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**Subject:** Purchase Order Increase for Parsons Inc, for the Municipal Class Environmental Assessment, Detailed Transportation Assessment, Detailed Design and Contract Administration for Regional Road 98 (Montrose Road, City of Niagara Falls)

**Report to:** Public Works Committee

**Report date:** Tuesday, August 13, 2024

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## **Recommendations**

1. That an increase to the Parsons Inc. Contract in the amount of \$412,752 (including 13% HST) **BE APPROVED** for a total revised Contract value of \$3,063,906 (including 13% HST), to be funded from the approved project budget;
2. That the Engineering Agreement with Parsons Inc. (Parsons) for the Montrose Road and Lyons Creek Road/Biggar Road – Municipal Class Environmental Assessment and Detailed Design in the City of Niagara Falls **BE AMENDED**, in a form satisfactory to the Director of Legal and Court Services, to include the additional fees and scope of work necessary to complete the project; and
3. That the Commissioner of Public Works **BE AUTHORIZED** to execute the amendment to the Engineering Agreement between The Regional Municipality of Niagara and Parsons Inc.

## **Key Facts**

- This report seeks Council's approval to amend the Agreement with Parsons Inc. (Parsons) for engineering services, contract administration and construction inspection (2019-RFP-334) to include additional works in the amount of \$371,697 (including non-recoverable HST).
- These additional works will address project needs not predicted as part of the original scope of work, primarily related to contract administration, inspection, and design of unanticipated works.
- The additional scope will be funded from the existing, approved project budget; no additional funds are required.
- Per Schedule "B" of the Procurement By-law, Council approval is required for Single Source procurements greater than \$1,000,000;
- Although the original contract was competitively bid and awarded to Parsons, the cumulative value of additional fees for works added by the Region and City have a

total value of greater than \$1,000,000; for this reason, the increase requested in this report requires Council authority.

## **Financial Considerations**

This request to amend the Agreement does not require any increase to the approved budget.

The total revised Contract value with Parsons is \$2,759,148 (including non-recoverable HST) and the total approved budget for this project is \$46,122,182.

Parsons was retained through a competitive bidding process under Request for Proposal 2019-RFP-334 and the original Agreement/Purchase Order value was \$992,162 (including non-recoverable HST). Council has since approved increases to PO 0000076921 totaling \$1,395,289 (including non-recoverable HST) authorized under reports PWC-C 23-2021 and PW 4-2022 respectively.

Niagara Region and the City of Niagara Falls have entered into a cost sharing agreement. The City of Niagara Falls' cost share for the total project contribution is estimated to be \$17,790,651.

A full budget breakdown can be found in Appendix 2 to Report PW 24-2024 – Total Estimated Project Costs.

## **Analysis**

**The scope of this project has increased due to legislative changes to the excess soils regulation and the addition of unanticipated works by our project partners.**

Parsons was retained by Niagara Region through a competitive procurement to complete the Municipal Class Environmental Assessment, Detailed Design, Contract Preparation and Contract Administration for the Reconstruction of Regional Road 98 (Montrose Road) in the City of Niagara Falls.

During the four years since the original Engineering Agreement was entered into with Parsons, project scope changes have been introduced as a result of:

- New requirements related to excess soils regulations
- Requests from project partners such as additional underground infrastructure works

- Changes and additions to the scope of design and construction due to the urban area expansion undertaken by the City of Niagara Falls

**Responding to the needs of our project partners delivers the best possible outcome.**

The original plan of constructing these improvements in one contract was altered to allow for a staged construction. This change in staging was required to accommodate infrastructure installation timing required by the new South Niagara Hospital. Part 1 is currently under construction and will be completed in August of 2024.

The City of Niagara Falls is a major stakeholder and cost sharing partner on Part 1 of this project, and as such has been included throughout the project including notification of any changes and additions to the scope of work for their portions of the project. The City of Niagara Falls cost share contribution for Parson's work is estimated to be \$1,252,922. Niagara Region and the City of Niagara Falls have entered into a cost sharing agreement, and the amending agreement will address any changes to the City's portion of the cost.

Part 2 of the construction project is a partnership with the Ministry of Transportation Ontario (MTO) and construction is anticipated to commence in early 2025. There will be cost sharing with the MTO on this construction work. Niagara Region and the MTO are currently in the process of finalizing the legal agreement.

