

TO: GENERAL COMMITTEE

SUBJECT: LANDFILL RE-ENGINEERING SINGLE SOURCE PURCHASE OF PROFESSIONAL SERVICES

PREPARED BY AND KEY CONTACT: S. COULTER, MANAGER OF ENVIRONMENTAL OPERATIONS EXTENSION 5826

SUBMITTED BY: J. THOMPSON, P.Eng., PMP, DIRECTOR OF OPERATIONS

GENERAL MANAGER APPROVAL: J. SALES, GENERAL MANAGER of COMMUNITY OPERATIONS

CHIEF ADMINISTRATIVE OFFICER APPROVAL: JON M. BABULIC, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That a one (1) year extension of a Professional Services Agreement with Graeme Clark Holdings as a Single Source Purchase with an upset limit of \$120,000 per year be approved with options for further extensions as necessary to satisfy the requirements of and fully complete Phase 2 of the Landfill Re-engineering Project.
2. That the Mayor and Clerk be authorized to execute a Professional Services Agreement with Graeme Clark Holdings to the satisfaction of the Director of Legal Services.

PURPOSE & BACKGROUND

3. The purpose of this Staff Report is to provide Council with a brief outline of historical events associated with the Landfill Re-engineering Project and to provide detailed rationale supporting the recommendation to extend the professional services agreement with Graeme Clark Holdings.
4. On June 30, 2008 City Council adopted motion 08-G-372 regarding Landfill Site Re-engineering which approved project funding and authorized staff to proceed with procuring the goods and services to execute the multi-year project. Golder Associates were approved as the project engineer and the Director of Finance was authorized to issue 10-year debentures for Phase 1 in the amount of \$10 million.
5. On November 21, 2008 Tender 2008-28 Phase 1 Landfill Reclamation and Base Grade Preparation closed and staff evaluated the submissions.
6. On December 15, 2008 City Council adopted Motion 08-G-585 regarding Landfill Site Re-engineering – Phase 1 – Tender Award – Contract 2008-28 which awarded Contract 2008-28, for Landfill Re-engineering Phase 1 Reclamation and Cell 2A Base Grade Preparation to Golder Associates Innovative Applications (GAIA) Inc. in accordance with their tender submission. The associated Staff Report OPR011-08 outlined that GAIA is a construction company related to Golder Associates, the project engineers for the Landfill Re-engineering Project.
7. In May 2009 the City of Barrie retained Graeme Clark Holdings to provide third party review and contract administration services to address the potential for a perceived conflict of interest issue associated with the award of Tender 2008-28 Phase 1 Landfill Reclamation and Base Grade Preparation to the lowest compliant bidder Golder Associates Innovative Application (GAIA). Since the successful bidder and the project engineer Golder Associates were ultimately connected by a parent company, the City's Executive Management Team together with the Simcoe County Heavy Construction Association agreed that it was in the City's best interest to initiate a third party review of the project details including payment certificates and change orders.

8. Graeme Clark Holdings has extensive experience in construction and contract/project management as outlined in Appendix A and given the magnitude and overall costs of the project, the City of Barrie considered it appropriate to include other value added opportunities related to the project. The choice to engage Graeme Clark Holdings was predicated on the circumstances of the Landfill Re-engineering Project and Mr. Clark's qualifications, knowledge, experience and clear separation from the groups for which he was engaged to provide ongoing third party review and contract administration.

