

Clause No. 34 in Report No.12 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 26, 2014.

34

EXTENSION OF AGREEMENT FOR ENGINEERING POSITION FOR YORK-DURHAM SEWAGE SYSTEM PROJECTS

Committee of the Whole recommends adoption of the following recommendations contained in the report dated June 3, 2014 from the Commissioner of Environmental Services:

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize an extension of the agreement between the Region and the Regional Municipality of Durham to fund a professional engineering position to support York-Durham Sewage System projects for a further term of two years, expiring June 30, 2016, at a total cost of \$270,000 including applicable taxes.
2. The Commissioner of Environmental Services be authorized to exercise the option to extend the agreement annually for up to three years, expiring June 30, 2019, on the same terms, provided that the funded position has performed the services to the satisfaction of the Commissioner and it is within the Capital Spending Authority for this project.

2. PURPOSE

This report seeks Council authorization to extend the agreement with Durham Region to fund a full-time professional engineering position to work on behalf of Durham Region on York-Durham Sewage System projects that benefit York Region. York Region's Purchasing Bylaw requires Council authorization to extend service agreements that would result in a total contract term in excess of five years.

3. BACKGROUND

Staff from York and Durham Regions are working collaboratively on York-Durham Sewage System projects

York Region and Durham Region have been working cooperatively on several significant engineering projects required for the York-Durham Sewage System. Prior to the current agreement being executed in June 2009, Hatch Mott MacDonald was retained by York Region on a temporary basis to provide engineering support on behalf of Durham Region for the Southeast Collector Trunk Sewer Project at a cost of \$172,000 per year. Because of the continuing nature of the York-Durham Sewage System projects, it was proposed that Durham Region hire a professional engineer on a contract basis for a term of five (5) years. York Region has reimbursed Durham Region in full for the cost of this contract position.

The contracted professional engineer was dedicated to work on York-Durham Sewage System projects benefitting York Region, including the Southeast Collector Trunk Sewer, the Southeast Collector Trunk Sewer metering strategy and the Duffin Creek Water Pollution Control Plant Outfall Environmental Assessment. At the time the original agreement was executed, it was forecasted that the associated projects would be completed upon expiry of the original term. At this time, the projects are not entirely finished. It is expected that all these key YDSS projects will be completed by 2019.

4. ANALYSIS AND OPTIONS

Funding a full-time engineer has proven to be a significant benefit and proven to be more cost effective than the previous reliance upon external consultant staff

There are several projects currently underway by York Region and Durham Region in connection with the York-Durham Sewage System. These include the construction of the Southeast Collector Trunk Sewer Project (\$564M), upgrading the existing Odour Control Facility on the existing Southeast Collector Trunk Sewer (\$13M) and implementing additional capacity at the Duffin Creek Water Pollution Control Plant (\$510M) as well as the Duffin Creek Water Pollution Control Plant Outfall Environmental Assessment which is currently the subject of ongoing Part II Order review by the Ministry of the Environment. These projects require continuous resources to coordinate the management of the York-Durham Sewage System projects and to provide project review and technical input on behalf of Durham Region. Previously, a consultant was retained to perform such services at an annualized cost of \$172,000 per year.

As a cost saving alternative in 2009, Council approved Durham Region's creation of a full-time contract position to assume these responsibilities. The contract was for a term of five years and is now approaching expiry in June 2014. The total estimated annual cost, including salary and benefits, was \$130,000 in 2009, plus a cost of living adjustment in subsequent years. Costs in 2013 were \$134,000.

Position enables prompt access and service from within Durham Region

This position coordinates the involvement of the various engineering and operational staff within Durham Region, attends stakeholder meetings, meets with regulatory agencies and provides project sign offs from Durham Region at the various key milestones during the design and construction phases of the project. Having a representative of the Regions' projects employed directly by Durham Region has proven very advantageous for York Region as it enables prompt access and service from the many stakeholders within Durham Region.

Agreement provides flexibility to revise service level or duration

It is proposed that Council extend the current agreement for a period of two years and not to exceed five years and that York Region reimburse Durham Region for salary and benefits related to this position. The current agreement enables York Region to reduce service level commitment to part-time if the project requirements diminish in this time period. It also stipulates that funding would be terminated in the event that York Region is not satisfied with the individual's performance or if the position is no longer required.

Link to Key Council-approved Plans

Approval of this recommendation will support the 2011-2015 Strategic Plan priority to continue to deliver and sustain critical infrastructure. More specifically, the recommendation aligns with the strategic objectives of prioritizing new capital infrastructure project to support managed growth and optimize community benefit, as well as partnering with all levels of government to facilitate the delivery of environmentally sustainable infrastructure.

5. FINANCIAL IMPLICATIONS

The total estimated cost of funding this position is \$270,000 for 2015 and 2016 to be funded through various York-Durham Sewage System Capital Projects within the Water and Wastewater 10 Year Capital Plan, which have adequate budget and Capital Spending Authority to fund the position for five years.

The total cost over the five-year period is estimated at \$700,000. These costs will form part of the overall project costs and are primarily funded through development charges for growth-related projects.

6. LOCAL MUNICIPAL IMPACT

There are no direct local municipal impacts associated with this report.

7. CONCLUSION

To continue with greater efficiency and cost savings, it is recommended that York Region extend the existing service level agreement with Durham Region for the provision of a full-time professional engineer, retained by Durham Region and funded by York Region, to provide project review and technical input on York-Durham Sewage System projects that directly benefit York Region.

For more information on this report, please contact Mike Rabeau, Director, Capital Planning and Delivery at 905-830-4444 Ext. 75157.

The Senior Management Group has reviewed this report.