

## CITY OF HAMILTON

### **PUBLIC WORKS DEPARTMENT** **Corporate Assets & Strategic Planning Division**

<b>TO:</b> Chair and Members Public Works Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> November 18, 2013	
<b>SUBJECT/REPORT NO:</b> Public Works Yards Review Strategy (PW09029b) - (City Wide)	
<b>SUBMITTED BY:</b> Gerry Davis, CMA General Manager Public Works Department	<b>PREPARED BY:</b> Andrew Grice Manager of Policy and Programs (905) 546-2424, Extension 1461
<b>SIGNATURE:</b>	Anne Winning Supervisor of Program Development (905) 546-2424, Extension 5521

### RECOMMENDATION

- (a) That staff be directed to proceed with the Public Works Yards Review;
- (b) That the financing of the Public Works Yards Review be funded through existing accounts, up to a limit of \$95,000.

### EXECUTIVE SUMMARY

The Public Works Yard Master Plan was presented to committee in Report PW09029 and identified Phase I and II recommendations to develop a model that could meet the current and future spatial requirements of the Divisions within Public Works and identify proposed changes that are justified through a service delivery analytical model that quantified relocations from an operating cost perspective.

At the May 13, 2009 Council meeting, the Public Works Committee Report 09-008, which included staff report PW09029 concerning the "Public Works Yards Master Plan" was approved. The corresponding Council minutes included the following recommendations:

*"(b) That the Acting General Manager of Public Works be authorized to implement Phase I of the Public Works Yards Master Plan, which would include:*

*(i) Relocating the Waste Collection Operations from 330 Wentworth Street to the Materials Recycling Facility (MRF) at 1579 Burlington Street at an approximate cost of \$1,000,000 funded through Capital account #5120894100 (Collection Operations Relocate);*

*(ii) Relocating the DARTS operations from the Mountain Transit Centre (MTC) at 2200 Upper James to 330 Wentworth Street at an approximate cost of \$650,000 funded through Capital account #5310641001 (ATS Accommodation);”*

*“(d) That each component of Phase II of the Plan be brought back to the Public Works Committee as the business case studies for each component are concluded.”*

Both of the Phase I recommendations were implemented in 2009. Due to initiatives such as the Transportation Master Plan, the Corporate Service Delivery Review, the Facilities Management & Capital Programs Yard Condition Review in 2013 and Energy, Fleet & Transit Fuel Site Review in 2013, the Phase II recommendations need to be revisited and adjusted to provide sustainable cost effective solutions that fit the current and future structure of the Public Works Department is now available.

The implementation of the Phase I recommendations created efficiencies within the Public Works programs. The relocation of Waste Collection Operations to 1579 Burlington Street created vacant space at 330 Wentworth which is now being utilized by DARTS resulting in a reduction of approximately 100,000 traveled kilometers per year and freeing up space at the Mountain Transit Centre that was needed by HSR.

Staff recommends that a consultant be retained to assist with the development of the next stage of the Public Works Yard Review. The proposed strategy will incorporate elements such as facility condition, growth, fuelling locations / alternatives, partnerships, and adjacent land use to optimize service delivery in the most cost efficient manner.

Staff will report back to the Public Works Committee in Q2 of 2015 with the complete Public Works Yard Review and implementation recommendations.

**Alternatives for Consideration - See Page 10**

<b>FINANCIAL / STAFFING / LEGAL IMPLICATIONS</b>
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**Financial:** The adoption of recommendations contained within this report will support the expenditure of up to \$95,000.00 to engage a consultant, to assist with the development of the Public Works Yard Review. Accounts 55916-5141241226, 55801-3541355001, 55801-4031241762, 55916-560100, 55801-466005, 55801-580200, 55801-530240, and 55916-444401 will be utilized for this initiative.

**Staffing:** There are no staffing implications

**Legal:** There are no legal implications

## **HISTORICAL BACKGROUND**

The Public Works Yard Review was highlighted on the Work Plan of the Corporate Assets and Strategic Planning Division as part of the Public Works Operating Budget presentation at the January 30, 2013 General Issues Committee meeting. The Committee requested that staff report back on the status of the 2009 Yards Rationalization Report prepared by Dillon Consultants and the Public Works Yards Master Plan (PW09029) prior to moving forward with the Public Works Yard Review.

The Public Works Yard Master Plan was initiated in January of 2007 to consider an overall departmental analysis of current and future facility requirements of the Divisions. A review of the existing Divisions and the tasks which fell into their respective jurisdictions established a baseline for the subsequent examination of structural, geographical and service delivery. The initiative had two primary goals; to develop an alternative that could feasibly meet the current and future spatial requirements of the Divisions within Public Works; and to identify proposed moves via a service delivery analytical model that quantified relocations from an operating cost perspective.

