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Council-In-Committee Meeting – December 14, 2021

Subject: Single Source Procurement for Continuing Norfolk County
Garage Soil Remediation Project
Report Number: OPS 21-17
Division: Operations
Department: Facilities
Purpose: For Decision

Executive Summary:

This report requests a single source procurement for the continuation of the soil remediation project at the Norfolk County Garage and woodlot, located at 568 Queensway W and 33 Rob Blake Way, Simcoe, respectively.

Discussion:

Project Background

Soil contamination of petroleum hydrocarbons and volatile organic compounds was discovered at the Norfolk County Garage in 2008 during a standard geotechnical investigation in preparation for the construction of the new fleet garage. Peto MacCallum Ltd. was retained to provide the geotechnical services to determine the extent and boundaries of the contamination, inclusive of off-site contamination that was determined to be present to the east of the garage.

Phase One Remediation – 548 Queensway West Property

The Remedial Action Plan (RAP) developed by Peto MacCallum Ltd. to address contamination on the 548 Queensway West property was prioritized as phase one of the remediation to avoid easterly migration of the contamination. The first phase of the off-site remediation was approved in May 2016 through Council report PW 16-46. Peto MacCallum Ltd. prepared the tender and Ground Force Environmental Inc. (GFEI) was awarded the construction tender. The Phase One Remediation, which started in the summer of 2016, concluded in 2018 and continues to be monitored.

Phase Two Remediation – Garage and Woodlot Areas

In order to prepare a Remedial Action Plan (RAP) to address the contamination of the Norfolk County Garage (568 Queensway West) and surrounding woodlot areas, Peto MacCallum Ltd. and Ground Force Environmental Inc. conducted a field trial in an area that displayed the greatest soil contamination. The intent of the field trial was to determine the effectiveness of the methodology prior to going full-scale. The trial was successful, and Peto MacCallum Ltd. developed a Remedial Action Plan (RAP) to complete the

remediation. The Remedial Action Plan (RAP) will be phased with the overall duration of the remediation project expected to last until 2025. A quotation was received from Ground Force Environmental Inc. in 2018 to complete the first year of the RAP and a single source procurement was approved through Staff Report PW 19-66 to complete the 1st year of the 5-year remediation. Due to construction disruptions related to the COVID pandemic, the 1st year of the remediation will be completed on December 31, 2021.

Due to the very large costs incurred by Ground Force Environmental Inc. to initially install and commission the remediation system currently in place, this report seeks approval to proceed with a single source procurement with Peto MacCallum Ltd. and Ground Force Environmental Inc. for the duration of the remediation project. Costs incurred to date to implement the RAP have been lower than projected and it is anticipated that the \$750,000 per year previously estimated for 2022 to 2025 within the 10-year Capital Plan will be sufficient to complete the remediation. Staff will continue to explore opportunities for efficiency and project cost savings throughout the remainder of the 5-year remediation.

Financial Services Comments:

The total approved life to date budget for the Norfolk County Garage Soil Remediation Project is \$9,651,000 with expenditures totaling \$6,536,200 to date, which excludes remaining current commitments of the project which total \$293,400. Based on current commitments, a favorable variance of \$2,821,400 is being projected. In addition, the 2022 Capital Plan includes \$2,250,000 planned for 2023 to 2025 which were approved in principal. The single source quotations of \$3,396,500 (Net of HST, rounded) would utilize the remaining approved allocation from 2022 and previous years, as well as \$575,100 from 2023's allocation. Staff are not recommending a budget amendment at this time, as the costs of this remediation project will be spread throughout the duration of the project. As such, there would be no budget impact to approving the single source procurement for this project.

Funding for this project is provided from the issuance of debentures. The *Municipal Act, 2001* requires that, prior to commencement of the capital project; Council is required to approve the issuance of long-term debentures. Further, the Treasurer is required to provide a Certificate of Treasurer, certifying that the issuance of the proposed debt will not exceed the financial obligation limit of the municipality. Attached to this report is a Certificate of Treasurer – CT 21-10 required under Regulations in the *Municipal Act, 2001*.

Interdepartmental Implications:

N/A

Purchasing Services Comments:

Purchasing staff have reviewed the report and advises that Norfolk County Policy CS-02 Section 4.8.4 requires all single source procurements to be authorized prior to the purchase through resolution of Council. Single source supply is defined where there is more than one vendor able to supply the goods or service but for reasons of function or

service, one supplier is recommended for consideration and the purchase will be made without a competitive bidding process.

Consultation(s):

The Manager, Purchasing Services was consulted in the writing of this report.

Strategic Plan Linkage:

This report aligns with the 2019-2022 Council Strategic Priority "Build and Maintain Reliable, Quality Infrastructure".

Explanation:

Norfolk County has a duty to remediate the site of the past contamination and protect Simcoe's water supply in the municipal well field.

Conclusion:

Year one of Phase Two of the soil remediation project has been completed and it is recommended that the remainder of the proposed remediation action plan be carried out by Ground Force Environmental Inc. and Peto MacCallum.

Recommendation(s):

THAT Report OPS 21-17 Single Source Procurement for Continuing Norfolk County Garage Soil Remediation Project be received as information;

AND THAT Council permits a single source procurement as outlined in Norfolk County Purchasing Policy ECS-02, section 4.8.4 with Peto MacCallum Ltd. to continue to supply geotechnical consulting services for the soil remediation project described in this report;

AND THAT Council permits a single source procurement as outlined in Norfolk County Purchasing Policy ECS-02, section 4.8.4 with Ground Force Environmental Inc. to continue to supply soil remediation services at the Norfolk County Garage and Woodlot;

AND FURTHER THAT the quotation from Ground Force Environmental Inc. in the amount of \$2,646,930.02 (excluding HST), for the year two to year five cost of Phase Two Remediation be approved and the General Manager, Operations be authorized to execute a contract with Ground Force Environmental Inc.

AND FURTHER THAT the quotation from Peto MacCallum Ltd., in the amount of \$690,842.00 (excluding HST), for the year two to year five cost of Phase Two be approved and the General Manager, Operations be authorized to execute a contract with Peto MacCallum Ltd.

AND FURTHER THAT the funding for the Norfolk County Garage Soil Remediation Project be provided by the issuance of debentures up to \$3,400,000 with a term not to exceed 20 years.

Attachment(s):

Attachment No. 1 – CT 21-10 Norfolk County Garage Soil Remediation

Reviewed and Submitted By:
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**CERTIFICATE OF TREASURER
CT 21-10**

Required by Ontario Regulation 403/02
Made under the *Municipal Act, 2001*

TO: The Council of Norfolk County

RE: Certificate of Treasurer CT 21-10 for the Norfolk County Garage Soil Remediation Update as provided in Report OPS 21-17 for Soil Remediation Norfolk County Garage and Woodlot Phase 2 – 2022-2025, at a maximum cost of \$3,400,000 to Norfolk County to be financed over a term not exceeding 20 years.

I hereby certify that I have calculated an updated annual debt and financial obligation limit using the most recent annual debt and financial obligation limit determined by the Ministry of Municipal Affairs in accordance with Ontario Regulation 403/02 as amended;

That I have calculated the estimated annual amount payable by Norfolk County in respect of the subject work and the calculation is based on current interest rates and amortization periods which do not exceed the lifetime of the project, all in accordance with generally accepted accounting principles; and

That the issuance of debt for the subject project will not cause Norfolk County to exceed its' updated and financial obligation limit.

"Kathy Laplante"

Treasurer/Director, Financial Management and Planning

December 3rd, 2021

Date