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STAFF REPORT: ENGINEERING AND PUBLIC WORKS DEPARTMENT



REPORT TO: Committee of the Whole
DATE: November 13, 2013
REPORT NO.: EPW.13.086
SUBJECT: Highway 26 Municipal Class
 Environmental Assessment Frontend
 Cost Sharing Agreement – Craigleith Area
PREPARED BY: Reg Russwurm, Director of Engineering and
 Public Works

A. Recommendations

WHEREAS Council previously approved the award of the Environmental Assessment and Preliminary Design of Transportation Improvements along the Highway 26 corridor in the Craigleith Area (2012-24-P-EPW) to R.J. Burnside and Associates Limited in Report EPW.12.088,

AND WHEREAS Council previously approved entering a cost sharing arrangement with the Ministry of Transportation for three Environmental Assessments along the Highway 26 corridor,

NOW Council receive Report EPW.13.086 entitled Highway 26 Municipal Class Environmental Assessment Frontend Cost Sharing Agreement – Craigleith Area,

AND THAT Council approve amending the cost sharing agreement with the Ministry of Transportation to include the provision of up to \$120,000 in frontend funding for the Craigleith Area Project Municipal Class Environmental Assessment along the Highway 26 corridor from the Ministry for repayment one year after the project is completed,

AND THAT Council approve an increase in the contract cost with R.J. Burnside and Associates Limited from \$288,828 to \$293,744 excluding HST consisting of \$288,744 upset cost estimate plus \$5,000 fee contingency, due to the delay in executing satisfactory cost sharing arrangements.

B. Background

The Town of The Blue Mountains (Town), in cooperation with the County of Grey (County) and the Ministry of Transportation (MTO), completed a Comprehensive Transportation Strategic Plan (Strategic Plan) in March 2010 to evaluate all three levels of the transportation infrastructure within the Town. Suggestions for consideration were put forth to address current needs as well as improvements which will be required in the future based on growth projections.

The Town, in cooperation with the County and the MTO, wish to undertake a Municipal Class "C" Environmental Assessment and Preliminary Design Study (the Project) in the Craigeith Area along the Highway 26 corridor (Attachment 1) of the suggestions for improvements put forth in the Strategic Plan. Proposed and contemplated developments along the Craigeith corridor of Hwy 26 will result in improvements being necessary to accommodate the increase traffic and turning movements.

For reference, the Town has already awarded the undertaking of two similar environmental assessments to R.J. Burnside and Associates (Burnside) for the Grey Road 2 and Grey Road 40 Intersection Areas.

The scope of work for the Project includes satisfying Phases 1 to 4 of the Municipal Class Environmental Assessment Process and is to culminate in the submission of a Preliminary Design Report for the preferred option. At minimum, the following will be considered:

- Highway 26 intersections with all roads from Grey Road 19 to Grey Road 21;
- Intersection and geometrics of Grey Road 19 and Lakeshore Road E including considering the alignment of the Georgian Trail and pedestrian traffic crossing Highway 26;
- Alignment of Brophy's Lane and how this road interconnects to lands westerly or is modified / improved with regard to adjacent development;
- Closure and realignment of intersections considered within the Strategic Plan; and,
- Other trails or roads as identified in Craigeith Area.

In addition, a number of intersections within this stretch of Highway 26 are to be considered in the Project for closure / re-alignment.

The total project cost estimate is \$300,000 with the following cost sharing formulation:

- 40% MTO: \$120,000
- 10% County: \$30,000
- 50% Town:
 - 10% Taxation: \$30,000
 - 40% Developer Contribution: \$120,000

The Town has executed agreements with the MTO and County for the above cost sharing arrangement (Attachment 2). Staff has pursued obtaining the Developer Contribution of \$120,000, however discussions with adjacent developers have not been fruitful. The MTO, recognising the need to complete this project, has proposed to frontend fund the Developer Contribution (80% of the Town share). The proposal though includes the Town reimbursing the MTO one year after the Project is completed. The proposed amending agreement is provided as Attachment 3.

The key issues to consider before accepting MTO's proposal are future cost recovery and long term financing upon the Town reimbursing the MTO. Assurances have been obtained from the Director, Planning and Building Services and the Town's solicitor that the Town has the ability to recovery the apportioned share of the Study from the area developers within the respective development agreements as the developments come forward. (The apportioned cost share of the Environmental Assessments, studies, design and future capital works will be determined during the Project.) Regarding the financing question, the Director of Finance and IT recommends debt financing the cost because the cost will ultimately be recovered with interest from the assigned developers. It could though take 10 – 15 years, or more, for the Town to fully recoup financing this work.

Since it is important to understand the transportation improvements necessary for the Craigeith Area in anticipation and advance of development proposals, Staff recommend:

THAT Council approve amending the cost sharing agreement with the Ministry of Transportation to include the provision of up to \$120,000 in frontend funding for the Craigeith Area Project Municipal Class Environmental Assessment along the Highway 26 corridor from the Ministry for repayment one year after the project is completed,

The alternative is to wait until an area developer wishes to proceed, and then request frontend funding. Although the Town will then not have to finance the developer's portion of the Project, the requirements to upfront \$120,000 and wait upwards of 2 years to complete the Project may stall development applications. Other risks include the Town's other funding partners, the MTO and County, asking to be released from their commitment if the time delay becomes too significant and/or the cost of the work increases to null the current cost sharing agreement.