ANALYSIS

9. Section 15.1a) of Procurement By-law 2008-121 states that a single source purchase may be conducted for the procurement of goods, service(s) or construction of any contract value without the competitive bid process when there is a need for standardization to maintain functionality or existing service capacity.
10. Staff is recommending that the professional services agreement with Graeme Clark Holdings be extended as a single source purchase because of the need to maintain functionality with project management and contract administration as highlighted by the following project milestones and strategic advantages gained as a result of Mr. Clark's direct participation with the re-engineering project:
- a) Phase 1
 - i) Avoided any allegations of conflict of interest by providing detailed third party verification of progress payments and change orders.
 - ii) Assisted in the development of Phase 1 Liner Contract recognizing overall project schedule and potential constructor issues.
 - iii) Structure and negotiate cost effective optimization program resulting in liner installation ahead of schedule and avoiding doubling/triple handling of waste with an estimated saving in excess of \$2 million.
 - iv) Assisted with the resolution of differences in Phase 1 final quantities, negotiated final payment which resulted in the completion of Phase 1 on budget.
 - b) Phase 2 (to date)
 - i) Assisted with tender package development recognizing the advantages of a multi-year agreement, consolidate liner work within single tender to avoid constructor issues, remove/edit ambiguous contract language including HST language resulting in saving of approximately \$150 K.
 - ii) Member of the tender submission evaluation and recommendation team.
 - iii) Provide contract/project management expertise and guidance with respect to change order requests and related performance requirements.
 - iv) Support City staff with respect to project administration and act as an agent of the City when required allowing Branch management to focus on other related business units.
 - v) Provide guidance and assist with the resolution of public relations issues associated with the project such as odour and noise complaints.
 - vi) Track project expenses and forecast monthly expenses against budget.
11. As Phase 2 of the re-engineering project proceeds to completion through 2011 and 2012 additional work will be required to ensure the continued success of the project. These initiatives include:
- i) Ongoing contract/project management to the completion of Phase 2;
 - ii) Development of fines management strategy including the potential elimination of the need for offsite storage of fines;
 - iii) Assisting in developing Phase 3 tender documents and related contract; and
 - iv) Confirming Phase 2 final quantities and negotiating final payment.

12. The Environmental Operations Branch is leading the Landfill Re-engineering Project and over the next two years the Branch will also be fully engaged in several major projects that will create a significant draw on the Branch's current resources. These include:
 - i) Sustainable Waste Management Strategy (2011);
 - ii) Environmental Site Assessment of Closed Municipal Landfills (2011);
 - iii) Evaluate Options Associated with the Management of Excessive/Surplus Soils from Municipal Projects. (2012);
 - iv) Evaluate Opportunities to Increase Waste Diversion on Site (2012); and
 - v) Initiate Plan to Expand Waste Management Services into Annexed Lands (2012).
13. Mr. Clark's detailed knowledge and performance to date related to the Landfill Re-engineering Project together with his extensive experience in project management and contract administration will provide strategic benefits to this multi-year project and reduce resourcing pressures with the initiation of other significant projects within the Environmental Operations Branch.
14. On May 10, 2010 Council approved Motion 10-G-188 regarding Landfill Site Re-engineering – Status Update and Staff Report OPR005-10 was received for information. Staff Report OPR005-10 referenced the project budget as outlined on page 163 of the 2010 – 2019 Capital Plan which approved Phase 2 funds including \$120,000 per year for professional services contemplated with recommendations contained within this staff report.

ENVIRONMENTAL MATTERS

15. There are no environmental matters impacted by the recommendation.

ALTERNATIVES

16. There are two alternatives available for consideration by General Committee:

Alternative #1

General Committee could choose not to extend the professional services agreement with Graeme Clark Holdings.

This alternative is not recommended as the project management and contract administration work currently performed by Mr. Clark would shift back to the Environmental Operations Branch who is currently not resourced to undertake the additional work.

Alternative #2

General Committee could reject the single source purchase approach and require staff to go to market to procure the services through a competitive bid process.

This alternative is not recommended as Mr. Clark has gained extensive detailed knowledge of the work and project team over the past years and can strategically apply that knowledge to efficiently and effectively achieve desired outcomes. Procuring potentially new professional services support to the project prior to the completion of Phase 2 would initiate a new learning curve that would be detrimental to the forward progress of this project.

FINANCIAL

17. There are no financial implications for the Corporation resulting from the proposed recommendation as the appropriate funding has previously been included in the approval for Phase 2 of the Landfill Re-engineering Project.

LINKAGE TO COUNCIL STRATEGIC PRIORITIES

18. The recommendation included in this Staff Report is not specifically related to any of City Council's Strategic Priorities but is a requirement of ongoing service delivery.

APPENDIX "A"
Graeme Clark – Resume

Graeme A. Clark, P.Eng

7, Nordic Trail,
R.R.1 Shanty Bay, ON L0L 2L0

416-648-3344
graemeclark2912@gmail.com

SUMMARY OF QUALIFICATIONS

An accomplished Construction and Land Development professional who enjoys diverse challenges and uses excellent management and interpersonal skills to successfully achieve goals and objectives.

