



**City of Kingston
Report to Council
Report Number 17-310**

To:	Mayor and Members of Council
From:	Jim Keech, President and CEO, Utilities Kingston
Resource Staff:	Mark Van Buren, Deputy Commissioner, Transportation and Infrastructure Services
Date of Meeting:	November 21, 2017
Subject:	Third Crossing – Action Plan Update

Executive Summary:

This report to Council provides an update of the Third Crossing Action Plan following the direction to staff in June 2017 to undertake the completion of the Third Crossing project including final design, construction procurement, and construction completion (Phase 4) only upon confirmation of grant funding from the Province of Ontario and the Government of Canada, representing at least a total of two-thirds funding of the project cost.

Following the announcement of grant funding for the project from the Province of Ontario in June 2017, staff has focused their efforts on securing matching grant funding from the federal government and the prognosis for receiving approval of the federal funding is good. In order to facilitate a timely completion of both the provincial and federal government grant funding agreements, staff is seeking the approval of Council to conclude any final negotiations of the grant funding agreements upon the announcement of federal funding. The approval of Council will also authorize the Mayor and Clerk to execute the final grant funding agreements when completed.

Phase 4 of the Third Crossing Action Plan entails the final design and construction of the bridge crossing. This report to Council describes the preparatory work that is needed in order to adhere to the project schedule identified in the Third Crossing Business Plan, which anticipates the commencement of construction in 2019 and project completion by 2022. Maintaining a work plan that supports the start of construction in 2019 will be necessary to adhere to the overall project budget identified in the Business Plan and avoid time delays where possible to control against construction price inflation. The timely preparation and execution of contracts and agreements will be required to facilitate these efforts.

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Recommendation:

That Council authorize the Mayor and City Clerk to execute the necessary agreements and other documents as may be required to enter into grant funding agreements with the Province of Ontario and the Government of Canada, in a form satisfactory to the Director of Legal Services, for the final design and construction of the Third Crossing project; and

That Council direct staff to proceed with preparatory work that will be required prior to the award of contract for the final design and construction of the Third Crossing project.

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Authorizing Signatures:

ORIGINAL SIGNED BY PRESIDENT & CEO, UTILITIES KINGSTON

Jim Keech, President and CEO, Utilities Kingston

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Lanie Hurdle, Commissioner, Community Services	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	√
Denis Leger, Commissioner, Corporate & Emergency Services	Not required

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Options/Discussion:**Background**

A Third Crossing Action Plan was originally provided to Kingston City Council in February 2013. The Action Plan described four phases that would enable the project to progress from the completed environmental assessment phase through preliminary design, business plan development, and conclude with the final design and construction. In June 2017, Council approved recommendations related to the completion of work associated with the Preliminary Design Study Report (Phase 2) and the Business Plan (Phase 3) of the Third Crossing project. Council also provided direction to staff to undertake the completion of the Third Crossing project including final design, construction procurement, and construction completion (Phase 4) only upon confirmation of grant funding from the Province of Ontario and the Government of Canada, representing at least a total of two-thirds funding of the project cost.

Grant Funding Update

On June 12, 2017 the Province of Ontario announced grant funding in the amount of \$60M for the construction of the Third Crossing project. Following this funding announcement, staff has been working with key contacts within the Ontario Ministry of Infrastructure to prepare the necessary grant funding agreement. At this point in time, the province has indicated that the grant funding agreement will be between the City of Kingston and the Ontario Ministry of Agriculture and Rural Affairs, with final preparations of the agreement to take place following the commitment of federal funding for the Third Crossing project.

