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| TO: | CHAIR AND MEMBERS BUILT AND NATURAL ENVIRONMENT COMMITTEE MEETING ON OCTOBER 31, 2011 |
| FROM: | JOHN LUCAS, P. ENG. ACTING DIRECTOR, ROADS AND TRANSPORTATION |
| SUBJECT: | WONDERLAND ROAD INTERCHANGE APPOINTMENT OF A CONSULTING ENGINEER PROJECT NUMBER: TS1305 |

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| RECOMMENDATION |
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That, on the recommendation of the Acting Director, Roads and Transportation, the following actions **BE TAKEN** with respect to the appointment of a consultant for the Highway 401 / Wonderland Road South Interchange Preliminary Design and Provincial Class Environmental Assessment Study:

- (a) URS Canada Inc. **BE APPOINTED** Consulting Engineers for the said project in the amount of \$418,900 excluding HST, in accordance with the Procurement of Goods and Services Policy Section 15.2 (g), it being noted that the Ministry of Transportation is committed to paying 50% of this cost and 100% of the approximate \$100,000 in related technical studies.
- (b) An amount of \$13,000 required for advertising expenses **BE APPROVED** within the project budget;
- (c) The financing for this project **BE APPROVED** as set out in the Source of Financing Report attached hereto as Appendix 'A';
- (d) The consulting fees for the project **BE IN ACCORDANCE** with the estimate, on file, which is based upon the Fee Guideline for Professional Engineering Services, recommended by the Ontario Society of Professional Engineers; and,
- (e) The approval given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract with the consultant for the work;

It being noted that the final City costs will be the subject of an agreement covering all project costs that is being developed concurrently with this engineering assignment.

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| PREVIOUS REPORTS PERTINENT TO THIS MATTER |
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- Environment and Transportation Committee – December 9, 2002 – Wonderland Road South / Highway 401 Interchange: Planning Study Completion
- Environment and Transportation Committee – October 18, 2010 – Wonderland Road South / Highway 401 Interchange: Environmental Study Report Addendum

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| BACKGROUND |
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Purpose:

This report seeks the approval of Municipal Council to appoint an engineering consultant to conduct the Preliminary Design and Provincial Environmental Assessment for the Highway 401 / Wonderland Road South Interchange. This assignment would be a partnership with the Ministry of Transportation (MTO) to advance the project on an expedited schedule up to the point where a potential design-build contract can be let.

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Discussion:

There is currently a full interchange at Wonderland Road South and Highway 402. No connection to Highway 401 exists. The need for a future interchange at Highway 401 has been identified as part of the City of London's Official Plan and is documented in the City's Long-term Transportation Corridor Protection Study (September 2001). Ultimately, this improvement aims to enhance the local transportation network's ability to move people and goods safely, quickly and efficiently throughout this area of the City of London, promote economic development and to integrate local transportation needs with the broader provincial transportation network. This project is supported by the draft Industrial Land Development Strategy update recommendations. These recommendations include the consideration of an office business park economic gateway along the Wonderland Road corridor and an "eco-industrial" park in the Manning Drive corridor linking the W12A landfill to the future interchange at Highway 401.

A new interchange at Wonderland Road along with an expanded interchange and south extension of Veterans Memorial Parkway are included in the London Economic Development Plan options. Provincial government support for these projects was provided verbally this past spring. They were also discussed with the MTO Minister in late summer during the Association of Municipalities of Ontario (AMO) Conference. The Highway 401 initiatives subsequently received support in a letter from Kathleen Wynne, Minister of Transportation (see Appendix B) and a multi-phase project has been added to the provincial government 2011 to 2015 Southern Ontario Highways Program. This is a very significant action by the province; it makes them provincial projects with an objective to complete in the next five years. Discussions with MTO staff are progressing on how to expedite the projects while working towards a cost sharing agreement.

Funding is set aside for the various Gateway initiatives in the Economic Development Plan. The New Economy Plan has allocated \$25 million for work on the 401/402 interchanges (\$2 million in 2011, remainder in 2013, 2014 and 2015).

A municipal environmental assessment for the Wonderland Road Interchange was completed in 2002. An EA Addendum was completed in 2010 to keep the municipal environmental approval current. Consequently, this project is positioned to be delivered first. The next step to the delivery of this project is to carry out a preliminary design assignment that can subsequently form the basis of a design-build tender for the project. A provincial transportation EA is also required to enable the province to lead the construction and this can be done efficiently at the same time as the preliminary design assignment using the previous municipal study findings and recommendations.

Delivery of all the Highway 401 improvements by 2015 requires aggressive project schedules. A quick start to the Wonderland Road assignment will maintain the positive project momentum created by the recent discussions with MTO. In order to progress this project as quickly as possible on behalf of the City-MTO partnership, City administration recommends the appointment of URS Canada Inc. for the immediate preliminary design of the project. Terms of reference for the assignment were established cooperatively with MTO and predominantly include highway and structural design services.

