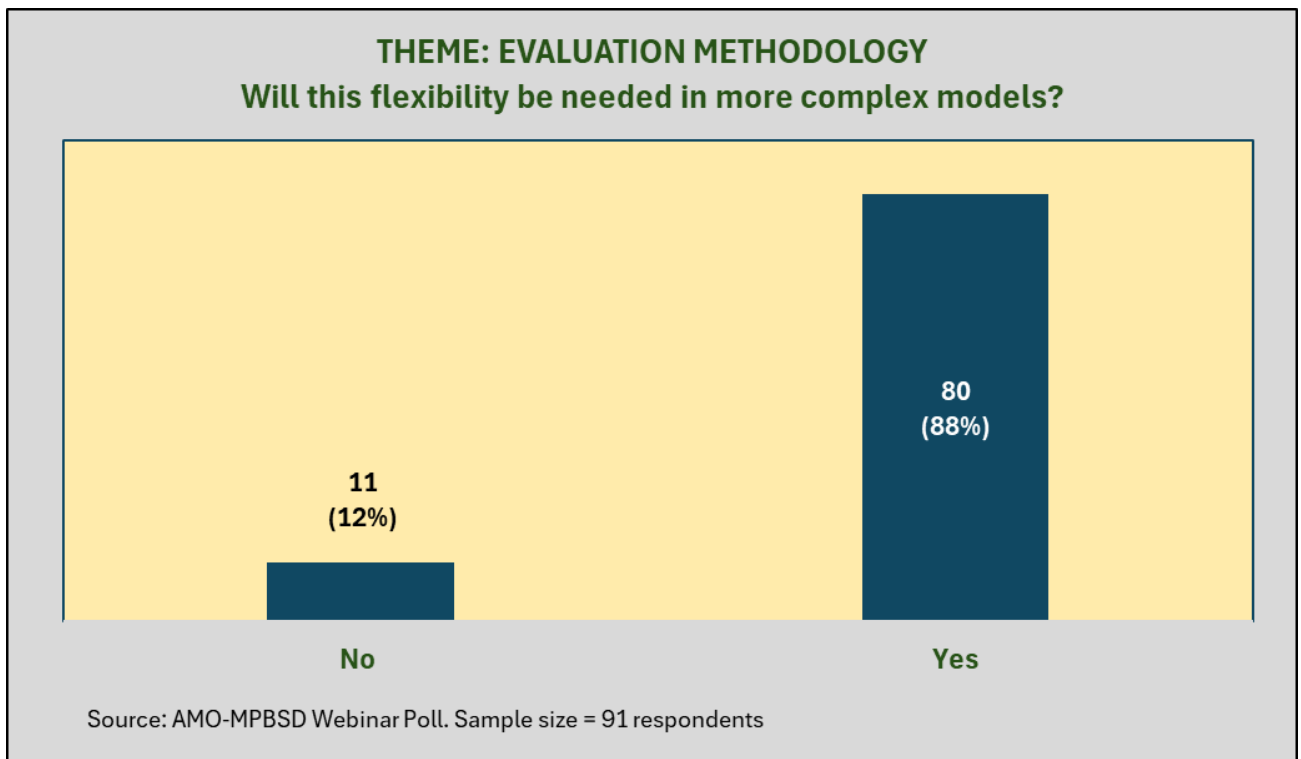
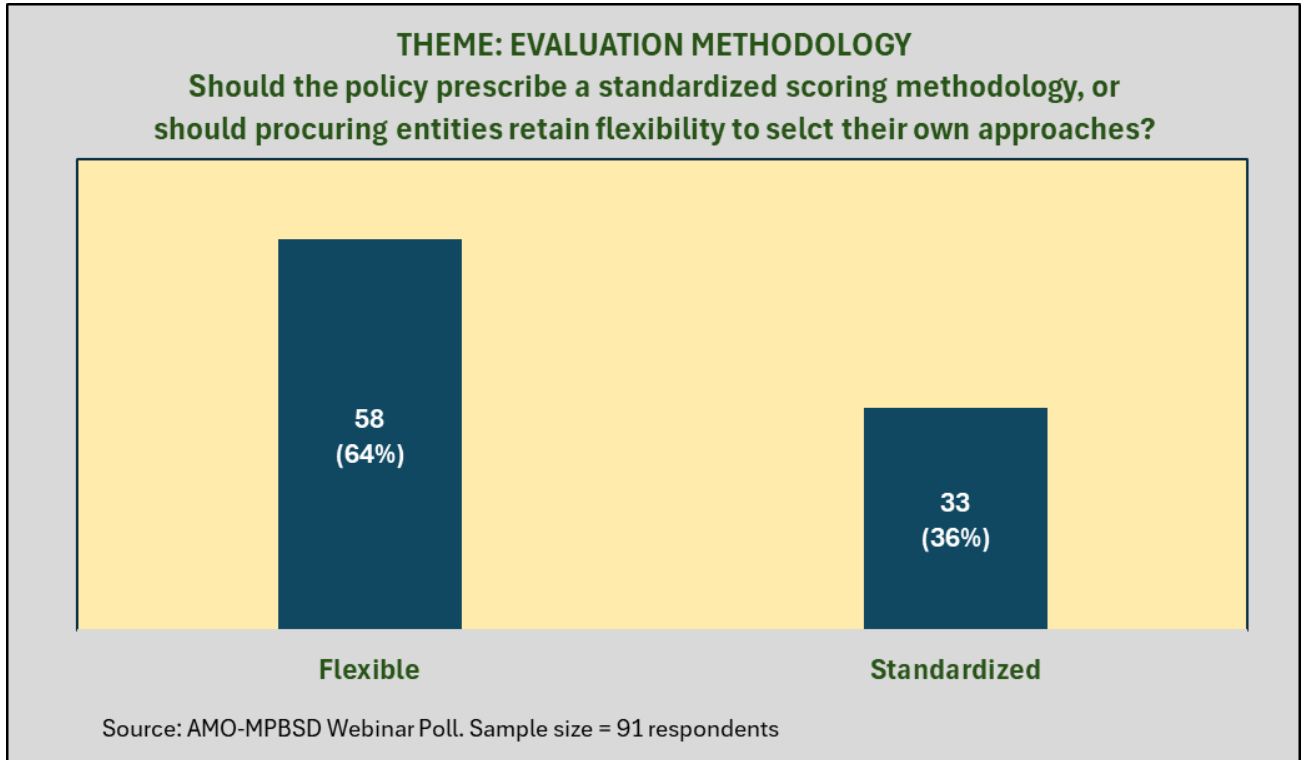


