



City of
Peterborough

To: Members of the General Committee

From: Jeffrey Humble, Director, Planning and Development Services

Meeting Date: April 16, 2018

Subject: Report PLPD18-015
Engineer of Record – Cleantech Commons

Purpose

A report to recommend the appointment of D.M. Wills Associates Limited as the “Engineer of Record” for Cleantech Commons.

Recommendations

That Council approve the recommendations outlined in Report PLPD18-015 dated April 16, 2018, of the Director, Planning and Development Services, as follows:

- a) That D. M. Wills Associates Limited be authorized to complete the detailed engineering design and contract documentation for Phase 2 of the Cleantech Commons construction program in 2018, at a cost of \$105,000.00, plus HST of \$13,650.00, for a total cost of \$118,650.00.
- b) That D. M. Wills Associates Limited be authorized to undertake full time site inspection and contract administration for Phases 1 and 2 of the Cleantech Commons construction program, at a cost of \$164,000.00, plus HST of \$21,320.00, for a total cost of \$185,320.00.
- c) That the Administrative Staff Committee be authorized to award additional services to D. M. Wills Associates Limited within Cleantech Commons, pending satisfactory review of performance and pricing and budget availability.

Budget and Financial Implications

The total \$269,000 requirement, net of the 100% ITC rebate for HST, for the detailed engineering design and contract documentation for Phase 2 of the Cleantech Commons and the full time site inspection and contract administration for Phases 1 and 2 of the Cleantech Commons construction program can be accommodated within the approved \$5,344,000 2018 Capital Budget, project 7-3.01. The remaining uncommitted balance, including the award of this contract, is \$4,130,000.

The business model for the Cleantech Commons will see the City recovering the total Business Park construction costs time through ground lease payments from tenants of Cleantech Commons to the City. In addition, it is anticipated that all tenants will pay municipal taxes.

Background

In October of 2016, via Staff Report PLPD16-071, dated September 26, 2016, Council awarded RFP P-32-16 to Brook McIlroy Inc. in partnership with D. M. Wills Associates Limited to complete the Master Plan for Cleantech Commons, file, on behalf of the City, a Draft Plan of Subdivision with supporting studies and complete the detailed Engineering Design and contract documentation for the first phase of construction of Cleantech Commons. Council has already adopted the Master Plan and granted Draft Plan Approval for the Research Park. The Phase 1 construction program was supported by the 2017 Capital Budget and a Request for Tenders has been recently issued.

The partnership between Brook McIlroy and D. M. Wills Associates Limited saw Brook McIlroy lead the planning components of the overall assignment, supported by D. M. Wills. As the contract transitioned from planning to engineering design D. M. Wills has taken the lead, supported by Brook McIlroy.

The original consulting contract ended with the preparation of contract documents for the first phase of construction. This was purposely done to allow the City to evaluate how best to deliver the actual construction activity, with construction supervision being carried out directly by the Utility Services Department as one possible option. USD has recently considered the volume of work associated with their existing 2018 Capital program and has determined that there is not sufficient internal capacity to provide the level of resources required to ensure the 2018 Cleantech Commons construction activity is successfully completed under very tight timelines.

Furthermore, USD strongly supports the principle of “Continuity of Responsibility” that would see the engineers who design the project assume responsibility for its interpretation and implementation. On this basis, it is recommended that D. M. Wills Associates Limited be requested, on a single source basis, to provide Contract Administration and Inspection Services for the full scope of their design.

As a result of the normal course of the statutory planning process, efforts to finesse the business relationship between Trent and the City (as represented in the Head Lease), and the resolution of the issues arising from the detailed design phase, careful consideration had to be given to the project schedule. Consequently the construction objectives of Phase 1 (originally planned to start late in 2017) and Phase 2 (approved through the 2018 Capital budget) have essentially merged to become one larger construction project, all to be carried out in 2018.

Given the detailed knowledge of the consulting team with the engineering issues pertaining to all phases of Cleantech Commons, the 2018 construction tender prepared by D. M. Wills has prescribed a detailed scope of work for Phase 1 and a more general scope of work for Phase 2 based on estimates of material quantities. To avoid the problems associated with more than 1 contractor operating in the same construction area, the tender will be awarded to one contractor based on unit prices for the detailed design of Phase 1 and the estimated quantities for Phase 2. Phase 2, however needs to be subject to detailed engineering design without delay so that the construction of both phases can be completed in tandem.

Given the unique circumstances of the 2018 Construction program, it is recommended that D. M. Wills Associates Limited be retained to complete the engineering design for Phase 2 as well as the construction supervision and contract administration for the entire 2018 program.

The cost to provide the detailed engineering design and contract documents for Phase 2 (approximately \$2.0 M construction value) is \$105,000 plus HST. The cost to provide full time supervision and contract administration for the entire 2018 Construction program (approximately \$4.0M construction value) is \$164,000 plus HST. This includes the involvement of other consultants who have contributed to the design, such as landscape architecture and electrical engineering.

Lastly, subject to market demand, it is envisioned that Cleantech Commons will be developed over multiple phases and years. Phases 1 and 2 will open up approximately 50% of the development potential of Cleantech Commons. A third phase is forecasted in the 2018 Capital Budget for expenditure in 2019 to ensure that there is a varied inventory of large and small building sites. For project continuity, it is recommended that D. M. Wills Associates Limited be formally recognized as the Engineer of Record, acting on the City's behalf, for all phases of Cleantech Commons.

This Engineer of Record arrangement will continue at the City's discretion based on satisfactory review of performance and pricing. The designation allows the City to use D. M. Wills without a formal procurement process within Cleantech Commons. If Council is supportive of the designation of Engineer of Record, it is recommended that the Administrative Staff Committee be delegated the authority to award further engineering assignments within Cleantech Commons to D. M. Wills Associates Limited providing budget availability.

Purchasing By-law Authority

Section 6.3 of the Purchasing By-law 14-127 requires a Bid Solicitation process when the value of the service is expected to exceed \$25,000.

Section 9.1.2 of the Purchasing By-law provides direction on when it may be appropriate to use a non-competitive procurement process. Section 9.1.2 (d) recognizes the need to ensure continuity of responsibility and compatibility with previous work. This condition applies in this circumstance. The Director of Corporate Services has the authority to approve a non-competitive procurement process for these circumstances and has done so for this work.

Section 8.2.1 of the Purchasing By-law requires the approval of Council where the expenditure is greater than \$100,000.

Submitted by,

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