**Extension of the existing agreement with Parson will allow for continuation of the project to meet our current completion obligations.**

Per Section 18. (a) (i) of Niagara Region's Procurement By-law 02-2016 as amended: Bid Solicitations are not required for Single Source Purchases provided that the compatibility of a Purchase with existing equipment, product standards, facilities or service is a paramount consideration. Extending the current agreement with the existing service provider (Parsons) to complete the full scope of work will allow for timely project completion.

Upon authorization from Council, an amending agreement will be prepared and executed for the additional services outlined in this report.

## **Alternatives Reviewed**

### **Delay completion of Part 2 of the project until a future date (not recommended)**

Delaying the completion of the Part 2 design would impact construction timing requirements with our cost sharing partner (MTO) and may impact the current function of the road corridor. Additionally delays to the schedule could result in additional construction cost as current market trends continue to show an increase year over year.

### **Relationship to Council Strategic Priorities**

The recommendations in this report align with Council's Strategic Priority of ensuring a Prosperous Region through improvements to the transportation network, including active transportation, and to create jobs through attracting new business.

This project is being undertaken in support of the proposed South Niagara Hospital and anticipated future mixed-use development within the surrounding Strategic Growth Area identified in the Niagara Region Official Plan by providing road capacity and infrastructure improvements.

### **Other Pertinent Reports**

Refer to Appendix 3

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**Recommended by:**

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Commissioner of Public Works  
Public Works Department

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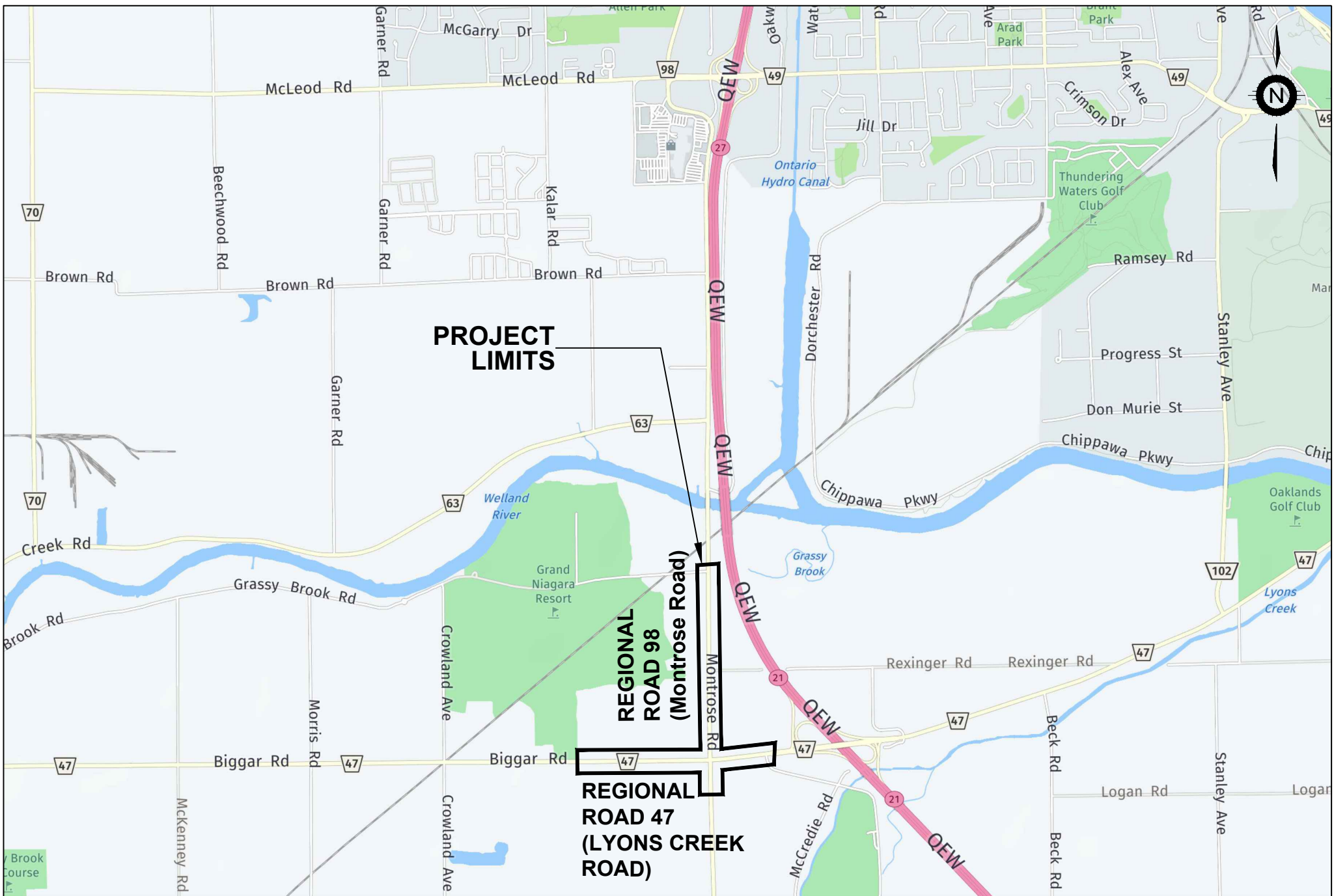
**Submitted by:**

