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CONSULTING SERVICES FEE FOR ADDITIONAL SCOPE REQUIRED TO DEVELOP ALTERNATIVE ODOUR MANAGEMENT SOLUTIONS FOR SOUTHEAST COLLECTOR TRUNK SEWER INDIVIDUAL ENVIRONMENTAL ASSESSMENT

The Transportation and Works Committee recommends the adoption of the recommendation contained in the following report dated June 3, 2009, from the Commissioner of Environmental Services.

1. RECOMMENDATION

It is recommended that:

1. The existing purchase order number B8634 to AECOM Canada Ltd. be increased from \$15,675,159.56 to \$18,985,559.56, exclusive of GST for the additional consulting services for the Individual Environmental Assessment outside the original scope of work and in excess of the contingency and the additional scope allowance provided for in the Purchasing By-law.

2. PURPOSE

This report provides background and an explanation to increase the fee for consulting and engineering services for the Southeast Collector Sewer Individual Environmental Assessment (IEA) beyond the contingency and additional scope allowance provision in the Purchasing By-law for additional scope required to develop alternative odour management solutions.

3. BACKGROUND

Essential work required for Individual Environmental Assessment submission documents

Regional Council, at its meeting of September 27, 2007, established a budget of \$15,675,159. This report outlines a number of additional work items that were subsequently undertaken as part of the preparation of the IEA documents to ensure the complete documentation of the IEA process. The increased scope of work also included additional consultation and development of a process for selecting and assessing environmental, recreational and infrastructure enhancements (ERIE) related to the Bob Hunter Memorial Park, Rouge Park, City of Pickering and Town of Markham. Finally, it was determined essential to undertake a screening under the Canadian Environmental Assessment Act (CEAA) in parallel with the IEA submission under the Provincial Environmental Assessment Act.

Assessing alternative odour control solutions

Since submitting the IEA documents, there have been a number of concerns expressed regarding the siting of the Odour Control Facility (OCF) at Shaft 6/7 located south of the Cherrywood West community. This location was determined as the preferred location under the IEA process. Following the public consultation undertaken during the IEA and a community meeting held on November 8, 2008, considerable opposition developed from the Cherrywood West community and other Pickering residents. The City of Pickering and the Region of Durham subsequently passed council resolutions requesting this facility to be relocated to York Region and away from the Cherrywood West community. This request necessitated a detailed re-assessment of 13 alternative sites for the OCF including locations in Pickering, Markham and the City of Toronto. This additional review of alternative OCF locations has been documented and submitted to the Ministry of the Environment (MOE). Ongoing efforts have continued to arrive at a technically feasible solution for managing odour that involves relocating the OCF to the York/Durham Line (Y.R.30) north of Steeles Avenue along with the appropriate equipment to move this air to this new location for treatment.

4. ANALYSIS AND OPTIONS

Additional work required by Ministry of the Environment and stakeholders expended on Individual Environmental Assessment submission documents

Additional work valued at \$1,182,400 has been undertaken to prepare the IEA submission package for the MOE including:

- Preparation of mitigation and enhancement plans (ERIE process) in response to agency/stakeholder comments related to the Bob Hunter Memorial Park, Rouge Park, City of Pickering and Town of Markham.
- Development, evaluation and presentation to MOE of additional four alternative routes associated with Bob Hunter Memorial Park.
- Preparation of Minister's Conditions Package.
- Canadian Environmental Assessment Act screening and documentation.
- Preparation of landscape rendering for Bob Hunter Memorial Park and artist renderings for compound locations.
- Pre-submission of EA Report, printing and disbursements.

These additional works are essential to provide a complete submission of IEA documents to the MOE including a pre-submission circulation of the draft IEA documents to government review agencies and key stakeholders for review and comment.

Inclusion of these key additional items of work resulted in a more complete submission of documents to record the IEA process and the recommended preferred solution for the

new Southeast Collector trunk sewer. Initial feedback from the MOE has been positive on the IEA submission package due in part to these additional work items.

Additional fees required to determine a satisfactory alternative odour control solution

As a follow-up to the public consultation undertaken during the IEA process and a community meeting held on November 8, 2008, considerable and ongoing effort has been expended to determine a satisfactory alternative strategy that will address the concerns of the Cherrywood West and Pickering residents as well as satisfy the resolution of Durham Regional Council to relocate the Odour Control Facility (OCF) to York Region. The additional effort undertaken to develop a satisfactory alternative odour control solution as well as future additional work anticipated for ongoing community and agency meetings and technical review is valued at \$2,128,000.

Considerable effort has been required since the November/08 filing of the IEA to address concerns and questions raised by the public regarding operational effectiveness of the Odour Control Facility as well as facility appearance and impacts on the community. Over 300 letters were responded to in this regard. Further, additional effort has involved a review of 13 alternative sites for the OCF including locations in Pickering, Markham and Toronto. This additional review of alternative OCF locations was documented and submitted to the MOE. Notwithstanding this additional review of alternative sites, an ongoing effort has continued to assess alternative technical solutions for moving the air from the odour generation locations at Shafts 6/7 and Shaft 4 to an acceptable location.

