

MINUTES

CORPORATE SERVICES AND ECONOMIC DEVELOPMENT COMMITTEE

THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

CHAMPLAIN ROOM

03 SEP 1996

3:00 P.M.

PRESENT

Chair: P. Clark

Members: M. Bellemare, B. Hill, P. Hume, G. Hunter, A. Loney, B. McGarry,  
W. Stewart, R. van den Ham

CONFIRMATION OF MINUTES

**That the Corporate Services and Economic Development Committee confirm the Minutes of the 02 Jul 1996 meeting.**

CARRIED

REGULAR ITEMS

ENVIRONMENT AND TRANSPORTATION

*ENVIRONMENT*

1. NORTH SERVICE ROAD/TRIM ROAD  
WATER FEEDERMAIN  
CONTRACT NO: CW-4235 - CONTRACT AWARD  
- Environment and Transportation Commissioner's report dated 12 Aug 96  
- Letter and supplementary documentation from Mr. Ron Colautti dated 30 Aug 96

*Mr. Leon Paroian, Solicitor for Mr. Ron Colautti, Colautti Construction Limited "Colautti", addressed the Committee on this item. Mr. Paroian reviewed the company's history and successful business relationships previously held with the Regional Municipality of Ottawa-Carleton. He then referenced Contract CS-3075, Local Sewers and Watermains Phase 2, Village of Carp, a project in which Colautti was the contractor*

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Notes: 1. Underlining indicates a new or amended recommendation.  
2. Reports requiring Council consideration will be presented to Council on 11 Sep 1996 in Corporate Services and Economic Development Committee Report Numbers 40 and 41.

and significant issues arose due to environmental problems with the site. Mr. Paroian explained Colautti had since brought a legal action against the Regional Corporation and Kostuch Engineering Limited, the engineering consultants on the Carp project. He expressed disappointment in that the problems associated with the Village of Carp project had become intertwined with other projects in which Colautti was the low bid.

With regard to the Village of Carp project, Mr. Paroian explained they attended a meeting with Regional staff in July at which time the possibility of resolving the dispute through mediation was discussed, as well as the suggestion by Regional staff to include the consultants in the discussions. Mr. Paroian further stated that the consultants would not attend a later meeting, which left Colautti with no recourse but to commence the legal action. In addition, he stated it had been discussed between the parties that by bringing an action, the municipality would be able to defend against Colautti and then have the ability to claim against the consultant if indeed there was fault determined on behalf of the consultant.

Mr. Paroian referencing two other contracts that had been awarded to Colautti, as the low bid, after the issues arose around the Carp project, but prior to the commencement of litigation. He then referenced the Statement of Claim and the allegation of bad faith, noting that Contract No. CW-4235, North Service Road\Trim Road Water Feedermain, has since been recommended to the second low bidder, an action which he believed would support the allegation of bad faith.

In closing, Mr. Paroian stated there was no evidence against Colautti's performance or any other material factor that would give rise to the contractor not being able to complete the work. He pointed out that to award the contract to the second bid would result in a higher cost to the taxpayer, based on the difference between the two bids and the compensation from the legal action.

In response to a question from Chair Clark, G. Cantello, RMOC Solicitor, confirmed the decision to award Contract No. CW-4235 was not based on the litigation, but on the assessment by staff that possible additional costs may be incurred when dealing with Colautti. He noted this could result in a greater overall project cost.

In response to questions from Councillors Stewart and van den Ham, J. Miller, Director, Environment Engineering, explained it was staff's assessment that when the cost differential between the two bids was so small, the result may be a higher overall cost if the Region was to award the contract to the low bid. Mr. Miller explained it was not possible to predict problems arising with any contractor, but that it was their assessment based on past experience with Colautti, that there may be additional expenses. Mr. Miller pointed out these concerns were expressed to Colautti in a letter dated 15 March 96, which was prepared in advance of the litigation. Councillor van den Ham stated he

supported the staff direction and believed it was appropriate for staff to assess all aspects of the project and contractors when determining their recommendation.

Chair Clark pointed out the staff recommendation was not based on Colautti's ability to perform the work, as they were able to do so, or the litigation, as it was irrelevant to Contract CW-4235. He stated the recommendation was based on the possibility that additional costs through supervision and monitoring of the contractor and project would probably exceed the \$2,177.60 difference between the two bids.