Recognized for accomplishments in the following areas:

- Governance Review
- Team Building
- Master Plan Development
- Project Management
- Policy and Procedure Implementation
- Innovative Solutions
- Budget and Cost Control
- Successful Delivery

PROFESSIONAL EXPERIENCE

Graeme Clark Holdings, Horseshoe Valley (2009 - ongoing)

Owner/President

Provided a full range of project management and construction services to clients in or related to the construction and land development and industry in southern Ontario.

Carillion Construction Canada

Vice President, Land Development, Toronto (2004 – 2008)

Responsible for all aspects of the land development portfolio and the municipal infrastructure construction group. Annual Budget \$80 million; Office staff 20, site staff/hourly paid 200.

- Reorganized the construction group by integrating functions and hiring technically competent professionals to create a more efficient team that could move easily from estimating to project management to contract control while reducing the overhead cost by 40%.
- Reviewed and revised all operational policies and procedures to reflect current industry standards to properly support the operation of the group. This was particularly effective in our Health and Safety area where WSIB compliance improved by 30%-50% and cash collection where outstanding receivables were reduced by 45%.
- Successfully re-established the company in the land development business by establishing joint venture partnerships and securing \$40m of land and housing deals over the last 4 years at an average anticipated IRR of 22%.

Clark Development and Construction, Horseshoe Valley (1998 – 2003)

Owner/President

Provided a full range of project management and construction services to the land development and construction industry in southern Ontario. Staff and subcontractors as required.

- Successfully completed the construction of 3 phases (198 units) of resort timeshare at Horseshoe Resort including recreation facilities. These projects included planning approvals, design and build and all were completed on time and within budget.
- Project managed the construction of a large storm water management facility for a developer in Maple Ontario. The project was completed on time and budget.
- Built 5 custom homes in Horseshoe Highlands for individual clients. These homes were built lump sum based on agreed drawings and specifications and were delivered on the agreed closing dates and registered with the new home warranty program.

Horseshoe Resort Corporation, (1995 – 1997)

Vice President, Development

Responsible for all aspects of the land development portfolio at Horseshoe Resort, including master planning, approvals, design and construction. Staff of 8 plus consultants and subcontractors as req'd.

- Two achievements were the registration of official plan and zoning designations highly favorable to the resort as well as the approval, design and construction of a sewage treatment plant.
- Obtained planning approvals and built 52 resort timeshare units and a \$1.3m recreation facility on time and budget.

Clark Development and Construction, Horseshoe Valley (1990 – 1994)

Owner/President

Established a company to provide a full range of project management and construction services to the land development and construction industry in southern Ontario. Staff and subcontractors as required.

- Project managed of a variety of projects including subdivision services for Horseshoe Highlands, golf clubhouse renovation in Oakville, house construction in Barrie and custom homes at Horseshoe.

Merrick Homes, Toronto (1987-1989)

Vice President, Construction

- Managed all aspects of the construction of approximately 350 subdivision homes/year.

George Wimpey Canada Ltd, Toronto (1979-1986)

- As Manager of house construction in 85/86 I was responsible for all aspects of the house construction division which built approximately 450 homes/year.
- As Chief Engineer I was responsible for supplying the various operational groups with all the engineering support functions required by a contractor involved in all areas of construction.

Cementation Construction Ltd, England (1978-1979)

- Senior Section Engineer supervising 2.3 million m³ of earthworks and 7 bridges on a major highway.

City of Glasgow, Parks Department, Scotland (1977-1978)

- Senior Engineer on a \$10m environmental inner city design and construction project.

Murray & Stewart Cape Town Pty, South Africa (1974-1977)

- Project Engineer for all engineering control and coordination of subcontractors and consultants during the construction of high rise commercial project in the centre of Cape Town.

Education and Professional Achievements

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|---|----------------|
| B.Sc., Civil Engineering, Scotland | 1974 |
| C.Eng, M.I.C.E., Chartered Engineer, Member of the Institution of Civil Engineers, UK | 1981 |
| P.Eng, Professional Engineer, Ontario | 1982 |
| Director, Toronto Area Road Builders Association | 2004 - 2008 |
| Director & Past President, Ontario Sewer and Watermain Construction Association | 2003 - ongoing |
| Director, Canadian Construction Association | 2009 - ongoing |
| Director and current Chair, Ontario Civil Construction Career Institute | 2009 - ongoing |
| Member of the Civil Construction Advisory Council – Georgian College | 2010 - ongoing |