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TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 23, 2012
FROM:	JOHN BRAAM, P.ENG. ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT	TS1325 - VETERANS MEMORIAL PARKWAY SOUTH EXTENSION ENVIRONMENTAL ASSESSMENT CONSULTANT ASSIGNMENT SCOPE CHANGE

RECOMMENDATION

That, on the recommendation of the Acting Executive Director, Planning, Environmental & Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to the approval of additional engineering fees for the Veterans Memorial Parkway South Extension Environmental Assessment Study (TS1325) to increase the scope of work to include preliminary design:

- (a) the value of the McCormick Rankin Corporation assignment for the environmental assessment **BE INCREASED** by \$316,292 to \$606,142 (excluding HST) for the said project; it being noted that the Ontario Ministry of Transportation is committed to funding 100% of this cost increase; and,
- (b) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix "A".

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- BNEC - March 28, 2011 – Veterans Memorial Parkway Extension to Wilton Grove Road
- BNEC – August 15, 2011 - Veterans Memorial Parkway South Extension Environmental Assessment; Appointment of Consulting Engineer

BACKGROUND

Purpose:

This report seeks the approval of Municipal Council to expand the Veterans Memorial Parkway South Extension existing consulting assignment to now include Provincial EA and additional preliminary design. This project would now become a partnership with the Ministry of Transportation (MTO) and be advanced on an expedited schedule up to the point where a potential design-build contract can be let.

Discussion:

On April 4, 2011, the Municipal Council resolved that "the Civic Administration **BE REQUESTED** to commence an environmental assessment for the extension of Veterans Memorial Parkway south to Wilton Grove Road, in order to prepare for future development opportunities in that area, and to liaise with the Province with respect to potential financial contributions". Staff subsequently commenced the environmental assessment using the services of McCormick Rankin Corporation. The consultant was acquired through a competitive consultant acquisition process during which the Ministry of Transportation (MTO) was engaged to ensure that the selected consultant met provincial requirements for design work on freeways.

The south extension of Veterans Memorial Parkway along with a new interchange at Highway 401 and Wonderland Road are included in the London Economic Development Plan options and are supported by the draft Industrial Land Development Strategy Update recommendations. Provincial government support for these projects was provided in a letter from Kathleen Wynne, then Minister of Transportation, in August 2011. A multi-phase project has been added to the provincial government 2011 to 2015 Southern Ontario Highways Program. This was a very significant action by the province; it makes them provincial projects with an objective to

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complete in the next five years. Discussions with MTO staff have since progressed on how to expedite the projects while working towards a cost sharing agreement.

MTO intends to complete the project within the next 5 years as the project lead with the City as a project partner. The ministry has recommended an increase in the scope of the current assignment to satisfy the provincial class EA process and to accelerate the project schedule by adding an additional preliminary design phase to prepare for a design-build tender. MTO has committed to funding the additional consulting fees for the enhanced scope of services in recognition of the City funding the original consulting assignment. A final cost sharing agreement for the project is to follow. The project involves a 1 km extension of the VMP to Wilton Grove Road and a reconfiguration and expansion of the VMP interchange at Hwy 401. The additional services to be provided under this scope change are:

1. Highway Engineering – additional scope of design, stormwater management, staging analysis, property impacts, utility relocations and construction scheduling;
2. Environmental – Stage 2 archaeology investigation, preliminary contamination screening, hydrogeological assessment, additional natural environment reviews and assessment for MNR consultation, and additional geomorphology stability assessment;
3. Electrical Engineering – illumination warrant analysis and partial design of interchange lighting; and,
4. Bridge Engineering - increased analysis of design alternatives and construction staging and the preparation of a Structural Design Report.

The additional fees include a 10% contingency in the event of unforeseen requirements and a provisional item for additional electrical design in the event full freeway lighting is warranted.

Provision of these services by McCormick Rankin under the current assignment will accelerate the project schedule by integrating the additional design phase with the EA and reducing the time required to advance to a design-build tender.

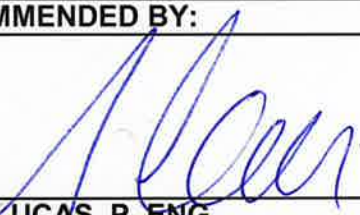
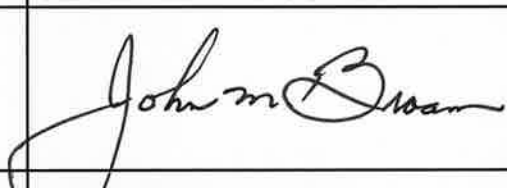
Conclusions:

The Environmental Assessment for the extension of Veterans Memorial Parkway to Wilton Grove Road is underway. Since the commencement of the consulting assignment last April, MTO has announced this project as a Provincial initiative within their 5 year Southern Highways Program. The ministry has recommended an expansion of the consulting assignment scope. This expanded scope includes additional design services to satisfy the provincial class EA process and advance the project to a design-build tender status.

The previous assignment was valued at \$289,850. The additional services increase the cost of the consultant assignment by \$316,292 to a new total of \$606,142 (excluding HST). MTO has committed to funding these additional services.

