
Extension of Contract 17-0569 – Corridor Growth Plan – Brownfield Renewal Strategy

Recommendation

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council that an extension of Contract 17-0569 with Dillon Consulting to exceed 25% of the original contract price, for a revised contract total of \$188,848.43 including applicable taxes, be approved.

Topic and Purpose

The purpose of this report is to request City Council approval to exceed more than 25% of Contract 17-0569 with Dillon Consulting (Dillon) to expand the Brownfield Renewal Strategy scope of work to accommodate the inclusion of the Blue Line Bus Rapid Transit (BRT) corridor within the Corridor Planning Program.

Report Highlights

1. The concurrent implementation of the Blue Line of the BRT with the Red Line (now Red and Green Lines) provides the opportunity to expand the Brownfield Renewal Strategy's scope of influence to the Blue Line BRT Corridor.
2. A change proposal in the amount of \$59,035 has been received from Dillon for the added Blue Line Corridor scope of work. Combined approved and proposed changes exceed the current contract with Dillon by 58%. There is sufficient funding in Capital Project #2541 – Growth Plan to Half a Million Implementation to support the added costs.
3. All additional costs are Green Municipal Fund eligible; up to 50% of all Dillon costs may be recoverable.

Strategic Goal(s)

The Brownfield Renewal Strategy is a multi-faceted project that connects to several key strategic goals. The successful implementation of the project will support the following:

- The long-term strategy of addressing soil quality issues on City-owned properties under the Strategic Goal of Environmental Leadership by promoting and incentivizing the remediation and/or active risk management of contaminated brownfields; and,
- The long-term strategy of increasing and encouraging infill development along corridors under the Strategic Goal of Sustainable Growth.

Background

Effective September 15, 2016, several Growth Plan projects, including the Brownfield Renewal Strategy, received approval for federal funding support through Phase 1 of the Federal Public Transportation Infrastructure Fund (PTIF). During its June 26, 2017 meeting, City Council deliberated the Growth Plan to Half a Million - Brownfield Renewal Strategy report and approved the direction of the Corridor Growth Program - Brownfield Renewal Strategy work and funding model. The work of the Brownfield Renewal Strategy is proceeding in conjunction with the Corridor Planning Program, which is evaluating ways to promote infill along the proposed BRT corridors.

At its August 28, 2017 meeting, City Council approved the award of Environmental Consulting Services – Corridor Growth Plan-Brownfield Renewal Strategy to Dillon. Dillon's work, in part, included completing brownfield inventories and limited assessments of the BRT corridor in order to better understand the environmental status and its potential implications to redevelopment. At the time of award, the Corridor Planning Program only considered the Red BRT Line corridor (now revised to include both the Red and Green Lines). Based on earlier planning work for the Growth Plan to Half a Million, it was thought that the Red Line was more significant and that its development would precede that of the Blue Line.

At its November 20, 2017 meeting, City Council adopted a report that identified a "Preferred Configuration" for BRT. In addition to recommending a network and potential locations for exclusive BRT runningways, this report established that the Blue BRT Line is of equivalent importance to the Red Line and that it would be implemented concurrently with the Red/Green Lines.

Administration currently has applications in with the Federation of Canadian Municipalities (FCM) for Green Municipal Funding.

Report

Additional Work

Adoption of the "Preferred Configuration" as the basis for planning and design of the BRT system elevated the importance of the Blue Line in the system. The City has applied for an extension of the deadline for spending funds related to PTIF to March 2020 which would allow additional scope to be added to Dillon's contract. Based on this added flexibility, and the availability of funding in the capital project (Capital Project #2541 – Growth Plan to Half a Million Implementation), the Administration has pursued a contract extension to add geographical scope (the Blue Line) and ongoing advisory that includes:

- **Part 1 – Brownfield Strategy program development advisory for the next year.** It has become apparent through the information gathering stage of the Brownfield Renewal Strategy that there will be components of the end proposed brownfield program that will require a level of third party review and sign-off by a Saskatchewan Ministry of Environment approved Qualified Person. The City does not have such a Qualified Person on staff. Dillon has the appropriate staff to meet this need.

- **Part 2 – Brownfield Inventory of the Blue Line BRT Corridor.** Expansion of the study scope to the Blue Line will allow for a comprehensive BRT corridor brownfield inventory. In addition to supporting future BRT construction, this will continue to provide valuable information to the Corridor Planning Program when it begins a Blue Line review in the future.
- **Part 3 – Limited subsurface assessments of key locations along the Blue Line Corridor.** Consistent with the Red Line work, key BRT station locations will be chosen along the Blue Line to assess the soil conditions ahead of eventual station construction. Results will provide information on the environmental status of the surrounding redevelopment zones, which will further inform the eventual Brownfield Strategy Program.

All work proposed by Dillon corresponds to current and existing charge out rates and time allocations. The Administration has thoroughly vetted Dillon's Change Order Proposals for consistency with its original proposal.