Ron Tripp, P.Eng.  
Chief Administrative Officer

This report was prepared in consultation with Graeme Guthrie, Associate Director Transportation Engineering; Brian McMahon, Program Financial Specialist; Michelle Rasiulis, Procurement Manager; Janet Rose, Communications Consultants; and reviewed by Donna Gibbs, Director Legal Services and Frank Tassone, Director Transportation Services.

**Appendices**

Appendix 1	Key Plan
Appendix 2	Total Estimated Project Cost
Appendix 3	Other Pertinent Reports



**PW 24-2024 Appendix 2****Total Estimated Project Cost - Additional Fees****2019-RFP-334 for the Montrose Road and Lyons Creek Road/Biggar Road – Engineering Services, Contract Administration and Construction Inspection**

<b><u>Total Estimated Project Cost (20001191)* and Project Funding Sources</u></b>	<b>Council Approved Budget</b>	<b>Budget Increase/ Reallocation</b>	<b>Revised Council Approved Budget</b>	<b>Expended &amp; Committed as of 06/30/24</b>	<b>Contract Award/ Forecast</b>	<b>Budget Remaining</b>
<b>Project Element</b>	<b>(A)</b>	<b>(B)</b>	<b>(C) = (A) + (B)</b>	<b>(D)</b>	<b>(E)</b>	<b>(F) = (C)-(D)-(E)</b>
A. Planning	39,517	(19,758)	19,758	19,758	-	-
B. Construction (including Construction Contingency and 1.76% non-refundable HST)						
i. Niagara Region (Phase 1 - Part 1)	14,475,477	-	14,475,477	11,296,489	3,178,987	-
ii. City of Niagara Falls	16,345,666	(43,986)	16,301,680	16,301,680	-	-
iii. Ministry of Transportation Ontario	3,000,000	-	3,000,000	-	3,000,000	-
iv. 2024 Capital Budget (Phase 1 - Part 2)	3,734,058	(161,711)	3,572,348	-	3,572,348	
C. Project Contingency	-	-	-	-	-	-
D. Property Acquisition	3,000,000	-	3,000,000	2,542,304	457,696	-
E. Consulting Engineering Services						
i. Detailed Design (inc Phase 1 - Part 2)						
(1) Niagara Region	1,008,382	20,779	1,029,161	825,829	203,332.53	-
(2) City of Niagara Falls	863,590	43,986	907,576	907,576	-	-
ii. Contract Administration & Inspection						
(1) Niagara Region	283,522	54,991	338,514	283,522	54,991	-
(2) City of Niagara Falls	231,974	-	231,974	231,974	-	-
iii. Geotechnical Service-Quality Control						
(1) Niagara Region	-	138,567	138,567	138,567	-	-
(2) City of Niagara Falls	113,373	-	113,373	-	113,373	-
F. Project Management (In-House) and Operations	524,422	-	524,422	359,502	164,920	-
G. Traffic Signals and Signs	-	-	-	-	-	-
H. Utility Relocation						
i. Niagara Region	2,137,839	-	2,137,839	2,311,485	(173,646)	-
ii. City of Niagara Falls	236,049	-	236,049	-	236,049	-
I. Subsurface investigation	10,140	-	10,140	10,028	112	-
J. Miscellaneous	118,174	(32,869)	85,306	85,306	-	-
<b>Total Estimated Project Cost</b>	<b>46,122,182</b>	<b>-</b>	<b>46,122,182</b>	<b>35,314,020</b>	<b>10,808,162</b>	<b>-</b>