Acknowledgements:

This report was prepared with the assistance of Doug MacRae, P.Eng. Transportation Design Engineer in the Transportation Planning & Design Division.

RECOMMENDED BY:	REVIEWED AND CONCURRED BY:
	
JOHN LUCAS, P. ENG. DIVISION MANAGER TRANSPORTATION PLANNING AND DESIGN	JOHN BRAAM, P.ENG. ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER

Attachment: Appendix "A" - Sources of Financing
 cc: Budget Analyst, Administrative Services
 Grant Hopcroft
 Kevin Bentley, Ministry of Transportation
 Michael Chiu, McCormick Rankin Corporation

Chair and Members
Civic Works Committee

April 13, 2012
(Approve Additional Engineering Fees)

**RE: Environmental Assessment - Consultant Addendum
Veterans Memorial Parkway South Extension
Capital Project TS1325 - Veterans Memorial South Extension
McCormick Rankin Corporation - \$606,142.00 (excluding H.S.T.)**

FINANCE DEPARTMENT REPORT ON THE SOURCES OF FINANCING:

Finance Department confirms that the cost of this project can not be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Division Manager, Transportation Planning and Design, the detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Additional Funding</u>	<u>Revised Budget</u>	<u>Committed to Date</u>	<u>This Submission</u>	<u>Balance for Future Work</u>
Engineering	\$294,952	\$321,859	\$616,811	\$294,952	\$321,859	\$0
City Related Expenses	12,000		12,000	2,514		9,486
NET ESTIMATED EXPENDITURES	<u>\$306,952</u>	<u>\$321,859</u>	<u>\$628,811</u>	<u>\$297,466</u>	<u>\$321,859</u> 1)	<u>\$9,486</u>
<u>SOURCE OF FINANCING:</u>						
Drawdown from Economic Development Reserve Fund	\$306,952		\$306,952	\$297,466		\$9,486
Other Contributions-Ministry of Transportation 2)	0	321,859	321,859		321,859	0
TOTAL FINANCING	<u>\$306,952</u>	<u>\$321,859</u>	<u>\$628,811</u>	<u>\$297,466</u>	<u>\$321,859</u>	<u>\$9,486</u>

Financial Note:

1) Estimated Expenditure	\$606,142
Less: Amount Previously Approved - August 30, 2011	289,850
Contract Increase	316,292
Add: HST @13%	41,118
Total Contract Increase Including Taxes	357,410
Less: HST Rebate	35,551
Net Contract Increase	<u>\$321,859</u>

- 2) The Ministry of Transportation, as a new project partner, has recommended an increase in the scope of the current assignment to satisfy the provincial class EA process and to accelerate the project schedule by adding an additional design phase to prepare for a design-build tender. MTO has committed to funding the additional consulting fees for these services.

EH

Larry Palarchio
Director of Financial Planning & Policy

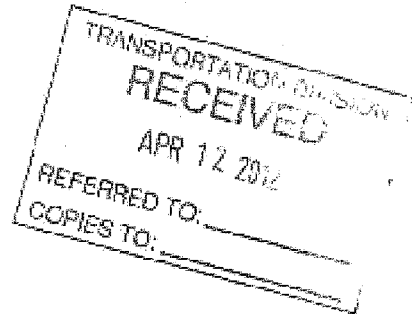
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Ministry of Transportation
 Manager of Engineering
 West Region

659 Eardr Road
 London, Ontario N6A 1L3
 Telephone: (519) 873-4373
 Facsimile: (519) 873-4388

Ministère des Transports
 Chef du Bureau du génie
 Région de l'Ouest

659, chemin Exeter
 London (Ontario) N6E 1L3
 Téléphone: (519) 873-4373
 Télécopieur: (519) 873-4388



April 5, 2012

Mr. John Lucas
 Manager, Transportation Planning & Design
 City of London
 300 Dufferin Street
 P O Box 5035
 London, Ontario
 N6A 4L9

Dear Mr. Lucas:

RE: Veterans Memorial Parkway South Extension – Preliminary Design Study

MTQ recognizes The City of London's desire to advance the Preliminary Design (PD) and Environmental Assessment (EA) to expand the Highway 401 / Veterans Memorial Parkway (VMP) interchange and extend the Parkway southerly from Highway 401 to Wilson Grove.

In recognizing that the City of London will be responsible for initial costs of \$ 289,850.00 when the PD/EA was awarded to McCormick Rankin Corporation, MTO has agreed to advance funding for the additional work undertaken by MRC to complete the Preliminary Design to a 30% Detailed Design level and to meet Provincial EA requirements for the reconfigured VMP / Highway 401 interchange. The cost of this additional work is \$316,292.00. Any future additional costs would be addressed separately. Both the city's and the ministry's consultant costs will be revisited as part of future cost-sharing discussions.

Advancing the project design to a 30% detailed design level allows flexibility for the City and MTO to consider a Design Build delivery model for construction.

We look forward to working with you on this project.

Sincerely,

Kevin Bentley, P. Eng.
 Manager of Engineering

c: Christopher Balasa, Area Contracts Engineer
 Brian Goudeseune, Senior Project Manager