

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee

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

Subject: Rapid Transit Implementation – Consultant Design Contract
Increase RFP20-29 and RFP20-28 due to Excess Soils
Regulation

Date: October 4, 2023

Recommendation

That on the recommendation of the Deputy City Manager, Environment & Infrastructure, the following actions **BE TAKEN** with respect to the requested increase to the Consultant contract services for the Wellington Gateway and East London Link detailed design:

- (a) The engineering fees for AECOM Canada Ltd. **BE INCREASED** to recognize the additional scope of work for the RFP20-29 - Consulting Services for Rapid Transit and Infrastructure Improvements - Wellington Gateway project in accordance with the estimate on file, by \$288,834 excluding HST, from \$6,490,902 to a total upset amount of \$6,779,736 in accordance with Section 15.2 (g) of the Procurement of Goods and Services Policy,
- (b) The engineering fees for Dillon Consulting Ltd. **BE INCREASED** to recognize the additional scope of work for the RFP20-28 Consulting Services for Rapid Transit and Infrastructure Improvements - East London Link project in accordance with the estimate on file, by \$267,881 excluding HST, from \$6,113,853 to a total upset amount of \$6,381,734 in accordance with Section 15.2 (g) of the Procurement of Goods and Services Policy,
- (c) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached, hereto, as Appendix 'A'; and,
- (d) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project.

Executive Summary

This report recommends increasing the approved consultant award for AECOM Consulting Ltd. And Dillon Consulting Ltd. related to detailed design for the Wellington Gateway and East London Link projects, respectively.

Context

On August 26, 2020, Council approved AECOM Canada Ltd. be appointed the Consulting Engineer for the Wellington Gateway and Dillon Consulting Ltd. be appointed the Consulting Engineer for the East London Link project.

In January 2022, O. Reg. 406/19: On-Site and Excess Soil Regulation initially came into effect requiring advance soil sampling and testing, as well as documentation, tracking and registration of excess soil leaving construction sites. This added considerable workload for project managers, engineering consultants and geotechnical subconsultants.

The cost implications of this new regulation were not foreseen when the contracts were issued and have thus far cost the City \$288,834 for Wellington Gateway and \$267,881.25 for East London Link, consuming a good portion of the contingency amount allocated to these complex multi-year projects.

Linkage to the Corporate Strategic Plan

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

- Mobility and Transportation:
 - Build infrastructure that provides safe, integrated, connected, reliable, and efficient transportation choices; and
 - Implement London's Rapid Transit Corridors to improve reliability for current and future transit.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Civic Works Committee – June 19, 2012 – London 2030 Transportation Master Plan;
- Strategic Priorities and Policy Committee – July 24, 2017 – Rapid Transit Master Plan and Business Case;
- Strategic Priorities and Policy Committee – April 23, 2018 – Bus Rapid Transit Environmental Assessment Initiative;
- Civic Works Committee – March 14, 2019 – The History of London's Rapid Transit Initiative;
- Strategic Priorities and Policy Committee – March 25, 2019 – Investing in Canada Infrastructure Program, Public Transit Stream, Transportation Projects for Submission;
- Strategic Priorities and Policy Committee – October 28, 2019 – Investing in Canada Infrastructure Program, Public Transit Infrastructure Stream, Approved Projects;
- Civic Works Committee – August 11, 2020 – East London Link Transit and Municipal Infrastructure Improvements – Appointment of Consulting Engineer;
- Civic Works Committee – August 11, 2020 – Wellington Gateway Transit and Municipal Infrastructure Improvements – Appointment of Consulting Engineer;

2.0 Discussion and Considerations

2.1 Wellington Gateway and East London Link Corridors

The Wellington Gateway is a mixed-use corridor, with existing land uses including historic sites, residential neighborhoods, medical facilities, and heavy commercial uses and captures Wellington Street and Wellington Road which transitions over the Thames River (south branch) crossing. The corridor provides a thoroughfare for traffic to and from the Downtown Core and provides swift access to Highway 401 and today supports several local transit routes.