<b><u>Total Estimated Project Cost (20001191)* and Project Funding Sources</u></b>	<b>Council Approved Budget</b>	<b>Budget Increase/ Reallocation</b>	<b>Revised Council Approved Budget</b>	<b>Expended &amp; Committed as of 06/30/24</b>	<b>Contract Award/ Forecast</b>	<b>Budget Remaining</b>
<b><u>Project Funding Sources</u></b>						
Regional reserves & debt	(3,799,730)	-	(3,799,730)	(3,799,730)	-	-
Development Charges	(21,531,801)	-	(21,531,801)	(15,365,502)	(6,166,299)	-
Municipal Cost Sharing - Niagara Falls	(17,790,651)	-	(17,790,651)	(11,978,716)	(5,811,935)	-
Other Cost Sharing - Ministry of Transportation Ontario	(3,000,000)	-	(3,000,000)	-	(3,000,000)	-
<b>Total Project Funding Sources</b>	<b>(46,122,182)</b>	<b>-</b>	<b>(46,122,182)</b>	<b>(31,143,948)</b>	<b>(14,978,234)</b>	<b>-</b>

\*All costs include 1.7602% non-refundable HST



## Appendix 3 - Other Pertinent Reports

### [CSD 58-2020 - 2021 Capital Budget](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=8d11493fa65c-4e19-9615-e5ea6bc14e20&Agenda=Merged&lang=English&Item=18&Tab=attachments>)

### [CSD 64-2021 Project Budget Approval for Reconstruction of Regional Road 98 \(Montrose Rd.\) between Regional Road 49 \(McLeod Rd.\) and Regional Road 47 \(Lyons Creek Rd.\) in the City of Niagara Falls](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=f370855ba800-4932-b0df-8f94e1697497&Agenda=Agenda&lang=English&Item=13&Tab=attachments>)

### [PWC-C 23-2021 PW Single Source Purchases over \\$100,000 – Exceptions](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=9aa51b17-536f-4a78-a67f-8d4065f60dd1&Agenda=Agenda&lang=English&Item=12&Tab=attachments>)

### [PW 4-2022 Regional Road 98 \(Montrose Road\) Reconstruction – Additional Design Fees for City of Niagara Falls Scope Change](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=7b96c96b-6246-4b1e-bceb-9e25cd3c24da&Agenda=Agenda&lang=English&Item=13&Tab=attachments>)

### [PW 10-2022 Gross Budget Increase for the Reconstruction of Regional Road 98 \(Montrose Rd.\) between Regional Road 49 \(McLeod Rd.\) and Regional Road 47 \(Lyons Creek Rd.\) in the City of Niagara Falls](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=26b77d7df909-40fa-8b98-65be21a256bf&Agenda=Merged&lang=English&Item=12&Tab=attachments>)

[PW 31-2022 Regional Road 98 \(Montrose Road\) Reconstruction – Amending Agreement](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=a9972d29-13ff-4e8f-9318-aeae86a746cc&Agenda=Agenda&lang=English&Item=20&Tab=attachments>)

[PW 1-2023 Award of Tender 2021-T-269 Reconstruction of Regional Road 98 \(Montrose Road\)](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=080e99c9e1d1-4ccb-ab05-5e4400d859ac&Agenda=Agenda&lang=English&Item=19&Tab=attachments>)

[PW 20-2023 Gross Budget Adjustment and Contract Increase for the Reconstruction of Regional Road 98 \(Montrose Road\)](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=14ca1390-5f44-4d85-9749-984f77b232a2&Agenda=Agenda&lang=English&Item=13&Tab=attachments>)

[CSD 43-2024 – 2024 Capital Budget](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=a6c5e2bdd88f-4811-ad69-4050055c83d4&Agenda=Agenda&lang=English&Item=12&Tab=attachments>)

[PW 9-2024 Regional Road 98 Montrose Road Reconstruction Increase to Approved Budget for Contract 2021-T-269](#)

<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=f1a449da-56b7-47e5-a046-29635f575803&Agenda=Merged&lang=English&Item=21&Tab=attachments>