The Committee then considered the staff recommendation as follows:

**That the Corporate Services and Economic Development Committee approve the award of Contract No. CW-4235 to Robert Excavation Limited, Embrun, for the installation of approximately 2500 m of 406 mm watermain in the North Service Road, from Rossignol Drive to 340 m east of Trim Road, then through an easement parallel to Trim Road, from the North Service Road to Ault Drive, for a total contract provision of \$749,886.69.**

CARRIED

*TRANSPORTATION*

2. **BASELINE ROAD RECONSTRUCTION  
CEDARVIEW ROAD TO GREENBANK ROAD  
CONSULTANT SERVICES - NEXT PHASE**

- Environment and Transportation Commissioner's report dated 15 Aug 96

**That the Corporate Services and Economic Development Committee approve an increase in scope for design services and the next phase of construction services, to Ainley Graham and Associates Limited, Gloucester, for the reconstruction of Baseline Road between Cedarview Road and Greenbank Road, in the amount of \$500,000, bringing the revised contract total to \$1,700,000.**

CARRIED

3. **BANK STREET SOUTH BRIDGE - REHABILITATION  
STRUCTURE NO. 521 - CONTRACT SCOPE INCREASE**  
- Environment and Transportation Commissioner's report dated 15 Aug 96

**That the Corporate Services and Economic Development Committee approve an increase in scope to Contract 93-509 with Miller Paving Ltd., Markham, for the Bank Street South Bridge Rehabilitation, Structure No. 521, in the amount of \$170,000, bringing the revised contract total to \$533,558.**

CARRIED

4. **PLAZA BRIDGE - CONSULTANT APPOINTMENT**  
- Environment and Transportation Commissioner's report dated 19 Aug 96

**That the Corporate Services and Economic Development Committee and Council approve:**

1. **The establishment of a new Capital Budget Authority in the 1996 Budget in the amount of \$500,000, fully recoverable from Public Works and Government Services Canada;**
2. **The appointment of McNeely Engineering Consultants Limited, Kingston, to provide professional engineering and related services to consider the feasibility of rehabilitation of the existing structure and replacement alternatives for the Plaza Bridge, connecting Wellington Street to Rideau Street across the Rideau Canal for a total contract provision of \$300,000.**

CARRIED

FINANCE

5. **CASH INVESTMENTS AND LOANS RECEIVABLE  
(AS OF 5 JULY 1996)**  
- Finance Commissioner's report dated 11 Jul 96

**That the Corporate Services and Economic Development Committee and Council receive this report for information.**

RECEIVED

6. CASH INVESTMENTS AND LOANS RECEIVABLE  
(AS OF 9 AUGUST 1996)

- Finance Commissioner's report dated 16 Aug 96

**That the Corporate Services and Economic Development Committee and Council receive this report for information.**

RECEIVED

7. 1996 REPORT ON THE CLOSING OF CAPITAL PROJECTS

- Finance Commissioner's report dated 09 Aug 96

Councillor van den Ham referenced the Mer Bleue Feedermain Project No. 41803. He pointed out the report indicated this project was to be deferred, however, in contradiction, the project was listed in Appendix B as one of the individual capital projects to be closed. M. Sheflin, Environment and Transportation Commissioner, confirmed it was staff's intention to re-introduce the project in 1998 and agreed it would be appropriate to leave the project open at this time.

Moved by R. van den Ham

**That the Corporate Services and Economic Development Committee and Council authorize the Finance Commissioner to make the financing adjustments required to effect the closing of capital projects, with the exception of Project No. 41803, Mer Bleue Feedermain, which will remain open.**

CARRIED as amended

PLANNING AND PROPERTY

8. PROPERTY ACQUISITION  
WEST TRANSITWAY - EAGLESON RD. TO TERRY FOX DR.  
OWNER: BENA CONSTRUCTION INC.

- Planning and Property Commissioner's report dated 14 Aug 96

**That the Corporate Services and Economic Development Committee approve:**

1. **the fee simple acquisition of a 1.1 acre parcel being part of the north-east half of Lot 2, Concession 3, in the City of Kanata (formerly in the Township of March ) as outlined on Annex A, Dwg. No. 22G1 from Bena Construction Inc. (Bena) for the purpose of the West Transitway, in the Kanata Town Centre between Eagleson Road and Terry Fox Drive, for the consideration of \$265,000 plus GST, and;**
2. **the demolition of improvements located on the site including the older two-storey single family residence.**