Rationale

Administration recommends the additional work to proceed at this juncture due to the following reasons:

- The additional deliverables will be similar with the ones already received from Dillon. This will lead to consistency throughout all scopes of the project;
- Efficiencies with project delivery and economics. No time will be required to onboard the external consultant. All deliverables will follow the existing templates and reporting, which will provide time and cost savings as opposed to delaying the work or seeking another third party;
- The work will enable a holistic approach to evaluating the whole BRT network, and identifying areas for key infill; and
- All work proposed meshes with the existing Green Municipal Funding applications, currently under review. The added work provides an opportunity to leverage additional external funds.

Costs

Administration has reviewed the project extension scope and its cost breakdown, and believe it to be legitimate. All unit costs and time are consistent with the original Dillon proposal that was selected through a competitive Request for Proposal (RFP) process. The cost breakdown of the added scope of work is presented below.

General Project Management Duties	\$12,150.00
Part 1 – Brownfield Strategy program development advisory	9,855.00
Part 2 – Brownfield Inventory of the Blue Line BRT Corridor	11,604.60
Part 3 – Limited subsurface assessments	22,071.20
PST	570.00
GST	2,784.04
TOTAL	\$59,034.84

There has been one monetary change order to date for the existing contract, in the amount of \$10,011.59. Much of this amount was due to unforeseeable costs due to traffic safety accommodations for the subsurface assessment work. This was not originally included as a cost item in the RFP. The remainder of the change order was associated with the additional effort and tasks related to the traffic accommodations; Administration requested changes pertaining to the number of progress meetings and assessment locations.

The scopes of work of all change orders have been included within the Green Municipal Funding application submissions, and thus are eligible expenses to be recovered. Administration will receive an official response to the Brownfield Plan application mid-July 2018. As per the Brownfield Plan submission, 50% of Dillon's expenses that relate to Brownfield Strategy research and recommendations, advisory, and the brownfield inventories (including Part 1 and 2 of the Additional Work described above), will be recoverable, up to a maximum of \$46,400. The Brownfield Feasibility Green Municipal Funding application, which will cover up to 50% of Dillon's costs related to the soil assessment scope of work, remains under review by FCM. Response to this Green Municipal Funding application will be received late summer, 2018.

Options to the Recommendation

City Council can choose to not approve the requested increase. The Administration does not recommend this option as this would lead to an information gap regarding the status of brownfields along the BRT network and for the Corridor Planning Program.

City Council can direct Administration to go to market for the additional work. The Administration does not recommend this option as this would lead to inconsistencies in deliverables, along with time and cost inefficiencies with migrating the work to another external consultant.

City Council can approve select parts of the change order. The Administration does not recommend this option as all parts are and will be critical in the completion of the brownfield strategy program.

Public and/or Stakeholder Involvement

Public and/or stakeholder engagement regarding brownfield renewal and barriers to development will continue to be addressed in conjunction with the Corridor Planning Program.

Communication Plan

Communication activities will be coordinated by the City's Communication Division with the input from relevant divisions and service providers contracted to support the Growth Plan projects.

Financial Implications

Dillon’s original bid for the contract price was \$119,802. Two change orders to the contract have been approved totalling \$10,011.59 which resulted in an increase of 8% over the original contract price.

The cost of the added scope of work in the current change proposal (Change Order 003) amounts to \$59,035.00. This brings the combined exceedance of the original contract to 58%. There is sufficient unallocated funding in Capital Project #2541 – Growth Plan to Half a Million to support the added costs.

The new breakdown of the contract is as follows:

Base Fees	\$ 111,280.00
GST (5%)	6,677.00
PST	1,845.00
Sub-Total 1	<u>\$ 119,802.00</u>
Changes to Date	\$ 9,534.85
GST (5%)	476.74
Sub-Total 2	<u>\$ 129,813.59</u>
Change Order 003	\$ 55,681.00
GST (5%)	2,784.04
PST	570.00
Total	<u>\$ 188,848.43</u>
GST Rebate	9,937.78
Net Cost	<u>\$ 178,910.65</u>

The majority of costs noted above are PTIF-eligible and are being funded through sufficient available and unallocated funds in the Corridor Growth component of the capital project. Recently, the City has put in a request to extend the federal deadline for spending funds relating to the PTIF program to March of 2020. Additionally, all added scope is eligible for Green Municipal Funding.

Environmental Implications

The Brownfield Renewal Strategy project will promote and facilitate responsible, efficient, and sustainable land use by revitalizing and redeveloping otherwise underutilized or impacted properties within strategic infill and corridor growth areas. Positive impacts are anticipated to include:

- Reduction and/or active risk management of contamination within city public and private lands;
- Increased transit and active transportation focused development along high traffic and populated areas; and
- Maximizing infill areas and reducing outwards greenfield development.

Other Considerations/Implications

There are no policy, privacy or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

The Administration will prepare future reports with project updates at key milestones.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Report Approval

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