Development and evaluation of alternative solutions was also undertaken including transferring the air to alternative locations along the YDSS for treatment along with associated capital upgrades.

Subsequently, a solution was developed to more directly address the concerns of Pickering residents and the resolution of Durham Council that involves the relocation of the OCF to York/Durham Line (YR30) at a location north of Steeles Avenue referred to as Shaft 9. Although the original location at Altona Road is preferred on a technical basis, technical feasibility of the proposed location on YR30 has been confirmed and better balances community desires with project requirements. Additional design work and consultation is ongoing to further refine and present the preferred location for the OCF. Further, it is necessary to amend the current IEA submission documents to reflect the new alternative odour control solution. This alternative solution will involve ongoing meetings with area residents. Additional meetings will be needed with approval agencies and stakeholders to clearly communicate the features and mitigation measures of this new odour control solution.

Additional fees for public consultation and detailed design required for the alternative odour control solution in York Region

The alternative odour control solution involving relocating the OCF to York Region will involve additional consultation with the public, agencies and interested stakeholders. This additional consultation is required as part of the EA process and will be a necessary step to demonstrate that the public and agencies have been informed and consulted on this change. The results of this consultation step will be reflected in the revised IEA documentation to be submitted to the MOE. It should be recognized that the IEA process is currently on a “time out” pending the satisfactory completion of this necessary consultation step. The consultation has, and may continue to, include the development of appropriate materials, mailings, website materials, newspaper ads, public articles, letters, and door-to-door contacts with the interested public. A Public Information Forum was held in May to discuss alternative solutions, and based on stakeholder input, additional design changes are being incorporated to refine the preferred solution which will require additional consultation with stakeholders prior to resubmitting the amended IEA. Issues surrounding the odour control strategy will necessitate ongoing efforts with the community and interested stakeholders throughout the remainder of the IEA process. Fees in the amounts of \$325,000 for additional consultation and \$500,000 for additional detailed design work are allocated under separate consulting assignments to implement the new odour control solution. These additional efforts will continue throughout design, construction and commissioning of the Southeast Collector.

5. FINANCIAL IMPLICATIONS

The total requested consulting services fee increase is \$3,180,400 on Purchase Order B8634, exclusive of GST (see Table 1 below).

Table 1
Summary of Additional Fees

Change of Scope to IEA Since 2007	\$1,182,400
• Pre-submission of draft IEA since 2007 • Detailed mitigation and enhancement plan • Bob Hunter Memorial Park (BHMP) alternative route evaluations • Minister’s conditions report submission • Canadian Environmental Assessment Act – Project screening • Landscape artist renderings for BHMP and shafts/compounds	
Develop/Assess Alternative Odour Control Strategies	\$2,128,000
• Communication materials to address public/agency concerns	

- Assessment report for 13 alternative odour control facility locations
- Prepare amended IEA submission to MOE for alternative odour control solution
- Additional meetings with stakeholders (agencies, municipalities, public)
- Develop/evaluate technical feasibility of alternative solutions
- Technical support for public consultation/communications program

TOTAL \$3,310,400

Costs for additional work to implement the alternative odour management strategy will be covered through activation of scope change and contingency allowances provided for with the Purchasing By-law on separate consulting assignments.

Sufficient funds are available in the 2009 10-year Capital Wastewater Budget for these additional consultation services. These costs will form part of the overall Southeast Collector project costs and are typically being funded through development charges and user rates.

Since 2002, 712 purchase orders with a total value of \$1,274,270,697 have been issued to secure engineering, consulting and construction services on water and wastewater projects. Of these, 70 or 10% of the purchase orders have required increases beyond the increases allowed in the Regional Purchasing By-law. The total value of such increases is \$41,289,518 or 3% of the total original value of the purchase orders.

6. LOCAL MUNICIPAL IMPACT

The new Southeast Collector Trunk Sewer is required to commence construction in 2010 to provide sewer capacity for approved growth in York Region.

Further, as envisioned in the Province of Ontario's Growth Plan for Greater Golden Horseshoe (2006), there will be the requirement to service a residential population of 1.5 million people and an employment population of 800,000 people by the year 2031. To achieve this, a new Southeast Collector Trunk Sewer is required to carry the projected flows to accommodate growth in York Region to 2036 and beyond.

7. CONCLUSION

To address the additional scope required to complete the on IEA submission documents and the requirement to determine a satisfactory alternative odour control solution, it is

recommended that the current purchase order be extended from \$15,675,159.56 to \$18,985,559.56, exclusive of GST to AECOM Canada Ltd. for additional consulting services to bring the IEA to the approval stage. This represents an increase of \$3,310,400.00 to the previous approved fee.

For more information on this report, please contact Daniel Kostopoulos, Director, Capital Planning and Delivery Branch, Environmental Services at extension 5070.

The Senior Management Group has reviewed this report.