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TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON MONDAY, APRIL 23, 2012
FROM:	JOHN BRAAM, P.ENG. ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	WATER TECHNOLOGY CENTRE PRE-DESIGN AND DESIGN CONSULTANT APPOINTMENT

RECOMMENDATION

That, on the recommendation of the Acting Executive Director, Planning, Environmental and Engineering Services and City Engineer, the following actions **BE TAKEN** with respect to appointing the pre-design and design components of the Southern Ontario Water Consortium (SOWC) London Wastewater Facility (LWF) (ES1721) to Stantec Consulting under section 15.2(g) of the Procurement of Goods and Services Policy.

- (a) The proposal submitted by Stantec Consulting for engineering services totalling \$497,320, excluding HST, **BE ACCEPTED**;
- (b) The financing for this project **BE APPROVED** as set out in the Source of Financing Report attached as appendix "A";
- (c) The Civic Administration **BE AUTHORIZED** to undertake all the administrative acts which are necessary in connection with this project: and
- (d) The approval hereby **BE CONDITIONAL** upon the Corporation entering into a formal contract or issuing a purchase order relating to the subject matter of this approval

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- Built and Natural Environment Committee, August 15, 2011, Water Technology Centre Initiative Update

BACKGROUND

Purpose:

The purpose of this report is to seek council approval to appoint Stantec Consulting for the pre-design and design components of the SOWC-LWF (previously referred to as the International Water Centre of Excellence or IWCE). These components are required to secure Federal Economic Development Agency (FedDev) funding for the initiative. Stantec previously prepared a feasibility study identifying potential layouts and the costs associated with adapting the existing dewatering area at Greenway for the SOWC-LWF; pre-design and design drawings are now required. Timelines are tight given the work needed and the requirement that FedDev funds must be spent by March, 2014.

Discussion:

On August 23, 2011, the Federal Government announced \$19.5 million in funding to develop research, development and testing systems for new water technologies in southern Ontario. The Southern Ontario Water Consortium (SOWC) will function as the umbrella organization for testing sites (nodes) in London, Borden, Guelph, Toronto, Waterloo and Hamilton. The London node is referred to as the London Wastewater Facility (SOWC-LWF) and will be located in soon to be vacated space at the City's Greenway Wastewater Treatment Plant. The City of London, Western University, Trojan Technologies and the London Economic Development Corporation have worked together to advance the London component of the SOWC.

As part of the proposal, the City committed \$3.8 million in funding in addition to the \$5.4 million allocated to the London node by FedDev. As part of the Contribution Agreement signed by

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FedDev and the University of Waterloo (FedDev’s partner of record for the SOWC), funding for all members of the consortium is conditional on (among other things) FedDev approval of detailed engineering and/or architectural plans of the facility in London.

The federal funding will not be released until FedDev has received and approved a detailed design for the project and the City money will not be expended on the SOWC-LWF until the FedDev funding is secured. Stantec has submitted a price of \$140,320 for pre-design and \$357,020 for detailed design; both fees include a 10% contingency, but excludes HST. We propose to pay the money needed to complete the pre-design and design work from the City funds already allocated to the project. Provided the project receives the necessary FedDev commitment and funding, the allocated City funds can then be expended on the SOWC-LWF, less the money paid to Stantec for the pre-design and design work.

Under the budget approved by FedDev for the SOWC-LWF component, the costs for pre-design and detailed design work are eligible engineering expenses. Therefore, upon completion of these activities, and approval of the designs by FedDev, the City can invoice Western University for the costs. Western University will in turn prepare a claim to FedDev for these costs. It is expected FedDev will approve the claim, enabling the City to recoup these costs via Western.

This appointment will follow the City’s Procurement of Goods and Services Policy since City funds will be used. The total award for Stantec on this project, including the previously completed prefeasibility study, will exceed \$500,000. We are seeking council approval to proceed with the appointment under the provisions of section 15.2(g) of the Procurement of Goods and services Policy. Normally work of this value would be awarded through an Expression of Interest (EOI) followed by a Request for Proposals (RFP); these processes are lengthy and could delay submission of the final design to FedDev by four to six months, potentially jeopardizing the FedDev funding and significantly reducing the window to complete construction. Stantec’s familiarity with the project will help expedite the process and save valuable time.

Conclusion:

It is recommended that council endorse the appointment of Stantec Consulting to perform the pre-design and design work needed to secure FedDev funding for the SOWC-LWF. Stantec has the necessary background and familiarity with the site to ensure the design components are completed within the timeframe needed to secure this funding. Stantec has an excellent performance record with the City and offers unique value on this project given their previous involvement with it. This appointment will be funded through money already allocated to the project and will not increase the City’s total financial commitment.

A letter from Western indicating the need for the design portion of the project to be completed as a condition for FedDev approval and their confidence that once completed, FedDev will release the funding for the project, is attached as Appendix 1

Acknowledgements

This report was prepared by Geordie Gauld, Division Manager, Wastewater and Treatment Operations.

PREPARED BY:	RECOMMENDED BY:
GEORDIE GAULD DIVISION MANAGER, WASTEWATER AND TREATMENT OPERATIONS	JOHN BRAAM, P.ENG. ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER

Attachments

- Appendix 1- Source of Financing
- Appendix 2- OWC Letter from Western

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Appendix 2



March 30, 2012

Mr. Geordie Gauld
Operations Manager – Pollution Control Operations
The City of London
300 Dufferin Avenue
London ON N6B 1Z2

Dear Geordie:

RE: The Southern Ontario Water Consortium and Stantec Proposal 65589459 GPCC LWF

As a member of the Southern Ontario Water Consortium (SOWC), Western University is proud of the strong and ongoing relationship that we have had with the City of London over the last two years in developing the vision of the London Wastewater Facility (LWF) as a component of the SOWC.

The agreement between FedDev and the consortium members (including Western) has placed a condition on funding which requires the London node to provide detailed designs and plans for FedDev approval before any funding claims can be reimbursed.

Western is confident that the outputs of Task Group 1 (Preliminary Design) and Task Group 2 (Detailed Design) as described in the above-referenced report will satisfy FedDev's condition. Furthermore, these are eligible expenses under the budget approved by FedDev. Western will submit these expenses using FedDev's required reporting and claim mechanism, and we fully expect that FedDev will reimburse these costs.

I trust that Western's commitment to this project provides confidence to all of our partners at the City of London. Should you or any of your colleagues at the City have any questions, please feel free to contact me directly.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dan Sinai".

Dan Sinai
Associate Vice-President, Research