

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JULY 14, 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: WEST LONDON DYKE PHASE 7

RECOMMENDATION

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 \$2,070,704 including contingency, excluding HST; noting the requirements of this provincial funding program are unique, in that only conservation authorities can apply, requiring 14.3.a) of the Procurement of Goods and Services Policy:
 - a. West London Dyke Phase 7 Reconstruction; and
 - b. West London Dyke Phase 7 UTRCA 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.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Civic Works Committee – March 10, 2020– Upper Thames River Conservation Authority and City of London Flood Protection Projects

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

2019 – 2023 STRATEGIC PLAN

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 of the West London Dyke Phase 7 project in the context of eligible provincial and federal funding programs for flood control and disaster mitigation projects.

Context

Over the past 15 years, in partnership with the UTRCA, approximately \$14,100,000 in provincial and federal funding has been used to repair and reconstruct City-owned infrastructure. The most recent reconstruction of West London Dyke Phase 5-6, from Blackfriars Bridge to St. Patrick’s Street, was completed in late 2019 with some landscaping and amenity features to be added in 2020.

DISCUSSION

WECI Provincial funding

The Water and Erosion Control Infrastructure (WECI) program is a Ministry of Natural Resource and Forestry (MNR) capital cost share program that provides funding for flood or erosion control structures such as dams and dykes. This funding can only be accessed by Conservation Authorities (CAs), but can be used for infrastructure owned by municipalities in cases where the infrastructure is maintained by the CA. WECI funding is provided through a prioritization process that includes existing flood and erosion control infrastructure.

The program is a 50/50 cost share with the local municipality or other contributors with flood or erosion control infrastructure needs and must have a Council resolution or legally binding agreement to demonstrate financial commitment.

The 2020 WECI project will focus on the continuing reconstruction work of the West London Dyke Phase 7. The continuation of the West London Dyke Phase 7 project will extend the reconstructed section of the dyke from the north side of St. Patrick Street to north of Oxford Street (south of CP Rail tracks). See Appendix ‘B’ – West London Dyke Phasing Map.

DMAF Federal funding

The West London Dyke Phases 5-13 are also funded by the federal government’s Disaster Mitigation and Adaptation Fund (DMAF). The DMAF funding is capped at 40% of the costs up to a total of \$10,000,000 total over 10 years. The 2020 contribution will be approximately \$2,430,166. See Table 1 for details.

City Share

The UTRCA conducted an open tender process for this project with a low bid of \$6,075,415.00, including \$400,000 contingency and excluding HST, from Robuck Contracting Ltd. The WECI share of this project is \$1,700,000 with a City share of \$2,052,176. With the 40% reduction from DMAF outlined above, the City pays approximately 34% of the total project cost.

Table 1 summarizes the 2020 project funding: **Table 1: 2020 UTRCA Dyke and Dam Project Funding Sources**

Project	Full Project Amount	DMAF Funding	WECI Share	London Share
West London Dyke Phase 7 Reconstruction ¹	\$6,075,415	\$2,430,166	\$1,700,000	\$2,052,176 ²

Table 1 summarizes the 2020 project funding: **Table 1: 2020 UTRCA Dyke and Dam Project Funding Sources**

Project	Full Project Amount	DMAF Funding	WECI Share	London Share
West London Dyke Phase 7 – UTRCA Project Management Fees	\$30,000	\$12,000	-	\$18,528 ²
Total	\$6,105,415	\$2,442,166	\$1,700,000	\$2,070,704

¹ The City portion is approximately 34% for this project due to additional 40% project funding Disaster Mitigation Adaptation Fund (DMAF) share in the amount of \$2,430,166.

² The London Share is calculated by including the non-rebateable HST on the full project amount and then reduced by the provincial and federal funding programs.

Procurement and Invoicing Processes

The UTRCA will administer the project and submit invoices to the City as work is completed, after subtracting the provincial and federal funding share. The WECI program provides matched funding to CAs for the major reconstruction and maintenance of flood or erosion control structures that are either owned or maintained by CAs. Because of this requirement, the City must use Clause 14.3.a) “statutory or market based monopoly” of its Procurement Policy to engage UTRCA to complete the administration of this project.

CONCLUSIONS

City staff and UTRCA staff are working together to complete the West London Dyke Phase 7 and endeavour to maximize the City of London’s potential to receive provincial and federal funding for City-owned flood and erosion control infrastructure.

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

July 3, 2020

Attach: Appendix ‘A’ – Source of Financing
Appendix ‘B’ – West London Dyke Phasing Map

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

APPENDIX 'A'

#20098

Chair and Members
Civic Works Committee

July 14, 2020
(Award Contract)

**RE: Upper Thames River Conservation Authority and City of London Flood Protection Projects:
West London Dyke Phase 7
(Subledger SWM20001)
Capital Project ES2474 - UTRCA - Remediating Flood Control Works within City Limits
Upper Thames River Conservation Authority - \$2,070,704.00 (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	\$4,197,331	\$4,060,799	\$18,854	\$117,678
Construction	9,626,627	6,216,983	2,088,294	1,321,350
City Related Expenses	75,000	59,859		15,141
NET ESTIMATED EXPENDITURES	<u>\$13,898,958</u>	<u>\$10,337,642</u>	<u>\$2,107,148</u> 1)	<u>\$1,454,168</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	2,750,000		0
Drawdown from Sewage Works Reserve Fund	10,097,213	6,535,897	2,107,148	1,454,168
Other Contributions	51,745	51,745		0
TOTAL FINANCING	<u>\$13,898,958</u>	<u>\$10,337,642</u>	<u>\$2,107,148</u>	<u>\$1,454,168</u>

1) **Financial Note:**

	<u>Engineering</u>	<u>Construction</u>	<u>Total</u>
Contract Price	\$18,528	\$2,052,176	\$2,070,704
Add: HST @13%	2,409	266,783	269,192
Total Contract Price Including Taxes	<u>20,937</u>	<u>2,318,959</u>	<u>2,339,896</u>
Less: HST Rebate	2,083	230,665	232,748
Net Contract Price	<u>\$18,854</u>	<u>\$2,088,294</u>	<u>\$2,107,148</u>

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Kyle Murray
Director of Financial Planning & Business Support

Appendix B – West London Dyke Reconstruction Phase 7