Regarding the award of the engineering assignment, Report EPW.12.088 (Attachment 4), awarded the Project to Burnside subject to the provision of a Developer Contribution. Since the bid validity period has expired, Staff contacted Burnside to negotiate the upset fee estimate. Burnside revised the hourly rates and stated the rates would be held constant until the end of 2015. The revised upset fee estimate is \$288,774, which amounts to a 3.5% increase from their October 2012 proposal, is within the project budget. Staff feel the fee adjustment is appropriate and therefore recommend the following:

THAT Council approve an increase in the contract cost with R.J. Burnside and Associates Limited from \$288,828 to \$293,744 excluding HST consisting of \$288,744 upset cost estimate plus \$5,000 fee contingency, due to the delay in executing satisfactory cost sharing arrangements.

C. The Blue Mountains' Strategic Plan

The generation of this report furthers the Town's Strategic Goal #2 "Addressing the Town's municipal infrastructure needs", and Strategic Goal #6 "Providing a strong, well-managed municipal government".

D. Environmental Impacts

None

E. Financial Impact

On November 13, 2012, EPW.12.088 approved the Craigleith Area Environmental Assessment in the amount of \$300,000. The project was phased over 2 years, with \$225,000 approved in the 2013 Operating Budget and \$75,000 forecasted in 2014.

It is estimated that \$5,000 will spent in 2013. The remaining \$295,000 will be carried over in the 2014 Operating Budget. The project will be funded as follows:

**Craigleith Area Environmental Assessment
Project Funding**

	2013	2014	Total
MTO	\$ -	\$ 120,000	\$ 120,000
County of Grey	-	30,000	\$ 30,000
Transfer from Reserve	5,000	25,000	\$ 30,000
Developer Contributions (Front Ended from the MTO)	-	120,000	\$ 120,000
Total Funding	\$ 5,000	\$ 295,000	\$ 300,000

The Town will be responsible for paying all costs upfront, with funding from the County and MTO received upon project completion.

The developer contribution will be front ended by the MTO for a period of one year. One year after the completion of the Project, the Town will reimburse the MTO their frontend funding. This is projected to be no sooner than early 2016.

Upon reimbursement of the front ended funding to the MTO, the Town will establish a receivable for the portion due for the developer contribution. The Town will incur interest on the receivable until the costs are ultimately recovered from the area developers as apportioned in the Project plus interest.

F. In Consultation With

Director, Planning and Building Services
Director, Finance & IT Services
Town's solicitor

G. Attached

1. Map of Hwy 26 Corridor – Craigeleith Area
2. Letter of Agreement for Town of The Blue Mountains, Ministry of Transportation, dated August 22, 2012, executed September 5, 2012
3. Letter of Amending Agreement for Town of The Blue Mountains, Ministry of Transportation, August 30, 2013
4. EPW.12.088 - Highway 26 Corridor Environment Assessments – Consultant Award

Respectfully submitted,

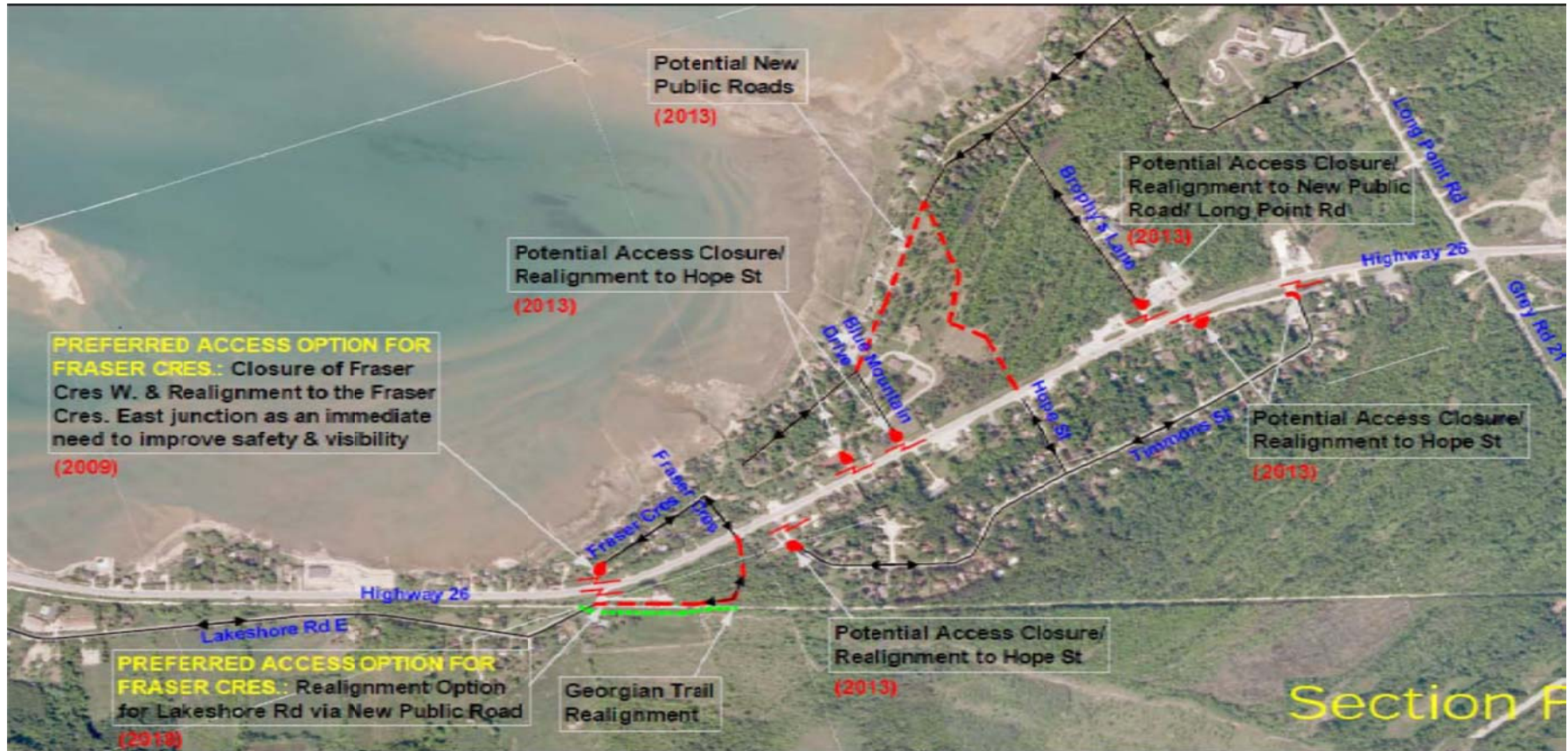
Reg Russwurm

Reg Russwurm
Director, Engineering and Public Works

For more information, please contact:

