



City of  
**Peterborough**

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**To: Members of the Committee of the Whole**

**From: Sandra Clancy, Director of Corporate Services**

**Meeting Date: July 24, 2017**

**Subject: Report CPFS17-039  
Clean Water Wastewater Fund Transfer Price Agreement and  
Sole Source an Engineer of Record**

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## **Purpose**

A report to recommend a by-law be passed authorizing the execution of the Clean Water Wastewater Fund (CWWF) Transfer Price Agreement (TPA) and to sole source an Engineer of Record.

## **Recommendations**

That Council approve the recommendations outlined in Report CPFS17-039 dated July 24, 2017, of the Director of Corporate Services, as follows:

- a) That a by-law be passed authorizing the Mayor and Clerk to sign the Clean Water Wastewater Fund (CWWF) Transfer Price Agreement between Her Majesty the Queen in Right of Ontario as represented by the Minister of Infrastructure and The Corporation of the City of Peterborough; and
- b) That MTE Consultants Inc., 520 Bingemans Centre Drive, Kitchener, Ontario, L7L 6B8, be awarded the design, Request for Tenders (RFT) preparation and contract administration for the upgrades to the clarifiers and aeration system at the Peterborough Wastewater Treatment Plant at a cost of \$551,540.00 plus HST of \$71,700.20 for a total cost of \$623,240.20.

## **Budget and Financial Implications**

The value of the CWWF funding is \$4,017,198, with \$2,678,132 and \$1,339,066, coming from the federal and provincial government, respectively. The grant was allocated to the Peterborough WWTP Process Modification/Improvements project through the 2017 Capital Budget (Project Reference# 5-9.01). The total capital budget for the project is \$5,356,300, with one-third, or \$1,339,102, being funded by the Waste Water Reserve Fund.

The net \$561,247.10 requirement, after applicable HST rebates, for the design, RFT preparation and contract administration can be accommodated in the total project budget of \$5,356,300.

## **Background**

The 2016 Federal Budget announced the establishment of the CWWF that proposes to invest up to \$570 million in federal funding and up to \$270 million in provincial funding in the Province of Ontario. The CWWF will provide Ontario communities with vital infrastructure funding to help accelerate short term investments to support the rehabilitation and modernization of drinking water, wastewater and stormwater infrastructure, and the planning and design of future facilities and upgrades to existing systems.

### **Peterborough's CWWF Allocation**

In September 2016, the City of Peterborough was advised of its allocation of \$4,017,198 and the opportunity to receive it through an application process.

The CWWF provides up to 75% of the total Eligible Project Costs. Initially, it was expected that all funds would be incurred from April 1, 2016 to March 31, 2018. Later, the Ministry advised the applicants they could request that up to 40% of the CWWF allocation be spent between April 1, 2018 and March 31, 2019, which the City has done.

Eligible investment would meet the following criteria:

- i) Capital projects for the rehabilitation, new construction, optimization initiatives and planning and design work;
- ii) Improve reliability of drinking water, wastewater and stormwater systems and meet federal or provincial regulations, standards or guidelines;
- iii) Rehabilitate and modernize Ontario's aging infrastructure; and
- iv) Accelerate short term community infrastructure investment across Ontario.

The proposed projects had to be incremental. Through the application process, the City attested that, for each of the proposed projects, incrementality has been met by fulfilling one of the following conditions:

- i. The Project would not otherwise have taken place in 2016-17 or 2017-18; and/or
- ii. The Project would not have been undertaken without federal funding.

Under the CWWF, the City was eligible to apply once for funding toward water and wastewater project(s). Applications were due on October 31, 2016. The Upgrade to Primary and Secondary Clarifier Tanks and Blowers project was submitted. Through implementation of this project, the City intends to:

1. modify and improve the Peterborough Waste Water Treatment Plant (WWTP) process by replacing ageing mechanical structures in the four older primary and four secondary clarifiers to improve sludge management;
2. repair and seal concrete in these same tanks to reduce risk of tank failure;
3. replace aging centrifugal blowers with high efficient turbo blowers to improve hydro consumption;
4. conduct an air flow study to identify air flow bottle-necks;
5. clean air diffusers in aeration basins to increase oxygen transfer ability to optimize new blower performance and aeration basin performance

The City was notified on May 15, 2017, that the project was approved for the City's total allocation amount of \$4,017,198. A funding announcement was held on May 23, 2017 at the WWTP with Minister Maryam Monsef, Minister Jeff Leal, and Mayor Daryl Bennett in attendance. The next step is executing and providing to the Ministry a Transfer Price Agreement showing that the City agrees to the terms and conditions of the funding.

## **Project Timing and Reporting**

Of the \$5,356,300 project, the City is expected to spend \$3.22 million before March 31, 2018. The remaining \$2.14 million will be spent between April 1, 2018 and March 31, 2019. Annual reporting including Progress Reports, Outcomes Reports and Request for Payment forms will be submitted semi-annually with a Final Report being submitted with a request for Final Payment.

### **Sole Source Engineer of Record**

The timing for this project is aggressive especially when delivery of some of the parts and/or equipment is expected to be 20 weeks or more. Accordingly, it is imperative, given the required spending objectives, that research on the required equipment, preparation of specifications, issuance of RFT(s), and preparation of reports begin immediately.

The consulting firm, MTE Consultants Inc., is presently on-site at the Wastewater Treatment Plant administering both the Digester #3 and Digester #4 rehabilitations. This firm has extensive knowledge of the Plant and has developed an excellent working relationship with the City staff that operates the plant. The consultant's in field contract administrator has been working at the Plant throughout the Phase IV and Digester projects for a total of almost six years. This has allowed him to develop a full understanding of the operation of the Plant and the specific equipment/processes that are used. This information and knowledge will be invaluable when undertaking the work related to the CWWF allocation.

The City Treasurer has approved the sole sourcing of MTE Consultants Inc. as the Engineer of Record for this project under Section 9.1.2 i) of Purchasing By-law 14-127 which is permitted:

When a Consultant has been used to provide a service, and additional work is required that builds upon or is dependent upon the previous work undertaken, and when it could not reasonably be determined at the time the original work was approved additional services would be required.

## Summary

In signing the Agreement, the City agrees to abide by the terms and conditions which include semi-annual reporting. The first requirement is passing a by-law to authorize the Mayor and Clerk to sign the Transfer Price Agreement to allow the flow of CWWF funds. The CWWF funds will assist the City of Peterborough in improving wastewater facilities at the Peterborough Wastewater Treatment Plant.

By authorizing the sole sourcing of the Engineer of Record, the City is assured of meeting the tight timelines dictated by the CWWF Agreement.

Submitted by,

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