CARRIED

REGIONAL CHAIR

9. **ALGONQUIN LAND CLAIM - CONSULTATION WITH MUNICIPALITIES REGARDING NEGOTIATION PROCESS**  
- Regional Chair's report dated 28 Aug 96

**That the Corporate Services and Economic Development Committee and Council receive this report for information.**

RECEIVED

REGIONAL CLERK

10. **GRANTS REQUEST OUTSIDE REGULAR GRANTS PROCESS: B'NAI BRITH CANADA - THE EMPEROR OF ATLANTIS OPERA**  
- Regional Clerk's report dated 26 Aug 96

The item "Carried" on the consent agenda, with Councillors Hill and Hume dissenting.

**That the Corporate Services and Economic Development Committee recommend Council approve a grant request in the amount of \$4,000 for the B'nai Brith's Emperor of Atlantis Opera, with the funds to be provided from the Provision for Unforeseen.**

CARRIED

(B. Hill and P. Hume dissented)

11. 1996 ARTS GRANT REPORT

(Memorandum issued under "Information Previously Distributed" for the 02 Jul 96 meeting; request from Committee member to be placed on the 03 Sep 96 agenda)  
- Co-ordinator, Corporate Services and Economic Development Committee report dated 30 Jul 96

Councillor Hunter referenced the organization Opera Lyra and their 1995 grant of \$75,000. He stated the organization produced two productions per year with approximately four performances for each production. He pointed out this represented approximately \$9,000 per performance. Councillor Hunter commented he recently attended an Opera Lyra performance at the National Arts Centre, and suggested that after observing the size and type of audience, he believed the production costs should be absorbed in the ticket price. In addition, he noted that very few attendees were from out of town, thereby questioning the argument of tourism promotion.

On a second point, Councillor Hunter referenced the program provided at the Opera Lyra performance and credits to the sponsors. He expressed disappointment in that the credit provided for the Regional Municipality of Ottawa-Carleton, possibly the largest financial sponsor, was listed in the smallest type and that it did not receive the visibility other corporate sponsors did. Councillor Hunter reiterated that if money was to be provided to organizations, it should be provided on the basis of sponsorship.

With regard to another organization, Arc Magazine, Councillor Hunter reported they received a grant in the amount of \$7,500 in 1995 and 1996. The Councillor expressed disbelief that the organization had written and stated concern with the criteria of incorporation to be eligible for future grants. Councillor Hunter did not approve of the funding of this organization as it produced 3-4 publications per year which were distributed nationally rather than locally.

In closing, Councillor Hunter stated that it was necessary for Council to acknowledge issues such as these when considering the 1997 budget and necessary reductions to programs. He believed Council must ensure a balance among the programs and their budgets.

In response, Councillor Loney explained Arc Magazine had received a grant as the production was created and produced in Ottawa and the grant was, therefore, spent within the Region. In addition, the Councillor confirmed the organization acknowledged they must adhere to the criteria of incorporation should they apply for the 97 program.

With regard to the Opera Lyra performance program and sponsorship, Councillor Loney explained the requirement for acknowledgement was not so specific as to state the size of the credit given. In addition, the Councillor stated the City of Ottawa and Provincial sponsorship was similar in format, and believed it was more important for an organization to have the ability to attract commercial and corporate sponsors with greater benefits.

Councillor Loney explained the activity of opera, historically and presently, would not exist if it were not for substantial subsidy. He further explained it was not possible to raise the ticket price to cover the costs, as sales would drop dramatically and the organization would require further assistance. Councillor Loney referenced the subsidy provided to recreational venues and sports events that also required a great deal of public and private support to succeed.

In closing, Councillor Loney acknowledged the arts served a limited audience, however, emphasized it was important they continue to receive their share of support. He pointed out the arts organizations were aware it was not possible to substantially increase support, and that they continued to struggle to make improvements, and obtain other financial means and security.

