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| TO: | CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON MARCH 10, 2020 |
| FROM: | KELLY SCHERR, P.ENG. MANAGING DIRECTOR ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER |
| SUBJECT: | UPPER THAMES RIVER CONSERVATION AUTHORITY AND CITY OF LONDON FLOOD PROTECTION PROJECTS |

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| RECOMMENDATION |
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That, on the recommendation of the Managing Director Environmental & Engineering Services and City Engineer, the following action **BE TAKEN** with respect to City of London's contribution to infrastructure:

- a) The Upper Thames River Conservation Authority **BE AUTHORIZED** to carry out the following projects with the City share in the total amount of \$242,290.63, including contingency, excluding HST; as per Section 14.3.a) of the Procurement of Goods and Services Policy:
 - a. West London Dyke Phase 7 Design and Construction Administration; and
 - b. Upper Thames River Conservation Authority Project Management Fees.
- b) The financing for this work **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix 'A', and,
- c) The Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary to give effect to these recommendations.

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| PREVIOUS REPORTS PERTINENT TO THIS MATTER |
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Civic Works Committee – August 12, 2019 – Upper Thames River Conservation Authority and City of London Flood Protection Projects

Civic Works Committee – June 18, 2018 – Upper Thames River Conservation Authority and City of London Flood Protection Projects

Civic Works Committee – July 17, 2017 – Water and Erosion Control Infrastructure (WECI) Program: 2017 Provincially Approved Project Funding (Sole Sourced)

Civic Works Committee – August 22, 2016 – Water and Erosion Control Infrastructure (WECI) Program: 2016 Provincially Approved Project Funding (Sole Sourced)

Civic Works Committee – February 2, 2016 – West London Dyke Master Repair Plan Municipal Class Environmental Assessment Study

Strategic Priorities and Policy Committee – January 28, 2016 – Downtown Infrastructure Planning and Coordination

Council – March 21, 2011 – UTRCA 2010 and 2011 Levies for Remediating Flood/Erosion Control, Dykes and Dam Structures within the City

Finance & Administration Committee – February 2, 2011 – Funding Agreement with UTRCA for Remediating Flood Control Works within the City

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| 2019 – 2023 STRATEGIC PLAN |
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This report aligns with the Strategic Plan's "Building a Sustainable City" strategic area of focus by supporting the following expected results:

- Improve London's resiliency to respond to potential future challenges;
- Build infrastructure to support future development and protect the environment; and
- Maintain or increase current levels of service; manage the infrastructure gap for all assets.

BACKGROUND

Purpose

This report seeks approval to commit the City's share for projects funded through the Disaster Mitigation and Adaptation Fund (DMAF) administered by the Upper Thames River Conservation Authority (UTRCA).

Context

The City of London owns flood and erosion control structures throughout the watershed that are maintained by the Upper Thames River Conservation Authority (UTRCA) under the terms of a Memorandum of Understanding (MOU). The MOU defines a collaborative approach to operation and maintenance and capital improvements to the flood and erosion control structures in which the City and UTRCA share an interest.

As the regulator of the floodplain, the UTRCA is in the best position to coordinate work on these structures and can also access funding from the provincial and federal governments for maintenance and capital improvement of these structures that is not available to municipalities.

Because of the importance of the flood and erosion control structures to both the City and UTRCA, there is a long history of cooperation on the construction and maintenance of these structures. The City of London annually provides funding to the UTRCA to complete necessary dyke and dam capital and maintenance works.

The most recent reconstruction of West London Dyke Phase 5/6, from Blackfriars Bridge to St. Patrick Street was completed in late 2019 with some landscaping and amenity features to be added in 2020.

DISCUSSION

Disaster Mitigation and Adaptation Fund (DMAF)

The DMAF is a two-billion dollar merit-based national program provided by Infrastructure Canada to support large scale infrastructure projects that reduce the risks of natural hazards. In order to be eligible, projects must have a minimum cost of \$20 million and must be able to be completed by 2027 – 2028. The level of cost sharing varies by the recipient.

The UTRCA and City successfully applied to this program for phases 5 through 13 of the West London Dyke. The federal government confirmed by a funding announcement on March 27th, 2019 to commit \$10 million of the project's estimated \$25 million dollar total cost over the next ten years. For this project, the program funds up to 40% of the engineering design and construction costs up to the approved program total.

The DMAF will allow the City and UTRCA to continue to focus on upgrading the West London Dyke to further protect properties in the Blackfriars neighbourhood and improve climate change resiliency to extreme rain events.