Reg Russwurm
russwurm@thebluemountains.ca
(519) 599-3131 x260

Hwy 26 Corridor - Craigeleith Area



Source: The Blue Mountains Comprehensive Transportation Strategic Plan, Figure 6.4

Ministry of Transportation
Office of the Regional Director
West Region

659 Exeter Road
London, Ontario N6E 1L3
Telephone: (519) 873-4333
Facsimile: (519) 873-4236

Ministère des Transports
Bureau du directeur régional
de l'Ouest

659, chemin Exeter
London (Ontario) N6E 1L3
Téléphone : (519) 873-4333
Télécopieur : (519) 873-4236

EPW.13.086
Attachment # 2



August 22, 2012

RECEIVED

Reg Russwurm, MBA, P.Eng.
Director of Engineering and Public Works
The Town of The Blue Mountains
32 Mill Street, Box 310
Thornbury, Ontario, N0H 2P0

AUG 24 2012

ENGINEERING & PUBLIC WORKS
TOWN OF THE BLUE MOUNTAINS

Dear Mr. Russwurm:

RE: Letter of Agreement for The Town of The Blue Mountains

This signed Letter of Agreement will constitute mutual agreement (this "Agreement") between Her Majesty the Queen in right of the Province of Ontario, represented by the Minister of Transportation for the Province of Ontario (the "Ministry") and The Town of The Blue Mountains (the "Town") on the following:

1. (a) The Town intends to undertake three Environmental Assessments (EAs) and Preliminary Design Reports (PDRs) for portions of the Highway 26 corridor, and related Ministry and Town roads as identified in the Strategic Plan for the following projects (the "Projects" or "Project" individually):
 - (i) Improvements to Highway 26 / Grey County Road 2, Grey County Road 2 / Clark Street, and Highway 26 / Lakeshore Road intersections plus the Georgian Trail (re-)alignment through this area (the "**Grey Road 2 Intersection Area Project**").
 - (ii) Improvements to the Highway 26 / Lakewood Drive / Woodland Park Road, Highway 26 / Grey County Road 40 and Grey County Road 40/ Woodland Park Road intersections (the "**Grey Road 40 Intersection Area Project**").
 - (iii) Improvements to the Highway 26 Corridor and adjacent roads from Grey Road 19 to Grey Road 21 (the "**Craigeith Area Project**") as follows:
 - (A) Highway 26 intersections with all roads from Grey Road 19 to Grey Road 21;
 - (B) Intersection and geometrics of Grey Road 19 and Lakeshore Road East including considering the alignment of the Georgian Trail and pedestrian traffic crossing Highway 26 / Grey Road 19 intersection;

- (C) Intersection and geometrics modifications to the Lakeshore Road E / Highway 26 / Georgian Trail alignment;
- (D) Alignment of Brophy's Lane and how this road interconnects to lands westerly or is modified / improved with regard to adjacent development;
- (E) Closure and realignment of intersections considered within the Strategic Plan; and,
- (F) Other relevant trails or roads as identified in Craigeith Area.

(b) The PDRs shall be pursuant to the engineering criteria and design standards of the Ministry and shall be approved by the Ministry with respect to Ministry right of way.

2. The Ministry shall not be construed as being responsible for any future work in respect of the studies.
3. The Ministry agrees to compensate the Town for the following:

Project Name	Proposed Project Budget	MTO	
		% Share	\$ Upset Share
Grey Road 2 Intersection Area Project	\$150,000	33%	\$49,950
Grey Road 40 Intersection Area Project	\$100,000	33%	\$33,300
Craigeith Area Project	\$300,000	40%	\$120,000
Total	\$550,000		\$203,250

The Ministry agrees to pay for the stated percentage of the actual cost of the Town hereunder regarding the Projects, provided that the Ministry share shall not exceed the upset shares stated above.

4. The Town, upon completion of any one of the Projects, may invoice the Ministry the paragraph 3 cost sum payable by the Ministry to the Town. The Ministry agrees to provide the Town with a cheque for the full amount of the invoice. The cheque or cheques shall not exceed the amount of the paragraph 3 upset share for the applicable Project provided that the total amount of the sum of the three upset shares does not exceed the total sum of two hundred and three thousand, two hundred and fifty dollars (\$203,250.00). Any cheque shall be made payable to "The Town of The Blue Mountains", and is to be delivered to the Town within 60 days of receipt of the invoice.
5. The Town warrants that it has taken all necessary steps, done all acts, passed all by-laws, and obtained all approvals required to give it the authority to enter into this Agreement.
6. The term of this Agreement is from the date of execution of this Agreement by both parties until the earlier of either the date that the Town receives payment in full for all sums owed by the Ministry under this Agreement or five (5) years from the date of

execution of this Agreement by both parties, provided that the Ministry shall pay its upset share for any Project completed prior to the said five year period.