Councillor Stewart referenced the Arts Committee and juries which reviewed the grant applications, and praised their excellent work and the volunteer effort provided. She emphasized the difficult decisions that were required to balance the distribution of funds among the many disciplines.

Councillor Hunter inquired if a follow-up or audit was conducted on all projects that received grants, and if there was a recovery procedure in place should the project not be completed. C. Sage, Manager, Arts Programs, confirmed a final report was required and reviewed for project grants. With regard to operating grants, she confirmed the organization was assessed annually, both through financial records and the previous year's activities. With regard to the recovery of funds, Ms. Sage stated it had not been an issue, however, if necessary, the Committee and staff would work with the artist or organization to re-work the project to ensure a deliverable product.

Councillor Stewart indicated that the majority of the arts funding was allocated to organizations located in centretown. In response to a question from Chair Clark, Ms. Sage confirmed there was no geographic consideration in distribution. She explained the grants were awarded based on professionalism, excellence and the regional role played. She added that the smaller organizations located outside the centre core were most likely to receive funding through their local municipality.



**That the Corporate Services and Economic Development Committee receive this report for discussion.**

RECEIVED  
(B. Hill and G. Hunter dissented)

INFORMATION PREVIOUSLY DISTRIBUTED

CHIEF ADMINISTRATIVE OFFICER

1. Delegated Authority  
Monthly Report - June and July 1996  
(As Per Corporate Policy Manual Section 4.6.7.4)  
- Chief Administrative Officer's memorandum dated 01 Aug 96

FINANCE

2. Delegated Authority  
Quarterly Report - April to June 1996  
(As Per Corporate Policy Manual Section 1.6.1)  
- Finance Commissioner's memorandum dated 18 Jul 96
3. Capital Quarterly Report  
- Finance Commissioner's memorandum dated 27 Aug 96

REGIONAL CLERK

4. Record of Tender Openings  
For the Month of June 1996  
(As Per Corporate Policy Manual Section 4.6.6)  
- Regional Clerk's memorandum dated 18 Jul 96
5. Record of Tender Openings  
For the Month of July 1996  
(As Per Corporate Policy Manual Section 4.6.6)  
- Regional Clerk's memorandum dated 23 Aug 96

6. Contracts Approved by the Chief Administrative Officer under Special Delegated Authority As Per *Corporate Policy Manual* Section 4.6.7.5 (During the Period of 19 June to 20 August 1996)  
- Regional Clerk's memorandum dated 20 Aug 96

CONFIDENTIAL INFORMATION DISTRIBUTED

1. North Service Road/Trim Road Water Feedermain  
Contract No: CW-4235 - Contract Award  
(Reference Item No. 1 of Regular Agenda)  
- Regional Solicitor's legal opinion dated 23 Aug 96

CONFIDENTIAL AGENDA

LEGAL

1. Decision of the Divisional Court -  
Marion Dewar and Judith Hunter Application - Appeal  
- Regional Solicitor's report dated 29 Aug 96

The Committee waived discussion on the above confidential report and received the report for information without an In Camera session.

**That the Corporate Services and Economic Development Committee and Council receive this report for information.**

RECEIVED

Moved by A. Loney

**That the Corporate Services and Economic Development Committee approve the addition of Item No. 2, Litigation: Laidlaw Waste Systems Ltd. - Settlement Negotiations (verbal briefing), to be considered by Committee at today's meeting**

CARRIED

Moved by A. Loney

**That Additional Agenda Item No. 2 of the Confidential Agenda be considered by the Corporate Services and Economic Development Committee In Camera pursuant to Subsection 11(1)(e) “litigation or potential litigation affecting the Regional Corporation, including matters before administrative tribunals”, of the procedure by-law.**

CARRIED

2. Litigation: Laidlaw Waste Systems Ltd. - Settlement Negotiations  
- Regional Solicitor’s verbal briefing

**That the Corporate Services and Economic Development Committee receive this verbal briefing for information.**

RECEIVED

Moved by A. Loney

**That the Corporate Services and Economic Development Committee move out of camera and resume open session.**

CARRIED

ADJOURNMENT

The meeting adjourned at 4:05 p.m.

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CO-ORDINATOR

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CHAIR