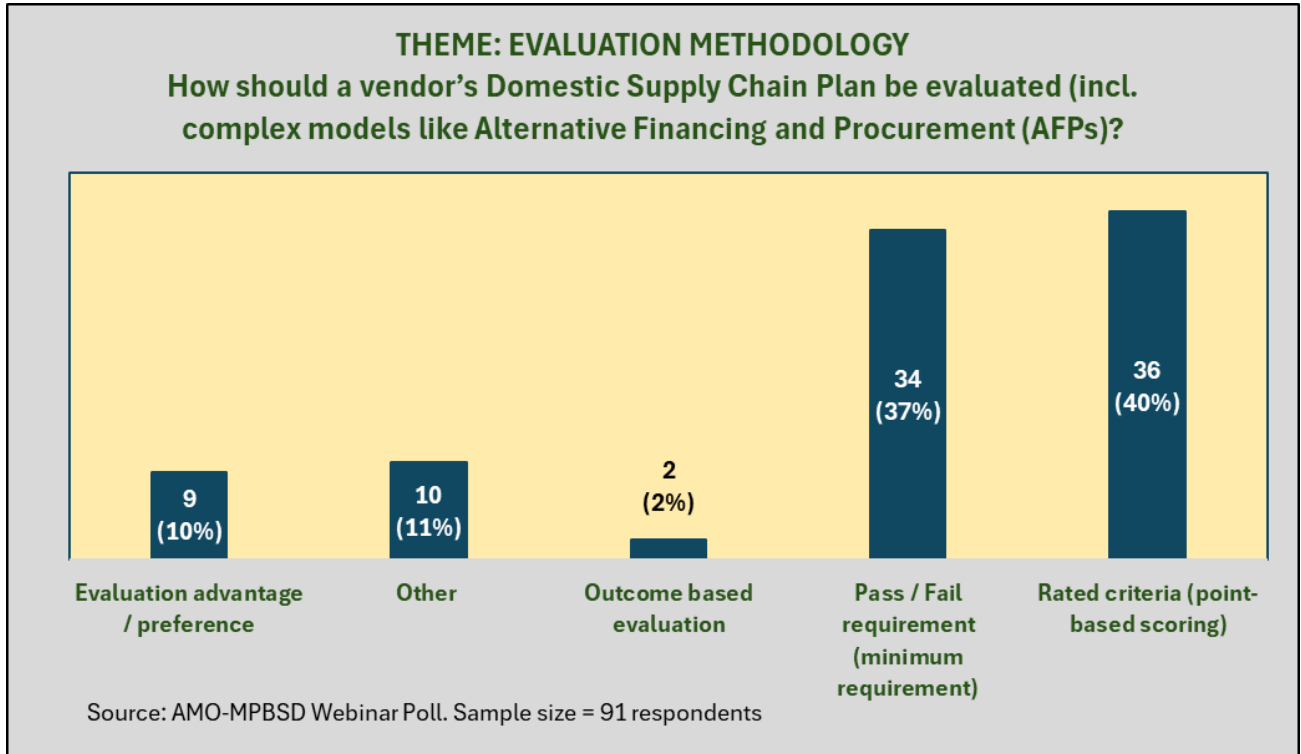
THEME: POLICY REQUIREMENT

Is it feasible for a vendor to submit a Domestic Supply Chain Plan covering all major goods and services (including those of sub-contractors)? If not, why is this not feasible?
[Top 4 responses]

Answer choices (select all that apply)	Number of Response	Share of Responses
Time constraints		
Need guidance to identify major goods		
Limited procurement expertise		
Project complexity	5	9%
Time constraints		
Need guidance to identify major goods		
Limited procurement expertise		
Project complexity		
Market knowledge gaps		
Other	5	9%
Time constraints		
Need guidance to identify major goods		
Project complexity		
Market knowledge gaps	8	15%
Time constraints		
Need guidance to identify major goods		
Limited procurement expertise		
Project complexity		
Market knowledge gaps	35	66%
Total	53	

THEME: EVALUATION METHODOLOGY





THEME: IMPLEMENTATION

THEME: IMPLEMENTATION
 What will be the impact of the proposed implementation date – Early Spring 2026 - be on your organization?

Theme	Number of Response	Share of Responses
Policy / by-law / procurement updates required	31	24%
Staffing and resource constraints	29	23%
Budget and cost impacts	16	13%
Training and guidance needed	14	11%
IT systems and process changes	9	7%
Timeline too short / rushed implementation	8	6%
Governance and approvals (Council/Board)	8	6%
Coordination with partners / vendors	6	5%
Risk, compliance, and uncertainty	4	3%
Organizational readiness / not prepared	2	2%
Total	127	