7. The address of the Town under this Agreement, unless otherwise advised, is:

Reg Russwurm, MBA, P.Eng.
Director of Engineering and Public Works
The Town of The Blue Mountains
32 Mill Street, Box 310
Thornbury, Ontario, N0H 2P0
Telephone: (519) 599-3131 ext 260, Fax: (519) 599-7723

The address of the Ministry under this Agreement, unless otherwise advised, is:

Ann Baldwin, Regional Director, West Region
Ministry of Transportation
659 Exeter Road
London, Ontario, N6E 1L3
Telephone: (519) 873-4333, fax: (519) 873-4336

Notices under this Agreement shall be in writing and sent by personal delivery, facsimile ("Fax") or by registered mail. Notices by registered mail shall be deemed to have been received on the fourth business day after the date of mailing. Notices by personal delivery or by Fax shall be deemed to have been received at the time of delivery or transmission, unless delivered or transmitted on a weekend or holiday, in which case such notice shall be deemed to have been received on the next business day. In the event of an interruption in postal service, notice shall be given by personal delivery or Fax.

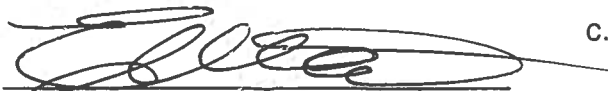
If the above meets with your approval, please sign and date all four (4) copies of this Letter of Agreement, and return three original copies to this office as soon as possible. This signed Letter of Agreement will then constitute a mutual agreement by both parties to have the above described work performed by the Town.

Sincerely,

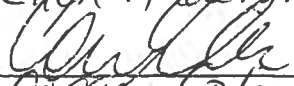


Ann Baldwin
Regional Director, Ministry of Transportation, West Region

THE TOWN OF THE BLUE MOUNTAINS



C.S.

Ellen Anderson, Mayor

Corinne Carter, Town Clerk
Authorized Signature

September 5, 2012

Date

August 30, 2013

Reg Russwurm, MBA, P. Eng.
Director of Engineering and Public Works
The Town of The Blue Mountains
32 Mill Street, Box 310
Thornbury, Ontario, N0H 2P0

Dear Mr. Russwurm:

RE: Letter of Amendment Agreement for The Town of The Blue Mountains

This signed Letter of Amendment Agreement will constitute a mutual agreement (this "Amendment Agreement") between Her Majesty the Queen in right of the Province of Ontario, represented by the Minister of Transportation for the Province of Ontario (the "Ministry") and The Town of The Blue Mountains (the "Town") on the following:

1. The attached Letter of Agreement dated August 22, 2012, and executed by the Town on September 5, 2012, ("Letter of Agreement") will remain in effect, except as amended herein.
2. The purpose of this Amendment Agreement is to provide for the Ministry to fund, on an up-front basis, 80% of the Town's estimated share of the costs associated with the Craigleith Area Project EA.
3. The Town agrees and understands that they will pay back to the Ministry, upon the completion of the Craigleith Area Project EA, the 80% of the Town's estimated share of the costs associated with the Craigleith Area Project EA. The Town agrees to pay back to the Ministry the Town's 80% estimated share no later than the Town's fiscal year end, one year following the completion of the Craigleith Area Project EA.
4. Ministry shall not be construed as being responsible for any future work in respect of the Craigleith Area Project EA.

5. The Ministry agrees to compensate the Town for the following as provided in the Letter of Agreement:

Table 1 – Original Cost Share for Craigleith Area Project EA

Project Name	Proposed Project Budget	MTO		Town		Grey County	
		% Share	\$ Upset Share	% Share	\$ Share	% Share	\$ Share
Craigleith Area Project	\$300,000	40%	\$120,000	50%	\$150,000	10%	\$30,000
Total	\$300,000		\$120,000		\$150,000		\$30,000

6. The Ministry agrees to provide up-front funding to the Town for Craigleith Area Project EA as follows:

Table 2 – Ministry Up-Front Funding for 80% of Town's Estimated Share for Craigleith Area Project EA

Project Name	Town Estimated Share	MTO		Town	
		% Up-Front Funding	\$ Up-Front Funding	Initial % Share	Initial \$ Share
Craigleith Area Project	\$150,000	80%	\$120,000	20%	\$30,000
Total	\$150,000		\$120,000		\$30,000

Subject to the terms of this Amendment Agreement, the Ministry agrees to fund, on an up-front basis, 80% of the estimated cost of the Town hereunder regarding the Craigleith Area Project EA, provided that the Ministry's up-front funding shall not exceed the up-front funding amount stated in Table 2 above.

7. The Town warrants that it has taken all necessary steps, done all acts, passed all by-laws, and obtained all approvals required to give it the authority to enter into this Amendment Agreement.
8. All other terms and conditions of the Letter of Agreement shall remain the same.

If the above meets with your approval, please sign and date all four (4) copies of this Letter of Amendment Agreement, and return three original copies to this office as soon as possible. This signed Letter of Amendment Agreement will then constitute a mutual agreement by both parties to have the above described work performed by the Town.

Sincerely,

Ann Baldwin
Regional Director, Ministry of Transportation, West Region

THE TOWN OF THE BLUE MOUNTAINS

c.s.