The appointment of URS Canada by the City is in the best interests of the partnership. Consultant acquisition by MTO would delay the project by several months due to provincial consultant acquisition policies.

URS Canada was initially procured via an MTO competitive process for the 2002 study and they have delivered all subsequent EA and preliminary design services for the Wonderland Road interchange. The extension of the services provided by URS Canada creates efficiencies due to the consultant's experience and knowledge of the project and is an efficient and cost-effective approach. URS Canada is well positioned to deliver the project quickly since the key consultant staff that undertook the previous assignments are available for this next phase of the project.

Funding for the City portion of this assignment is available in the City's New Economy Plan. MTO has committed to equally share the costs of this consultant assignment to create progress on the project. In addition, MTO is investing in this initial phase of the project by procuring

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supporting specialist services including survey, pavement investigations, natural environment and archaeology assignments where quick consultant acquisition is feasible through existing MTO retainer assignments. MTO is carrying 100% of these costs. The final City share of all project costs, including the engineering assignment recommended in this report, will be subject to a pending agreement with MTO.

The construction of the Highway 401 interchange partnership projects will be administered by MTO. A design-build construction procurement is being considered to meet the aggressive project schedule and this consultant assignment will facilitate that approach. Design-build is a procurement process by which a single entity provides both the detailed design and construction through a single contract. A design-build service provider typically will include both a contractor and design consultant that work together to find efficiencies in project design. The process can provide benefits for large or complex stand-alone projects and can shorten project delivery time.

The south extension of the Veterans Memorial Parkway (VMP) and expansion of the VMP / Highway 401 Interchange is another component of this cooperative venture between MTO and City of London. A city consultant assignment for the VMP South Extension EA was initiated earlier this year. Given the subsequent positive commitments from the province, staff is coordinating with MTO on the most efficient method to prepare the VMP project for a provincial design-build procurement. This will likely involve some expansion of the environmental and design services under the current consultant assignment similar to the approach proposed for the Wonderland Road Interchange. A report seeking approval of a scope expansion of the VMP consultant assignment will follow in the near future.

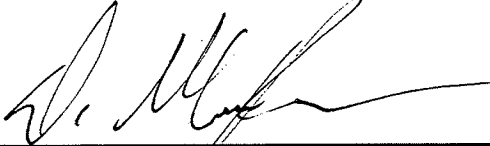
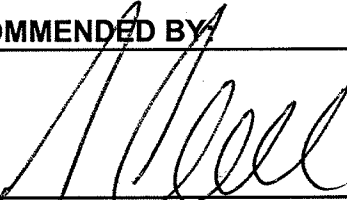
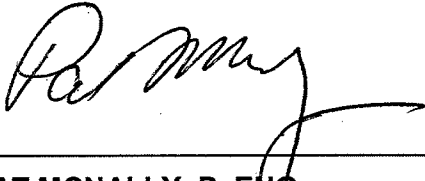
The province has also scheduled a reconstruction of the Highbury / Highway 401 interchange within the next five years. How the City can participate in this project will be the subject of a future report.

Conclusions:

The Ministry of Transportation has scheduled a series of Highway 401 interchange improvements that would support economic development of the City along the corridor as identified in the Economic Plan Options and the draft Industrial Land Development Strategy update. The improvements include:

- a new interchange at Wonderland Road;
- a south extension of VMP to Wilton Grove Road combined with an expanded interchange at Veterans Memorial Parkway; and,
- expansion of the Highbury Avenue interchange.

The Wonderland Road Interchange is scheduled as the first of these improvements. Some preliminary design has previously been completed for the project. An aggressive project schedule is proposed and design-build is being considered by the partners as the most efficient means to deliver the construction of this project. City administration is recommending the appointment of URS Canada Inc. to complete the remaining design and provincial EA requirements to facilitate a design-build tender lead by the Province.

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| PREPARED BY: | RECOMMENDED BY: |
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| DOUG MACRAE, P. ENG. TRANSPORTATION PLANNING AND DESIGN, ENVIRONMENTAL AND ENGINEERING SERVICES | JOHN LUCAS, P. ENG. ACTING DIRECTOR, ROADS AND TRANSPORTATION, ENVIRONMENTAL AND ENGINEERING SERVICES |
| REVIEWED & CONCURRED BY: | |
|  | |
| PAT MCNALLY, P. ENG. EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL AND ENGINEERING SERVICES DEPARTMENT | |

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Attach: Appendix "A" – Sources of Financing
Appendix "B" – Minister of Transportation Letter, August 29, 2011

- c. - Budget Analyst, Administrative Services
- Grant Hopcroft, Director Intergovernmental Affairs
- URS Canada Inc. - Steve Jacobs, P. Eng.
- Ministry of Transportation - Kevin Bentley, P.Eng.