The UTRCA's intent is to have the detailed design and construction administration services be completed by Stantec Consulting Ltd. (Stantec) with maximum proposed fees in the amount of \$382,309.95, including contingency. Stantec has overseen the detailed design and construction administration services for previous phases of the dyke

reconstruction project. Additionally, UTRCA requires \$10,000 in project management fees. Stantec and the UTRCA's fees are eligible for DMAF funding, which reduced the City's share of fees by \$156,924. Table 1 summarizes the fee breakdown.

| Table 1: 2020 UTRCA Dyke and Dam Project Funding Sources | | | |
|--|----------------------------|---------------------|------------------------|
| Project | Full Project Amount | DMAF Funding | London Share |
| West London Dyke Phase 7 – Detailed Design and Contract Administration | \$382,310 | \$152,924 | \$236,115 ¹ |
| West London Dyke Phase 7 – UTRCA Project Management Fees | \$10,000 | 4,000 | \$6,176 ¹ |
| Total | \$392,310 | \$156,924 | \$242,291 |

¹ The London Share is calculated by including the non-rebateable HST on the full project amount and then reduced by the federal funding program.

Procurement and Invoicing Processes

The UTRCA will administer this project and submit invoices to the City as work is completed, after subtracting the federal funding share. Given that UTRCA has received federal funding through DMAF for works related to West London Dykes, the City must use Clause 14.3.a) “statutory or market based monopoly” of its Procurement Policy to engage in this project.

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| CONCLUSIONS |
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City staff and UTRCA staff will continue to work together to complete the current phase of the West London Dyke and endeavour to maximize the City of London's potential to receive future funding for City-owned flood and erosion control infrastructure.

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| SUBMITTED BY: SHAWNA CHAMBERS, P.ENG., DPA DIVISION MANAGER, STORMWATER ENGINEERING | REVIEWED AND CONCURRED BY: SCOTT MATHERS, P. ENG., MPA DIRECTOR, WATER AND WASTEWATER |
| RECOMMENDED BY: KELLY SCHERR, P. ENG., FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER | |

March 2, 2020

Attach: Appendix 'A' – Source of Financing

cc: John Freeman
Chris Tasker, UTRCA
Gary McDonald
Alan Dunbar
Jason Davies

APPENDIX 'A'

#20030

Chair and Members
Civic Works Committee

March 10, 2020
(Award Contract)

**RE: Upper Thames River Conservation Authority and City of London Flood Protection Projects
(Subledger SWM20001)
Capital Project ES2474 - UTRCA - Remediating Flood Control Works within City Limits
Upper Thames River Conservation Authority - \$242,290.63 (excluding H.S.T.)**

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services confirms that the cost of this project can be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Managing Director, Environmental & Engineering Services & City Engineer, the detailed source of financing for this project is:

| <u>SUMMARY OF ESTIMATED EXPENDITURES</u> | <u>Approved Budget</u> | <u>Committed to Date</u> | <u>This Submission</u> | <u>Balance for Future Work</u> |
|---|-------------------------------|---------------------------------|-------------------------------|---------------------------------------|
| Engineering | \$4,437,601 | \$4,191,046 | \$246,555 | \$0 |
| Construction | 9,386,357 | 8,559,394 | | 826,963 |
| City Related Expenses | 75,000 | 53,327 | | 21,673 |
| NET ESTIMATED EXPENDITURES | <u>\$13,898,958</u> | <u>\$12,803,767</u> | <u>\$246,555</u> 1) | <u>\$848,636</u> |

| <u>SUMMARY OF FINANCING:</u> | | | | |
|---|----------------------------|----------------------------|-------------------------|-------------------------|
| Capital Sewer Rates | \$1,000,000 | \$1,000,000 | | \$0 |
| Debenture By-law No. W.-5610-251 | 2,750,000 | 1,654,809 | 246,555 | 848,636 |
| Drawdown from Sewage Works Reserve Fund | 10,097,213 | 10,097,213 | | 0 |
| Other Contributions | 51,745 | 51,745 | | 0 |
| TOTAL FINANCING | <u>\$13,898,958</u> | <u>\$12,803,767</u> | <u>\$246,555</u> | <u>\$848,636</u> |

1) **Financial Note:**

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|--------------------------------------|------------------|
| Contract Price | \$242,291 |
| Add: HST @13% | 31,498 |
| Total Contract Price Including Taxes | <u>273,789</u> |
| Less: HST Rebate | 27,234 |
| Net Contract Price | <u>\$246,555</u> |

JG

Jason Davies
Manager of Financial Planning & Policy