Authorized Signature

Date

STAFF REPORT: Engineering and Public Works



REPORT TO: Infrastructure and Recreation
 Committee
MEETING DATE: November 13, 2012
REPORT NO.: EPW.12.088
SUBJECT: Highway 26 Corridor
 Environment Assessments –
 Consultant Award
PREPARED BY: Reg Russwurm, Director of
 Engineering and Public Works on
 behalf of Tender Proposal
 Award Committee

A. Recommendations

THAT Council receive Staff Report EPW.12.088, “Highway 26 Corridor Environment Assessments – Consultant Award”;

AND THAT Council approve the increase of the 2012 Operating budget projects in the amount of \$10,000 for the Highway 26 - Grey Road 19 to Grey Road 21 Intersection Improvements, \$5,000 for the Clark St/GR2 /HWY 26 Intersection Improvements, and \$5,000 for the Woodland Park Road/ GR40/ Hwy 26 Intersection Improvements, with the shortfall in Town funded sources to be funded in the 2013 Operating budget;

AND THAT Council approve the award of the Environmental Assessment and Preliminary Design of Transportation Improvements along the Highway 26 Corridor in the Areas of Grey Roads 2 and 40 Intersections (2012-17-P-EPW) to R.J. Burnside and Associates Limited, in the amount of \$236,147,59 excluding HST, consisting of \$231,147,59 upset cost estimate plus \$8,000 fee contingency,

AND THAT Council approve the award of the Environmental Assessment and Preliminary Design of Transportation Improvements along the Highway 26 Corridor in the Craighleith (2012-24-P-EPW) to R.J. Burnside and Associates Limited, in the amount of \$288,828.60, excluding HST, consisting of \$278,828.60 upset cost estimate plus \$10,000 fee contingency upon receipt of a developer contribution to the satisfaction of the Director of Finance and IT Services,

AND THAT the Mayor and Clerk be authorized to execute the Contract Documents for 2012-17-P-EPW and 2012-24-P-EPW upon the recommendation of the Directors of Engineering and Public Works and Finance and IT Services.

B. Background

The purpose of this Report is to receive Council approval to retain consulting engineering services to undertake three Municipal Class Environmental Assessments

(EA's) along the Highway 26 corridor in partnership with the Ministry of Transportation (MTO), the County of Grey (County) and an area developer.

The three EA's are described below and mapped respectively in Attachments 1, 2 & 3.

1. Grey County Road 2 Intersection Area

Improvements to Highway 26 / Grey County Road 2, Grey County Road 2 / Clark Street, and Highway 26 / Lakeshore Road (2 locations) intersections plus the Georgian Trail (re-)alignment through this area will be considered. A wide range of possible solutions will be evaluated from a traditional signalised intersection(s) to a roundabout. The impact on and to the proposed Cedar Run Development will be integral to the evaluation of the alternatives.

2. Grey County Road 40 Intersection Area

Improvements to the Highway 26 / Lakewood Drive / Woodland Park Road, Highway 26 / Grey County Road 40 and Grey County Road 40/ Woodland Park Road intersections will be considered. An interconnection between Woodland Park Road and the adjacent development, Georgian Glen, will also be evaluated.

3. Craigleith Area

The area of interest is from Grey Road 19 to Grey Road 21 along the Highway 26 Corridor. The following will be considered:

- Highway 26 intersections with all roads from, and including, Grey Road 19 to Grey Road 21;
- Intersection and geometrics of Grey Road 19 and Lakeshore Road E including considering the alignment of the Georgian Trail and pedestrian traffic crossing Highway 26.
- Of particular interest is Lakeshore Road E / Hwy 26 / Georgian Trail alignment;
- Alignment of Brophy's Lane and how this road interconnects to lands westerly or is modified / improved with regard to adjacent development;
- Closure and realignment of intersections considered within the Town's Comprehensive Transportation Strategic Plan; and,
- Other trails or roads as identified in Craigleith Area.

COST SHARING

Since the EA's will look at improvements to three different levels of road jurisdiction, there was a need to establish a cost sharing plan for the consulting assignments. The plan presented in Table 1 was approved by Council via Report EPW.11.103 dated November 8, 2011. The Town's 50% share of the Craigleith Area EA is to be funded

10% from taxation for works related to existing roads and 40% from area developers for new roads.

Separate cost sharing agreements have been executed between the MTO and the Town, and between the County and the Town. Another agreement between an Craigleith area developer and the Town is still needed.

Prior to the Craigleith Area EA being initiated, funding from a Craigleith area developer is required. One developer has committed in principle to front ending the costs with mechanisms in place for transfers from other developers as those other projects go ahead. Final negotiations and agreement preparation are underway and funding appears imminent.

All the various cost sharing agreements are structured to be upset limits for the Town’s partners. In effect, if the costs to any of the Town’s partners are capped at their share of the original project budget. The Town’s risk is that should the project budget be exceeded without the endorsement and funding contribution from at least one of the partners, the Town will be responsible for any overage. There is some flexibility in that the upper tier governments have capped their expenditure at the sum of all three EA’s and not individually. The proposed agreement for the developer contribution states that their contribution will be capped at \$120,000 for the Craigleith Area EA and then recovered in part from other developers using best efforts.

Table 1 - Cost Sharing Schedule					
EA Area	Project Budget	MTO	County	Town	Developer
Grey Road 2	\$150,000	33%	33%	33%	na
Grey Road 40	\$100,000	33%	20%	47%	na
Craigleith	\$300,000	40%	10%	10%	40%
Total	\$550,000	\$203,000	\$100,000	\$127,000	\$120,000

The cost sharing of the capital works is yet to be determined. A key task within the Preliminary Design Report is to appropriate costs to the various road authorities and area developers. These findings however will not be binding on the parties and the final cost sharing of capital works will be subject to future negotiations.