The province has also nominated the Third Crossing project for federal grant funding under the Building Canada Fund (Provincial-Territorial Infrastructure Component). Staff has completed work with the Ontario Ministry of Infrastructure to prepare a business case submission and application to the Build Canada Fund which was subsequently received by the Minister of Infrastructure in August 2017 and is currently under review by Infrastructure Canada. Infrastructure Canada has not identified any concerns with the grant funding application and therefore staff anticipates that Infrastructure Canada will be recommending the Third Crossing project for grant funding approval within the next few months. If the project receives approval, then Infrastructure Canada will issue an Approval-in-Principle letter from the Minister which allows the project to begin incurring eligible costs without a signed agreement in place. At the same time, the City and Infrastructure Canada will prepare the Contribution Agreement that will become the legally binding agreement between the City of Kingston and the Government of Canada.

While respecting the decision-making process of the federal government and their associated timelines, the prognosis for receiving approval of the federal funding within the next few months is good and therefore staff should begin preparations for completing the corresponding grant funding agreements with both the provincial and federal governments. In order to facilitate a timely completion of both the provincial and federal government grant funding agreements, staff

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is seeking the approval of Council to conclude any final negotiations of the grant funding agreements upon the announcement of federal funding and subject to the satisfaction of Legal Services. The approval of Council will also authorize the Mayor and Clerk to execute the final grant funding agreements when completed.

Phase 4 – Preparatory Work

A staff team will undertake limited work that will be required for procurement work activities leading up, but prior to, the award of contract for the final design and construction of the Third Crossing project. Proceeding with preparatory work provides numerous advantages such as adhering to the project schedule identified in the Third Crossing Business Plan, which anticipates the commencement of construction in 2019 with the overall project scheduled to be completed in 2022. Maintaining a work plan that supports the start of construction in 2019 will be necessary to adhere to the overall project budget identified in the Business Plan and avoid time delays where possible to control against construction price inflation.

Based upon the recommendation to proceed with a design-build procurement model, the work activities include the development of a project charter, assembly of a project implementation team and governance structure, development of Request for Proposals, and on-going stakeholder engagement and communications. It is important to note that the preparatory work is limited in nature and will not bind the municipality to award a contract for the final design and construction of the project in the event that the grant funding for the project is not secured.

Staff will also prepare a public notification with the purpose of notifying the construction industry of the pending release of a Request For Proposals for the final design and construction of the Third Crossing project. This notice will pre-advertise the Third Crossing project and provide advance notice of anticipated dates for the release of construction procurement documents. It is the intent to have this non-committal public notification issued by late November 2017. Staff also anticipates that the release of Request for Proposals will occur in January 2018, with shortlisting and recommendation of the preferred design-build team to be completed in summer 2018.

Public & Stakeholder Engagement

Public and stakeholder engagement will continue to be an important component to the Phase 4 work plan. As the City moves closer to securing the federal funding, staff will be developing a high level strategic communications plan to support work activities associated with the final design through to the construction and final completion of the bridge project. The communications and engagement efforts will focus on:

- The development of clear and measurable objectives, key messages and outcomes tailored to the Third Crossing and its public profile in Kingston.

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- A road map for effective communications with focus on informing stakeholders (particularly near neighbouring communities) and the general public throughout the process.
- Opportunities for community partnerships and collaboration on the project – Indigenous communities, Queen’s University, St. Lawrence College, Royal Military College, local school boards, and community advocacy organizations.
- Defined channels to be used during construction to best inform the public including electronic, print and other media.
- A process/protocol between the City and the design-build team during construction that outlines specific roles and responsibilities of each party to ensure timely and meaningful dissemination of project information.
- Opportunities for events that allow members of the public to be informed about and integrated where appropriate during the construction process.

Staff will also provide periodic information reports to Council to provide status updates on various elements of the overall work plan leading to completion of the Third Crossing project. These updates will include information on construction procurement, final design elements, public and stakeholder engagement, and progress during the construction stage.

Existing Policy/By-Law:

Not applicable.

Notice Provisions:

Not applicable.

Accessibility Considerations:

Not applicable.

Financial Considerations:

Costs related to the Third Crossing project will be funded by the \$180 million capital budget as approved by Council in June 2017.

Contacts:

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Other City of Kingston Staff Consulted:

Not applicable.

Exhibits Attached:

Not applicable.