The East London Link corridor is a mixed-use corridor, with existing land uses including historic businesses, residential neighbourhoods, and heavy industrial uses. The corridor is anchored by Downtown London at the western end, the Western Fairgrounds between Adelaide Street and Highbury Avenue, and Fanshawe College at the eastern end. Through Old East Village, King Street is closely integrated with land uses along

Dundas Street given the close proximity of these streets. Local bus routes are currently focused on Dundas Street east of Wellington Street.

2.2 On-site and Excess Soil Regulation

The Ministry of Environment, Conservation and Parks (MECP) regulation O. Reg. 406/19: On-Site and Excess Soil Regulation first came into effect January 1, 2022. City Staff and industry partners spent much of 2021 working to interpret the Regulation and waiting on ministry fact sheets to evaluate the potential impacts on City-led projects. With the requirement to provide advance soil sampling and testing, as well as documentation, tracking and registration of excess soil leaving construction sites, this regulated added considerable workload for project managers, engineering consultants and geotechnical subconsultants.

While the Wellington Gateway and East London Link projects provide approximately 13km of transit, transportation and streetscape improvements on the surface, the projects also include replacing aging sewers, watermains and private utilities underground to maintain safe, reliable infrastructure and support growth needs along the corridors. Managing excess construction soil from these underground works has had a substantial impact on the contingency budget.

Other more typical 2022 and 2023 projects were able to absorb excess soil management costs within their contingencies. However, the scale and scope of these two multi-year design assignments meant significant contingency was absorbed by unforeseen costs stemming from the introduction of this regulation. This has placed additional strain on project design budgets and the significant value engineering work that has been happening to reduce property impacts, enable construction schedules, and improve overall transportation and transit operations.

2.3 Procurement Process

In accordance with Section 15.2 (e) of the Procurement of Goods and Services Policy, both design proposals were carried out using a two-stage process with the first stage being an open, publicly advertised prequalification stage (RFQUAL) and the second being Request for Proposal (RFP) of the short-listed firms. AECOM Canada Ltd. and Dillon Consulting Limited were both awarded the detailed design of the RFP20-29 Wellington Gateway and Infrastructure Improvements at \$6,490,902 and RFP20-28 East London Link and Infrastructure Improvements for \$6,113,853 project by Council on August 25, 2020.

As per section 20.3 e) and 8.5 a) of the Procurement of Goods and Services Policy, contract amendments that exceed \$50,000 or 3% of original contract value, whichever is greater, must be authorized by City Council.

20.3 e.

City Council must authorize contract amendments, as per 8.5 a, when the total amended value of the contract will exceed the Council approved source of financing by an amount greater than \$50,000 or 3% of original contract value, whichever is greater, and there are funds available.

8.5

The following body and persons shall have the respective approval authority as set out below (see summary in Schedule "A"). All dollar values are based on annual amounts and must be within pre-approved budgeted limits.

- a. Committee and City Council must approve Contract Amendments exceeding \$50,000 or 3% of original contract value, whichever is greater.

3.0 Financial Impact/Considerations

3.1 Budget Impact Table

The budget required to cover the additional scope of work for excess soils is as follows:

Project and Consultant	Amount
RFP20-29 Wellington Gateway – AECOM	\$288,834
RFP20-28 East London Link – Dillon	\$267,881

This contract increase recommendation is focused on addressing the unforeseen costs associated with excess soil management. The 2024-2027 Multi-Year Budget will provide the opportunity to further adjust consultant design budgets as necessary to address other budget pressures related to the substantial value engineering being completed to find design, property impact, schedule and project cost efficiencies for the two projects.

Conclusion

It is recommended that the increased consulting fees be approved for AECOM Canada Ltd and Dillon Consulting Ltd. at \$288,834 and \$267,881 excluding HST, respectively, for the Wellington Gateway and East London Link project to open financial capacity in these design assignments impacted due to the Excess Soils regulation, as per sections 20.3 and 8.5 of the Procurement of Goods and Services Policy.