SCOPE OF WORK

The scope of work for this assignment includes satisfying Phases 1 to 4 of the Municipal Class EA Process for the three EA’s, and is to culminate in the submission of a

Preliminary Design Report for the Preferred Option. A wide range of possible solutions without limitation are to be evaluated and will include, but are not necessarily limited to:

1. Do Nothing;
2. Modifications to some or all of the existing transportation network;
3. Complete redesign of subject area;
4. Other options or combination of options arising during the Environmental Assessment

The assignment will include, but will not be limited to, the following major tasks:

Task 1: Collect and Review Background Information

Task 2: Develop and Deliver a Public Communication Plan

Task 3: Prepare Traffic Impact Study

Task 4: Prepare Other Required Studies

Task 5: EA Phase 1 - Identify the Problem or Opportunity

Task 6: EA Phase 2 - Identify and Evaluate Alternative Solutions

Task 7: EA Phase 3 - Identify and Evaluate Alternative Design Concepts

Task 8: EA Phase 4 - Prepare Environmental Study Report

Task 9: Prepare Preliminary Design Report

Throughout this project, communication with the Public will be of the utmost importance due to the impact potential solutions will have on access to the transportation network(s). Communication requirements for this undertaking will exceed the minimum communications requirements outlined in the Municipal Class EA process.

The solution or preferred option that will be determined as part of this assignment will satisfy, in the order of importance, the transportation needs of pedestrians, cyclists and vehicles with due awareness of social, cultural, environmental and economic criteria.

Although the three EA's will be undertaken coincidentally, each will result in separate documentation and reporting to simply implementation.

MTO Operational EA

Of special note is that the MTO is also undertaking an EA related to this corridor. The MTO's EA will emphasise operational improvements similar to the type of road

improvements that have occurred from Thornbury to Meaford. In general, the Terms of Reference for MTO's Hwy 26 Project (Thornbury to Collingwood) will look at the following during the EA process:

- rehabilitation of Highway 26 including passing lanes, intersection improvements, drainage and hydrology (culvert rehabs or replacements)
- private entrance modifications as per MTO access management practices (PTHIA)
- road closure and realignments that are outside of the limits of the Town's EA Studies.

The successful consultant for the Town lead EA's will be expected to communicate and coordinate closely with the firm undertaking the MTO's assignment to avoid duplication in effort and conflicting findings.

Consultant Selection

The Project Team, consisting of MTO, County and Town representatives, considered how the three EA's could be executed from efficiency, conflicts of interest, documentation and cost sharing points of view. The projects could be completed as one assignment, three separate assignments or a combination thereof. The Project Team concluded that there should be two (2) engineering assignments. One would be the Grey Road 2 and Grey 40 Area EA's combined and the other be the Craigeleith Area EA.

The reasoning being:

- The award of the Craigeleith EA assignment is contingent on a contribution from an area developer which was not in place at the time of issuance of the Request for Letters of Interest even though there is a developer willing in principle to make the contribution. The Project Team did not want the other EA's to be held up if the developer funding was not received.
- There are two local consultants that would be in a conflict of interest as judged by the Project Team if the works were awarded as one assignment – this way each of those consultants would be able to bid on at least one assignment.
- Some economies of scale is maintained by combining the Grey Road 2 and Grey Road 40 EA's into one assignment.

The Consultant selection was a two stage process. During the first stage, Letters of Interest (LOI's) were received on September 6, 2012. Even though there was general interest in the project there was only one consultant who felt they were qualified and had the resources available to undertake the work. Therefore the Town only received a Letter of Interest for both assignments from R.J. Burnside and Associates (Burnside). Town Staff contacted the other key bid takers to learn why this may have happened. Reasons given ranged from not being on MTO's preapproval list to undertake work on MTO roads (a condition in the Letter of Interest), limited resources and a potential conflict with the upcoming MTO EA for operational improvements.

The Project Team discussed the fact that only one LOI was received. Although it would be better to have had more interest in the assignment, the Project Team felt that Burnside presented a Letter of Interest and has the capability to do the work. Therefore, the Project Team accepted the LOI and proceeded to the second stage of the consultant selection process by requesting that Burnside submit a Detailed Work Plan and Upset Cost Estimate in separate envelopes in the same manner as if more than one consultant had been shortlisted to proceed to the detailed proposal stage. This strict methodology was followed to maintain the integrity of the procurement process.

Burnside submitted their Detailed Work Plan and Upset Cost Estimates on October 18, 2012. The MTO, County and Town Project Team members reviewed the Detailed Work Plan without knowledge of the contents of the Upset Cost Estimate. The Project Team concluded again that Burnside fulfilled the requirements of the Requests for Proposal and demonstrated the firm had the qualifications and understanding of the scope of work to successfully complete the assignments. It was then that the Upset Cost Estimate envelopes were opened. The comparison of the project budget with the expected cost is provided in Table 2. An allowance for miscellaneous costs such as advertisement and meeting expenses has been made along with the non-recoverable HST.

Table 2 - Project and Expected Cost Development					
EA Area	GR 2	GR 40	GR2 & GR 40 Total	Craigleith EA Total	All EA Total
2013 Draft Project Budget⁽¹⁾	\$150,000.00	\$100,000.00	\$250,000.00	\$300,000.00	\$550,000.00
Upset Cost Estimate	\$139,420.52	\$91,727.07	\$231,147.59	\$278,828.60	\$509,976.19
Contingency	\$4,000.00	\$3,000.00	\$7,000.00	\$10,000.00	\$17,000.00
Assignment Award	\$143,420.52	\$94,727.07	\$238,147.59	\$288,828.60	\$526,976.19
Misc. (ads, meetings)	\$2,000.00	\$1,000.00	\$3,000.00	\$5,000.00	\$8,000.00
Sub-Total	\$145,420.52	\$95,727.07	\$241,147.59	\$293,828.60	\$534,976.19
HST not refunded	\$2,559.40	\$1,684.80	\$4,244.20	\$5,171.38	\$9,415.58
Total EA Cost	\$147,979.92	\$97,411.87	\$245,391.79	\$298,999.98	\$544,391.77
Under (over) Budget	\$2,020.08	\$2,588.13	\$4,608.21	\$1,000.02	\$5,608.23

1. Based on Financial Impact Section

Since the Burnside Upset Cost Estimates plus contingency and other costs were below the budget for each individual EA, Staff recommend the following.

