



City of
Peterborough

To: Members of the General Committee

From: Jen McFarlane, Commissioner, Municipal Operations (Acting)

Meeting Date: April 22, 2024

Report: Contract Amendment for Consulting Services to support the Peterborough Organics Facility Project, MOENV24-002

Subject

A report to recommend an increase to the City's contract for professional Consulting Services to support the Peterborough Organics Facility (POF) Project.

Recommendation

That Council approve the recommendation outlined in Report MOENV24-002, dated April 22, 2024, of the Commissioner, Municipal Operations (Acting) as follows:

That the agreement for Consulting Services to support the Peterborough Organics Project with D.M. Wills Associates Limited, 150 Jameson Drive, Peterborough, Ontario, K9J 0B9, be increased by \$429,352.00 from \$1,238,460.00 to \$1,667,812.00, plus HST of \$216,815.56 for a total of \$1,884,627.56.

Executive Summary

- D.M. Wills Associated Limited (Wills) has provided technical support through each of the iterations of the Organics project over the last decade.
- The continuity of Wills support through design, engineering, planning and regulatory approvals, as well as tendering, design and construction administration have provided efficient, economical support.

- Combined Leaf & Yard waste plus Source Separated Organics collection and processing project planning began in 2014, with significant developments in the industry, as well as supply chain, and inflationary pressures over the past decade.
- An increase in the consulting services contract is required to cover changes required in the planning and regulatory approvals, design changes for value engineering, as well as extended construction and commissioning contract administration.

Background

Council at its meeting of September 23, 2019, through Report IPSES19-010, endorsed staff proceeding with the provision of the Peterborough Organics Project to process Leaf and Yard Waste (LYW), as well as Source Separated Organics (SSO) with support through a Federal Low Carbon Economy Fund (LCEF) grant. The Federal grant support offered up to 40% support but includes very restrictive schedule and implementation requirements. Staff have managed to implement a SSO collection and processing program and take full advantage of the grant support.

This project is the culmination of several projects over the last decade to process LYW and SSO. One continuity with each of the project iterations has been the specialised support provided by D.M. Wills Associated Limited (Wills). Wills has provided efficient delivery of consulting services to support the engineering and design, planning and regulatory approvals, as well as tendering, design and construction administration through commissioning. The contract amendment is required to support additional work and costs associated with:

1. Planning Approvals – The POF site is located outside of the City of Peterborough. Rezoning by the Township and County of Peterborough were required. Significant delays were caused by additional unanticipated consultation, review, and incorporation of requirements.
2. Regulatory Approvals – The POF requires approval from the Ministry of Environment Conservation and Parks (MECP), additional input through the planning approvals and stakeholder input led to additional rounds of MECP review requiring technical design clarification and explanation, as well as design changes.
3. Design Changes – Project planning and estimates began in 2014, with various project interruptions and changes in direction based on restrictive funding. Over the same period, there was significant escalation in all costs. After a competitive process to award the construction of the POF; value engineering was required to move the project forward and take full advantage of the Federal grant support. The value engineering process included, design review, negotiation with prospective constructors. The design changes were completed iteratively, and

ultimately required document and drawing updates by the design team. The value engineering and design changes were required to deliver the essential components of the project within a restrictive schedule and approved budget including optimizing the Federal grant support.

4. Extended Construction and Commissioning Contract Administration – The POF is partly supported by a very restrictive GHG reduction grant from the Federal government under the Low Carbon Economy Fund. The design, planning, and regulatory approvals as well as initial phases of construction were completed through the recent pandemic as well as escalated inflation, and delays on approvals, labour, materials, and equipment. The project planning began in 2014, and the original project schedule and budget have been subject to extreme inflationary pressure, and supply chain constraints. The delays on previous project phases have constrained the construction schedule, and despite efforts by our construction contractors to expedite and maintain schedule, the delays have extended the required contract administration, design supervision and oversight timelines and the associated labour costs. Continuity through the final commissioning, implementation, and documentation close out is imperative to meet the facility regulatory requirements.

Strategic Plan

Strategic Pillar: Infrastructure

Strategic Initiative: Continue to invest in lower carbon footprint initiatives which support the City's unique biodiversity to ensure the sustainability of our future.

The Peterborough Organics Facility Project reduces greenhouse gases and extends the use of our current Landfill for additional valuable years.

Budget and Financial Implications

The total increased project costs (net of the HST rebate) are as follows:

Line	Description	Amount
1	Planning Approvals	\$55,333.00
2	Regulatory Approvals	\$41,237.00
3	Design Changes – Value Engineering	\$73,288.00

4	Extended Construction and Commissioning Contract Administration	\$259,494.00
5	Sub Total	429,352.00
6	HST Payable by the City	\$7,556.60
7	Total Additional Estimated Cost (Net of HST rebate)	\$436,908.60

The total additional services for \$436,908.60, net of the HST rebate, can be accommodated within the approved budget of the Capital Project 5-21.01 (Questica #19-107). The costs for additional services have been reviewed by staff and deemed reasonable.

Conclusion

It is recommended that for continuity of responsibility, and project completion to meet the regulatory requirements; the contract be amended to allow D.M. Wills Associates Limited be further retained to complete the Peterborough Organics Facility project. The contract amendment will provide continuity through construction and commissioning and meet the regulatory requirements of the POF.

Submitted by,

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Commissioner, Municipal Operations (Acting)

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