Prepared by: Ardian Spahiu, P.Eng., Manager, Major Projects

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

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

Appendix A – Sources of Financing report

Appendix "A"

#23195

October 4, 2023
(Contract Increase)

Chair and Members
Civic Works Committee

RE: Rapid Transit Implementation – Consultant Design Contract Increase RFP20-29 and RFP20-28 due to Excess Soils Regulation
Capital Project RT1430-3A - East London Link Construction Rapid Transit (Subledger RD200011)
Capital Project RT1430-1A - Wellington Gateway (South) Construction Rapid Transit (Subledger RD200013)
AECOM Canada Ltd. - \$288,834.00 (excluding HST)
Dillon Consulting Ltd. - \$267,881.00 (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
RT1430-3A - East London Link Construction Rapid Transit				
Engineering	6,864,729	5,349,468	272,596	1,242,665
Engineering (Utilities Share)	167,321	167,321	0	0
Construction	44,102,000	19,469,030	0	24,632,970
Construction (Utilities Share)	3,273,429	3,273,429	0	0
Relocate Utilities	18,704,000	4,518,418	0	14,185,582
City Related Expenses	4,025,000	681,450	0	3,343,550
RT1430-3A Total	77,136,479	33,459,116	272,596	43,404,767
RT1430-1A - Wellington Gateway (South) Construction Rapid Transit				
Engineering	8,437,640	4,851,746	293,917	3,291,977
Engineering (Utilities Share)	54,782	54,782	0	0
Construction	49,825,701	13,241,956	0	36,583,745
Construction (Utilities Share)	839,721	839,721	0	0
Relocate Utilities	7,066,000	1,533,285	0	5,532,715
City Related Expenses	3,763,904	127,062	0	3,636,842
RT1430-1A Total	69,987,748	20,648,552	293,917	49,045,279
Total Expenditures	\$147,124,227	\$54,107,668	\$566,513	\$92,450,046
Sources of Financing				
RT1430-3A - East London Link Construction Rapid Transit				
Capital Levy	1,283,152	522,664	4,746	755,741
Public Transit Infrastructure Stream (PTIS) - Federal Funding	29,478,292	12,007,346	109,038	17,361,907
Public Transit Infrastructure Stream (PTIS) - Provincial Funding	24,562,786	10,005,121	90,856	14,466,808
Drawdown from City Services - Roads Reserve Fund (Development Charges) (Note 1)	9,371,499	7,483,234	67,955	1,820,310
Debenture By-law No. W.-5683-100 (Serviced through City Services - Roads Reserve Fund (Development Charges)) (Note 1)	9,000,000	0	0	9,000,000
Other Contributions (Utilities Share)	3,440,750	3,440,750	0	0
RT1430-3A Total	77,136,479	33,459,116	272,596	43,404,767
RT1430-1A - Wellington Gateway (South) Construction Rapid Transit				
Capital Levy	1,950,756	557,739	8,298	1,384,719
Public Transit Infrastructure Stream (PTIS) - Federal Funding	27,637,298	7,901,620	117,567	19,618,112
Public Transit Infrastructure Stream (PTIS) - Provincial Funding	23,028,811	6,584,025	97,963	16,346,824
Drawdown from City Services - Roads Reserve Fund (Development Charges) (Note 1)	16,476,380	4,710,666	70,089	11,695,625
Other Contributions (Utilities Share)	894,503	894,503	0	0
RT1430-1A Total	69,987,748	20,648,552	293,917	49,045,279
Total Financing	\$147,124,227	\$54,107,668	\$566,513	\$92,450,046
Financial Note	RT1430-3A (Dillon)	RT1430-1A (AECOM)	Total	
Contract Increase	267,881	288,834	556,715	
Add: HST @13%	34,825	37,548	72,373	
Total Contract Increase Including Taxes	302,706	326,382	629,088	
Less: HST Rebate	-30,110	-32,465	-62,575	
Net Contract Increase	\$272,596	\$293,917	\$566,513	

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.

Jason Davies
Manager of Financial Planning & Policy