THAT Council approve the award of the Environmental Assessment and Preliminary Design of Transportation Improvements along the Highway 26 Corridor in the Areas of Grey Roads 2 and 40 Intersections (2012-17-P-EPW) to R.J. Burnside and Associates Limited, in the amount of \$238,147,59 excluding HST, consisting of \$231,147,59 upset cost estimate plus \$7,000 fee contingency,

THAT Council approve the award of the Environmental Assessment and Preliminary Design of Transportation Improvements along the Highway 26 Corridor in the Craighleith (2012-24-P-EPW) to R.J. Burnside and Associates Limited, in the amount of \$288,828.60, excluding HST, consisting of \$278,828.60 upset cost estimate plus \$10,000 fee contingency upon receipt of a developer contribution to the satisfaction of the Director of Finance and IT Services,

AND THAT the Mayor and Clerk be authorized to execute the Contract Documents for 2012-17-P-EPW and 2012-24-P-EPW upon the recommendation of the Directors of Engineering and Public Works and Finance and IT Services.

C. The Blue Mountains' Strategic Plan

Completing these projects assist with the Town's Strategic Plan Goal #2" Addressing the Town's Municipal Infrastructure needs".

D. Environmental Impacts

During the EA, the impact that various alternatives will have on the environment will be carefully considered.

E. Financial Impact

The 2012 Operating budget includes a total of \$530,000 for the three EA projects listed in Table 3 below. The award of the EA's as recommended in this report will result in a total 2012 budget shortfall of \$20,000, as 2011 funds were not rolled over in the 2012 budget.

Table 3

EA Area	2012 Budget	Award as per EPW.12.088	Variance F/(U)	Additional Town Funded Sources Required
Grey Road 2	\$ 145,000	\$ 150,000	\$ (5,000)	\$ (1,000)
Grey Road 40	95,000	100,000	(5,000)	(2,100)
Craigleith	290,000	300,000	(10,000)	(9,000)
Total	\$ 530,000	\$ 550,000	\$ (20,000)	\$ (12,100)

The \$20,000 shortfall is to be allocated similar to the cost sharing schedule in Table 1, with a forecasted shortfall of \$12,100 in Town funded sources required. Staff recommend funding the shortfall in the 2013 and 2014 operating budget since this project will not be initiated until late in 2012, with actual expenditures in 2013 and continuing into 2014 until the project is completed.

The Draft 2013 Budget has been prepared to reflect the rollover of 2012 budgeted funding sources and the increased total project costs from \$530,000 in 2012 to \$550,000 in 2013. As outlined in Table 2, all three project budgets are anticipated to be adequate to complete the assignment as proposed.

Since the cost sharing agreements are structured to be an upset limit for the Town's partners, any project overage that has not been explicitly asked for and funded by one of the partners will be borne by the Town. Should a project overage occur, Staff will report on such overage with recommendation for Town funding source.

F. In Consultation With

Finance and IT Services, Financial Accountant

G. Attached

Respectfully submitted,

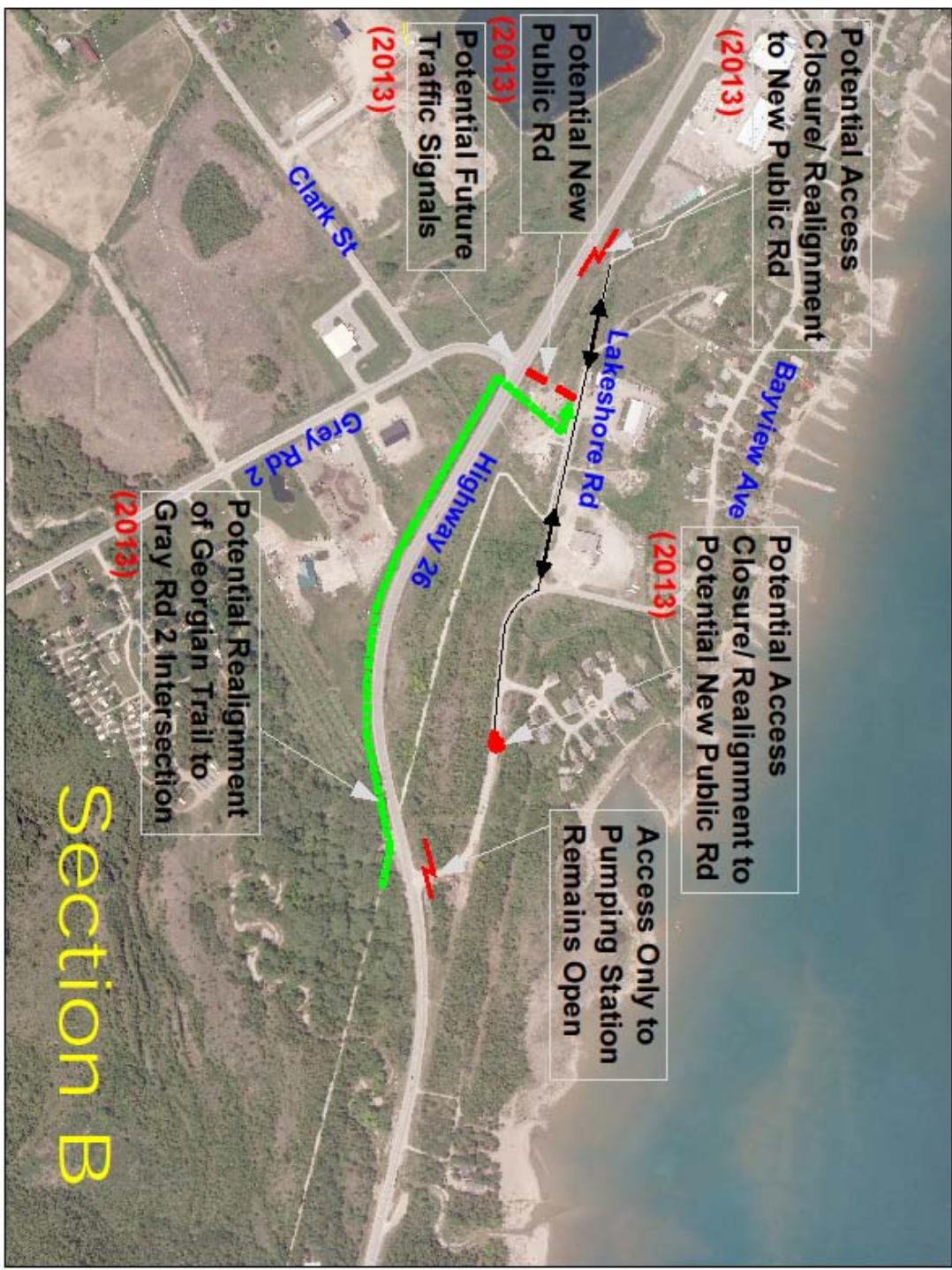
Tender Award Committee (TPAC)

