

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee

From: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment & Infrastructure

Subject: Consultant Fee Increase: Tributary 12 Construction Contract
Administration and Design Fees

Date: May 2, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the Matrix Solutions Inc. Consultant assignment for the design and contract administration of the Dingman Creek Southwinds (Tributary 12) Natural Channel Reconstruction, Flood Mitigation and Multiuse Pathway construction project (Southwinds Channel Project):

- a) the contract with Matrix Solutions Inc. for detailed design, construction inspection and contract administration for the Southwinds Channel Project **BE INCREASED** by \$83,275 from \$296,287.85 to \$379,562.85 (excluding HST) in accordance with Section 20.3 (e) of the Procurement of Goods and Services Policy.
- b) the financing for this project **BE APPROVED** in accordance with Section 8.1(a) of the City of London's Procurement of Goods and Services Policy, and as set out in the Sources of Financing Report attached, hereto, as Appendix A;
- c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project; and,
- d) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

Executive Summary

Purpose

This report seeks approval to increase the Consultant award due to design changes and construction delays experienced during the Southwinds Channel Project in 2022.

Context

The Dingman Creek Subwatershed: Stormwater Servicing Strategy for Stage 1 Lands – Schedule B Municipal Class Environmental Assessment (Aquafor Beech, 2020) identified the Southwinds Channel (Tributary 12) to be susceptible to flooding under existing and future development conditions.

In September 2021, the Southwinds Channel Project started with an expected completion date of January 14, 2022. The project involved upsizing culverts at Malpass Road and Isaac Court, a multiuse pathway, and reconstruction of the channel using natural channel design to increase flow capacity as well as make enhancements to the natural setting to increase wildlife habitat. In winter 2022, the contractor experienced technical difficulties with the trenchless construction of the culvert at Isaac Court. This led to design changes and considerable delays in the schedule that resulted in additional consulting fees. In 2023, the contractor agreed to reimburse the City for the additional consulting fees associated with the delay through the existing contract. City staff now seek Council Approval to formally increase the award to the consultant.

Linkage to the Corporate Strategic Plan

This project supports the 2019-2023 Strategic Plan through the following: Building a Sustainable City, Build infrastructure to support future development and protect the environment.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter.

Civic Works Committee – August 31, 2021 - Contract Award: Tender RFT 21-88 Tender Award for Dingman Creek Southwinds (Tributary 12) Natural Channel Reconstruction and Flood Mitigation

Civic Works Committee – September 22, 2020 – Appointment of Consulting Engineer for Detailed Design and Contract Administration Services: Dingman Creek Stage 1 Lands (Tributary 12, Municipal Channel Improvements)

Civic Works Committee – February 4, 2020 –Dingman Creek Subwatershed: Stormwater Servicing Strategy for Stage 1 Lands Municipal Class Environmental Assessment: Notice of Completion

2.0 Discussion and Considerations

The construction challenges at the Isaac Court culvert crossing initially resulted in a one-month extension of the contract from the original completion date of January 14, 2022 by 30 working days to February 25, 2022, with landscaping and trails to be fully constructed by May 31, 2022. This completion date was then further surpassed by the contractor due to ongoing technical challenges which resulted in extending the construction schedule to the fall of 2022. The channel project successfully reached substantial completion on November 30, 2022.

3.0 Financial Impact/Considerations

Ultimately, this project encountered increases to both the consultant design and contract administration effort due to design modifications during construction and considerable delay by the contractor to complete the trenchless culvert crossing.

An additional \$83,275 is recommended to be awarded to Matrix Solutions to cover additional design and contract administration/inspection costs as this project extended well beyond the originally contemplated timeframe. The increased consulting costs attributed to the contractor delays will be reimbursed to the City by the contractor through a change order process within the existing contract.

The funding to increase the consulting award is available in the approved capital budget per the attached Sources of Financing Appendix 'A'.

Conclusion

In accordance with Section 20.3 (e) of the Procurement of Goods and Services Policy, it is recommended that the Consultant contract value be increased for this project to cover the additional design fees and contract administration duties for the construction schedule challenges that caused considerable delay and increased inspection. The contractor has agreed to reimburse the City for the consulting fees associated with these items.

Prepared by: **Shawna Chambers, P.Eng., DPA,
Division Manager, Stormwater Engineering**

Submitted by: **Ashley Rammeloo, MMSc, P.Eng.
Director, Water, Wastewater, and Stormwater**

Recommended by: **Kelly Scherr, P. Eng., MBA, FEC,
Deputy City Manager, Environment and Infrastructure**

Attach: Appendix 'A' - Sources of Financing, Consultant Budget Increase:
Tributary 12 Construction Contract Administration and Design Fees

cc: Steve Mollon
Gary McDonald
Paul Titus

Appendix "A"

#23094

May 2, 2023
(Consultant Fee Increase)

Chair and Members
Civic Works Committee

RE: Tributary 12 Construction Contract Administration and Design Fees
(Subledger SWM20006)
Capital Project ES3023 - North Lambeth Tributary 12 Complete Corridor
Matrix Solutions Inc. - \$379,562.85 (excluding HST)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the recommendation of the Deputy City Manager, Environment and Infrastructure, the detailed source of financing is:

| Estimated Expenditures | Approved Budget | Committed To Date | This Submission | Balance for Future Work |
|-------------------------------|------------------------|--------------------------|------------------------|--------------------------------|
| Engineering | 914,260 | 328,258 | 84,741 | 501,261 |
| Construction | 6,000,000 | 0 | 0 | 6,000,000 |
| Total Expenditures | \$6,914,260 | \$328,258 | \$84,741 | \$6,501,261 |

Sources of Financing

| | | | | |
|---|--------------------|------------------|-----------------|--------------------|
| Drawdown from City Services - Stormwater Reserve Fund (Development Charges) (Note 1) | 4,400,000 | 328,258 | 84,741 | 3,987,001 |
| Debenture Quota (Serviced through City Services - Stormwater Reserve Fund (Development Charges)) (Note 1 and 2) | 2,514,260 | 0 | 0 | 2,514,260 |
| Total Financing | \$6,914,260 | \$328,258 | \$84,741 | \$6,501,261 |

Financial Note:

| | |
|---------------------------------|-----------------|
| Contract Price | \$379,563 |
| Less amount previously approved | 296,288 |
| Contract Price | 83,275 |
| Add: HST @13% | 10,826 |
| Less: HST Rebate | -9,360 |
| Net Contract Price | <u>\$84,741</u> |

Note 1: Development charges have been utilized in accordance with the underlying legislation and the approved 2019 Development Charges Background Study and the 2021 Development Charges Background Study Update.

Note 2: Note to City Clerk: Administration hereby certifies that the estimated amounts payable in respect of this project does not exceed the annual financial debt and obligation limit for the Municipality from the Ministry of Municipal Affairs in accordance with the provisions of Ontario Regulation 403/02 made under the Municipal Act, and accordingly the City Clerk is hereby requested to prepare and introduce the necessary by-laws.

An authorizing by-law should be drafted to secure debenture financing for project ES3023 - North Lambeth Tributary 12 Complete Corridor for the net amount to be debentured of \$2,514,260.00.

Jason Davies
Manager of Financial Planning & Policy

jg/lp