APPENDIX "A"

#11162

Chair and Members
Finance and Administration Committee

October 21, 2011
(Appoint Consulting Engineer)

RE: Wonderland Road Interchange
New Capital Budget Project No. TS1305 - Wonderland Road & Hwy 401 Interchange
URS Canada Inc. - \$418,900.00 (excluding HST)

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 recommendation of the Acting Director of Roads and Transportation, the detailed source of financing for this project is:

| <u>ESTIMATED EXPENDITURES</u> | <u>Approved Budget</u> | <u>This Submission</u> | <u>Revised Budget</u> |
|-----------------------------------|------------------------|------------------------|-----------------------|
| Engineering | \$0 | \$426,273 | \$426,273 |
| Other City Related Expenses | | 13,229 | 13,229 |
| NET ESTIMATED EXPENDITURES | \$0 | \$439,502 1) | \$439,502 |

SOURCE OF FINANCING

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| Drawdown From Economic Development R.F. | 2) | \$0 | 226,366 | \$226,366 |
| Other Contributions - MTO | 3) | 0 | 213,137 | 213,137 |
| TOTAL FINANCING | | \$0 | \$439,502 | \$439,502 |

| 1) <u>Financial Note:</u> | <u>Engineering</u> | <u>Advertising</u> | <u>Total</u> |
|--------------------------------------|--------------------|--------------------|------------------|
| Contract Price | \$418,900 | \$13,000 | \$431,900 |
| Add: HST @ 13% | 54,457 | 1,690 | 56,147 |
| Total Contract Price Including Taxes | 473,357 | 14,690 | 488,047 |
| Less: HST Rebate | 47,084 | 1,461 | 48,545 |
| Net Contract Price | \$426,273 | \$13,229 | \$439,502 |

- 2) The City's portion of the funding requirement in the amount of \$226,366 which represents 50% of the Engineering Fees plus the advertising cost is available as a drawdown from the Economic Development Reserve Fund. The Ministry of Transportation has committed to paying 50% of the Engineering costs.
- 3) The Ministry of Transportation of Ontario (MTO) has committed to equally share the costs of the consultant assignment to create progress on the project. In addition, MTO is investing in this initial phase of the project by procuring supporting special services including survey, pavement investigations, natural environment and archaeology assignment where quick consultant acquisition is feasible through existing MTO retainer assignments. MTO is carrying 100% of these costs. The final sharing of all project costs will be subject to the pending legal agreement.

EH



 Larry Palarchio
 Director of Financial Planning & Policy

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Appendix "B"
Minister of Transportation Letter

**Ministry of
Transportation**
Office of the Minister
Ferguson Block, 3rd Floor
77 Wellesley St. West
Toronto, Ontario
M7A 1Z8
416 327-9200
www.mto.gov.on.ca

**Ministère des
Transports**
Bureau du ministre
Édifice Ferguson, 3^e étage
77, rue Wellesley ouest
Toronto (Ontario)
M7A 1Z8
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AUG 29 2011

His Worship Joe Fontana
Mayor
City of London
City Hall, 300 Dufferin Avenue
PO Box 5035
London, Ontario
N6A 4L9
jfontana@london.ca

Dear Mayor *Joe* Fontana:

I would like to thank you for taking the time to meet with me at the recent Association of Municipalities of Ontario (AMO) Conference in London.

I was pleased to discuss the importance of Highway 401 to the city's growth plans, including the benefits of a new interchange at Wonderland Road and an improved interchange at Veterans Memorial Parkway.

As we discussed, the Ontario government released the 2011 to 2015 Southern Highways Program on August 19, 2011. As part of this program, the province committed to providing financial support for Highway 401 improvements through London, including these two interchanges. As with all interchange improvement projects, the city will be expected to be a financial partner. Once the cost-sharing discussions have been concluded an agreement can be finalized.

Allowing traffic to flow and easily exit and enter Highway 401 is imperative to the economic development of the city and the province. The ministry is interested in exploring other planned interchange needs on Highway 401 with the city, such as the previously identified improvements at the Highbury Avenue interchange. The ministry will continue to meet with city staff to discuss priorities, cost-sharing, timing of the improvements and project responsibilities.

Our government has made major investments to keep Ontario highways and bridges in good repair, reduce congestion, improve safety and promote the economy. As an example, this year we are repaving Highway 401 between Highway 4 and Highway 402, and Highway 402 between Highway 401 and Longwoods Road. We are committed to working with our municipal partners to continue building a sustainable transportation network that expands our economy, supports our quality of life and creates jobs.

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We encourage you to continue this dialogue and work with ministry staff on this matter. Should you have any additional questions or to arrange further discussions, please contact Kevin Bentley, Manager of Engineering, West Region, at (519) 873-4373.

Again, thank you for taking the time to meet with me. I appreciate our continued dialogue on these important matters.

Sincerely,



Kathleen Wynne
Minister

c: Ann Baldwin, Regional Director, West Region
Grant Hopcroft, Director of Intergovernmental Community Liaison
John Lucas, Director of Transportation
Pat McNally, Executive Director Planning and Engineering
Peter White, London Economic Development Corporation