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The Regional Municipality of Durham Report

To: Works Committee
From: Commissioner of Works
Report: #2024-W-27
Date: December 4, 2024

Subject:

Additional Financing for Unbudgeted Capital Projects Declared as Emergencies

Recommendation:

That Works Committee recommends to Regional Council that:

- A) Information related to unbudgeted capital work resulting from emergency events be received for information; and
- B) Additional financing for the completion of the following unbudgeted capital projects be provided from surplus funding from within the 2024 Solid Waste Management and Durham Region Transit Budgets at the discretion of the Commissioner of Finance:

Solid Waste Management

Fire Suppression System Material Recovery Facility (MRF) - Phase 2
Project ID: G2218

Previously Approved Financing

General Tax \$ 500,000

Additional Financing first from any available 2024 Solid Waste Management surplus, with any remaining amounts from any other Solid Waste Management source at the discretion of the Commissioner of Finance \$582,545

Total Revised Capital project **\$1,082,545**

Durham Region Transit

Bus Hoist Repair Durham Region Transit (DRT) East
Project ID:H2401

Proposed Financing first from any available 2024 Durham Regional Transit surplus, with any remaining amounts from any other Durham Region Transit source, as determined at the discretion of the Commissioner of Finance 279,848

Total Financing Required **\$279,848**

Report:

1. Purpose

1.1 The purpose of this report is to obtain approval to reallocate surplus funding from within the Solid Waste Management and Durham Region Transit Budgets at the discretion of the Commissioner of Finance to fund unbudgeted capital projects resulting from emergencies declared in accordance with Section 10 of the Regional Municipality of Durham's (Region) Purchasing By-law #16-2020.

2. Emergency Fire Suppression System Phase 2 – Material Recovery Facility (MRF)

2.1 In January 2020, the Commissioner of Works declared an emergency at the Region's Material Recovery facility located at 4590 Garrard Road in Whitby, to address system deficiencies and code compliance issues due to changes in the volumes of material being processed at the site.

2.2 The sprinkler system consists of six dry sprinkler systems (four ceiling systems, one standpipe system and one equipment / platform system) originally connected to the central air compressor in the fire pump room. The sprinkler upgrade project

delivered under the emergency declaration involved upgrading two of the existing ceiling dry sprinkler systems above the Receiving/Tipping and Bale Storage areas to pre-action systems to comply with NFPA 13. A new nitrogen generator system was provided to supply 98 per cent nitrogen to all six sprinkler systems as part of the system upgrade.

- 2.3 The upgrades highlighted additional issues with the remaining two sprinkler systems that were not addressed under the original emergency. Pipe corrosion had increased and the air compressor could not maintain the required air pressure due to continued new leaks in the standpipe and equipment/platform system. The leak rates in the two remaining original central ceiling sprinkler systems exceeded the maximum allowed leak rate for the nitrogen generator, causing it to shut down. To address this, staff moved these systems to a different air compressor to isolate the original system from the upgraded system.
- 2.4 As of 2022, all four sprinkler systems in the facility were in service. However, the standpipe and equipment/platform systems could not be restored as the leak rates were high enough that the system air pressure was unable to hold down the dry pipe valves. The two systems were shut down as in January 2022 and as a result, Whitby Fire issued an Inspection Order related to the shut off of the standpipe and equipment/platform system with a compliance deadline of April 19, 2022.
- 2.5 In April 2022, staff recommended that all remaining deficiencies in the system (repair two remaining original systems and the standpipe and equipment/platform systems) be repaired given the condition and risk of failure and a second emergency (Phase 2) was declared.
- 2.6 The consulting agreement with Arencon Inc. use for the first emergency was amended to accommodate the design of the new system for phase 2. A change order was issued to the contractor, Greater Toronto Fire Protection to install the replacement systems.
- 2.7 The project was substantially performed on December 14, 2023.

3. Emergency Bus Hoist Repair – Durham Region Transit East

- 3.1 On February 28, 2024, an emergency was declared to repair three bus hoists at the Durham Region East facility located at 715 Farewell in Oshawa. Following an annual inspection three of the eight hoists (hoists 3, 5 and 6) were locked out due

to severe corrosion that reduced the metal thickness below the manufacturer's safety threshold. These hoists are critical for maintaining the DRT bus fleet.

- 3.2 Staff engaged Novaquip, the sole authorized distributor and certified service provider in Eastern Canada for Steril-Koni hoists, to replace the corroded cassettes and overhaul the movable posts.
- 3.3 The repairs were completed on September 17, 2024, and are expected to extend the lifespan of the hoists by approximately ten years.

4. Financial Implications

- 4.1 Section 10 of the Region's Purchasing By-law #16-2020 specifies the process to procure goods and/or services to address emergency situations. The process requires reporting to Regional Council on the nature of the emergency and the necessity of actions taken in cases where the costs will exceed \$100,000.
- 4.2 The cost to repair/replace the fire suppression system at the Material Recovery Facility is \$1,082,545. The project components are detailed as follows:

Project Element	Cost \$
Engineering Services	51,200
Construction	1,012,620
Estimated Project Cost	1,063,820
Net HST (1.76%, rounded)	18,725
Total Project Cost	1,082,545
Previously Approved Financing	(500,000)
Total Additional Financing Required	582,545

- 4.3 Previously approved financing of \$500,000 was reallocated from closed project saving in 2022. The additional funding for this emergency project is to be provided first from any available 2024 Solid Waste Management surplus, with any remaining amounts from any other Solid Waste Management source, at the discretion of the Commissioner of Finance.

- 4.4 The cost of the emergency repair of the hoist located at DRT East is \$279,848. The project was completed on September 17, 2024. The project components are detailed as follows:

Project Element	Cost \$
Construction	275,008
Net HST (1.76%, rounded)	4,840
Total Financing Required	279,848

- 4.5 The funding for this unbudgeted project will be determined at the discretion of the Commissioner of Finance.

5. Relationship to Strategic Plan

- 5.1 This report aligns with the following strategic goals and priorities in the Durham Region Strategic Plan:

- a. Goal 5.1 and 5.2 - Service Excellence:
- Optimize resources and partnerships to deliver exceptional quality services and value; and
 - Collaborate for a seamless service experience.

6. Conclusion

- 6.1 It is recommended that Regional Council approve the reallocation of surplus funding from within the Solid Waste Management and Durham Region Transit Budgets, at the discretion of the Commissioner of Finance, to fund unbudgeted capital projects resulting from emergency events.
- 6.2 This report has been reviewed by the Finance Department and the Commissioner of Finance concurs with the proposed recommendations.

6.3 For additional information, please contact Christine Dunkley, Director, Corporate Infrastructure and Strategic Business Services at 905-668-7711, extension 3475.

Respectfully submitted,

Original signed by:

Ramesh Jagannathan, M.B.A., M.Eng., P.Eng., P.T.O.E.
Commissioner of Works

Recommended for Presentation to Committee

Original signed by:

Elaine Baxter-Trahair
Chief Administrative Officer