

**COMMUNICATION : C 3  
C W (2) : JUNE 16, 2020  
ITEM # 21**

**From:** Susan Sigrist [REDACTED]  
**Sent:** Sunday, June 14, 2020 10:55 PM  
**To:** [Council@vaughan.ca](mailto:Council@vaughan.ca); [Clerks@vaughan.ca](mailto:Clerks@vaughan.ca)  
**Subject:** [External] Item 21 of June 16, 2020 Meeting - Cost Overruns for Kirby Road Extension Class EA Study

Dear Mayor and Members of Vaughan Council,

According to Vaughan City reports

Council at its meeting in December 2015 approved recommendations permitting Rizmi Holdings Limited (RHL) to undertake the Environmental Assessment Study (EAS) and subject to the basic conditions set out in Council report – including the following:

*“That Rizmi Holdings Limited be reimbursed for the cost of retaining professional consulting services associated with undertaking the Kirby Road Extension Class EA Study to an upset limit of \$325,000 (exclusive of HST) or the actual cost of the study whichever is lesser only after the Class EA study receives final approval from the Ministry of the Environment and Climate Change with funding from Capital Project DT-7112-14.”*

The City subsequently entered into an agreement in November 2016 with RHL setting out the terms under which the City will reimburse for cost associated with undertaking the EAS to an upset limit of \$325,000 per Council approval December 2015.

**In May 2019, RHL submitted a request for additional costs in the amount of approximately \$875,000, together with the original \$325,000 associated with completing the Environmental Assessment Study.**

Why are there additional costs? What are the additional costs for? When were RHL and the City of Vaughan aware that there were cost overruns? Who should bear these cost overruns?

Why has Vaughan Council in a closed session voted to pay for these additional costs? And more precisely why has Vaughan Council agreed that taxpayers pay for these overruns?

Upon review of the OSPE (Ontario Society of Professional Engineers) Fee Guideline 2015, Section 1.0 METHODS OF REMUNERATION, Method 1.2 Time Basis states “A time and material arrangement is recommended in situations when the scope of services and/or schedule cannot be clearly defined. Rather than commit to an upset limit which imposes a fixed return for unknown risks, it is recommended that the engineer monitor fees and provide the client with regular status and forecast updates.”

According to Schaeffers’ website homepage

Schaeffers Consulting Engineers has provided innovative civil engineering services for the development industry and government agencies in the Greater Toronto Area for over four decades.

Class EA Studies have not been the expertise of Schaeffers Consulting Engineers prior to the Kirby Road Extension project. Why would Schaeffers enter into an “upset limit” contract with RHL?

Did the contract between Schaeffers and Rizmi Holdings Limited have an upset limit of \$325,000 for the Kirby Road Extension project.

So the question becomes why would RHL propose an upset limit contract for the Kirby Road Extension Class EA Study with the City of Vaughan?

The Kirby Road Extension Class EA Study was not in the Vaughan planned budget for a number of years. But RHL wants Kirby Road to open between Dufferin and Bathurst as soon as possible. It is in their interest to have this transportation route planned, approved, and completed so they can proceed with land development, and marketing and sales of a new subdivision adjacent to an extended Kirby Road.

RHL proposed an upset limit contract of \$325,000 with the City of Vaughan so that the City would agree to the Kirby Extension Class EA Study project, and agree they did. It would be difficult not to, there was no risk.

Now, four years later, RHL has asked the City to pay for the risk costs associated with this project. And Vaughan Council, excluding Councillors Iafrate and Sheffman, and Major Bevilacqua have voted to pay for the cost overrun of \$875,000.

Would Vaughan Council have agreed to a project cost of \$1.2 million in 2015/2016? This is 3.7 times the original price (not taking into account inflation). I do not think the answer to this question is “Yes”.

I severely question the credibility of our elected officials and the integrity of city processes,

- firstly for allowing a landowner / developer to carry out a Class EA Study that is clearly a conflict of interest situation,
- secondly for agreeing that taxpayers pay an exorbitant amount for project overruns - 3.7 times the maximum original agreed to price,
- and finally for allowing a precedent to be set that proclaims contract prices between the City of Vaughan and any other party are not really the final price. Vaughan Council can be influenced to change their mind and vote to spend taxpayer's money without accountability.

Sincerely,  
Susan Sigrist P.Eng., MBA, REA  
Vaughan Resident