Troy Speck
Troy Speck
Chief Administrative
Officer

Reg Russwurm
Reg Russwurm
Director of Engineering
& Public Works

Sherri Adams
Sherri Adams
Manager of
Purchasing

Grey County Road 2 Intersection Area



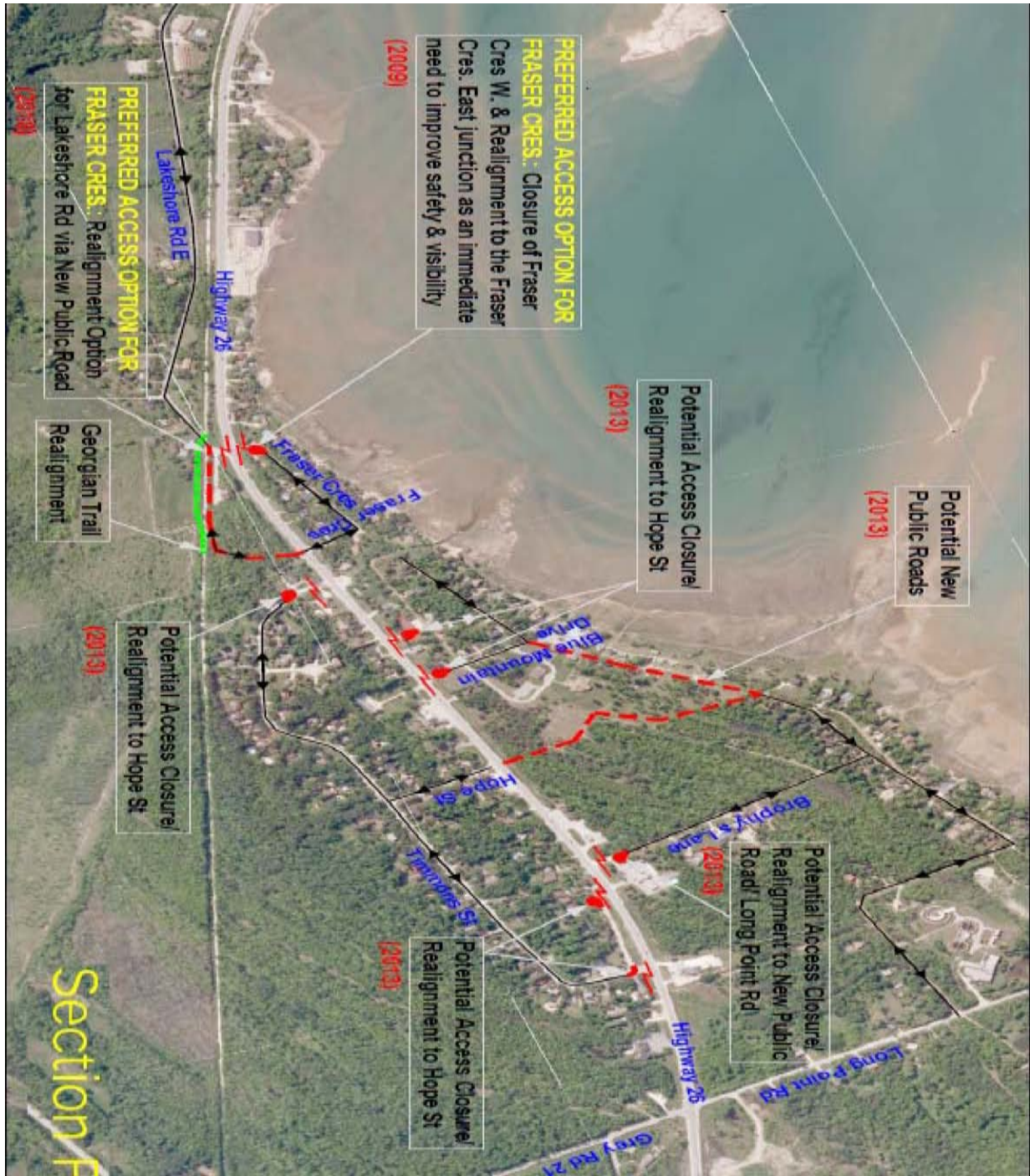
Source: The Blue Mountains Comprehensive Transportation Strategic Plan, Figure 6.4

Grey County Road 40 Intersection Area



Source: The Blue Mountains Comprehensive Transportation Strategic Plan, Figure 6.4

Craigleith Area



Source: The Blue Mountains Comprehensive Transportation Strategic Plan, Figure 6.4