At the May 13, 2009 Council meeting, the Public Works Committee Report 09-008, which included staff report PW09029 concerning the “Public Works Yards Master Plan” was approved. The corresponding Council minutes included the following recommendations:

- “(a) That the Public Works Yards Master Plan as set out in Appendix “A” attached hereto, be received;*
- (b) That the Acting General Manager of Public Works be authorized to implement Phase I of the Public Works Yards Master Plan, which would include:*
  - (i) Relocating the Waste Collection Operations from 330 Wentworth Street to the Materials Recycling Facility (MRF) at 1579 Burlington Street at an approximate cost of \$1,000,000 funded through Capital account #5120894100 (Collection Operations Relocate);*
  - (ii) Relocating the DARTS operations from the Mountain Transit Centre (MTC) at 2200 Upper James to 330 Wentworth Street at an approximate cost of \$650,000 funded through Capital account #5310641001 (ATS Accommodation);*
- (c) That the Acting General Manager of Public Works be authorized to proceed with further detailed investigations for Phase II of the Public Works Yards Master Plan, and that funding for these investigations be referred to the 2010 Capital Budget for consideration;*
- (d) That each component of Phase II of the Plan be brought back to the Public Works Committee as the business case studies for each component are concluded.”*

Staff report PW09029 recommended that the preferred long term strategy was to include both major and minor operational modifications based on existing conditions. It was anticipated that the yard rationalizations proposed in the Public Works Yards

Master Plan would be carried out over a time horizon to be determined through further detailed studies and as funding opportunities were determined.

Phase I of the Public Works Yard Master which included the relocation of Waste Collections staff and fleet to 1579 Burlington Street and a corresponding move of the DARTS operation to 330 Wentworth Street from the Mountain Transit Facility were fully implemented in 2009.

A Project Charter has been developed for the current Public Works Yard Review. The Project Charter contains the fundamental building blocks of a successful program including elements such as sponsor, areas of responsibilities, business case, and the identification of a steering committee and working group.

The Corporate Assets and Strategic Planning Division will be responsible for leading the project, and act as a liaison between Council and staff. The Public Works Yard Review will have an impact on five of the six Divisions within Public Works. Therefore, the steering committee has been identified as the Public Works Divisional Management Team, a group consisting of the General Manager of Public Works and the six Directors of the Public Works Divisions.

To implement a successful review and implementation plan, staff recommend the retention of a consultant to assist with Public Works Yard Review.

#### **POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS**

N/A

#### **RELEVANT CONSULTATION**

##### **1. Internal Consultation**

The Public Works Yard Review will have an impact on many services the Public Works Department provides. As the project lead Corporate Assets and Strategic Planning Division presented the status of the 2009 Yard Rationalization Study and the strategy for the Public Works Yard Review to the Public Works Departmental Management Team on April 9, 2013, and July 16, 2013 respectively. The Departmental Management Team consists of the following key Divisions which ensure the proposed strategy meets the needs of the collective Public Works Department:

- Corporate Assets and Strategic Planning
- Engineering Services
- Environmental Services
- Hamilton Water
- Operations
- Transportation

The Departmental Management Team supports the initiative and the opportunity to optimize service delivery and reduce operating expenses.

The Facilities Management & Capital Programs section of the Corporate Assets and Strategic Planning Division completed a Facility Condition Review in 2013. Further information and the correlation to the Public Works Yard Review can be found in the Analysis / Rationale for Recommendation section on Page 8.

The Energy, Fleet & Traffic section of the Corporate Assets and Strategic Planning Division has completed a Fuel Site Review in 2013. Further information and the correlation to the Public Works Yard Review can be found in the Analysis / Rationale for Recommendation section on Page 8.

Staff has consulted with the Ward 5 Councillor on the status of the 2009 Public Works Yard Master Plan and the framework of the proposed Public Works Yard Review in response to the questions raised at the January 30, 2013 General Issues Committee.

## **2. External Consultation**

Staff has consulted with a number of Ontario municipalities in developing a strategy for the Public Works Yard Review;

In 2007 the City of Brampton completed a Facility Program Development Strategy and 10 year plan. The strategy recommended the amalgamation of Public Works yards into regional yards with the exception of Parks yards which maintained the status quo. The construction phase of the strategy took three years to complete and the strategy recommended two additional yards be built in the future to handle further growth.

The Regional Municipality of Durham currently has combined works yards which accommodate all divisions of Public Works. Further consolidation of yards is not a priority; however, expected growth in the Clarington area has made it necessary to renovate the existing yard to meet service delivery requirements.

The Region of York is in the midst of a Yard Rationalization Review and a Facility Master Plan. The review is a 25 year plan, and the completion of the process and recommendations is expected in late 2014. Currently, all divisions of Public Works operate out of the one yard in each of the four districts. The emphasis of the review is not for further consolidation as much as potential sharing of land between municipalities and the region being considered.

The City of Peterborough commissioned the study team of McCormick Rankin Corporation and BMA Management Consulting Inc. to prepare a "Strategic Business Analysis for the Public Works Division" of the Utility Service Department and provide a "Blueprint" for both the short and long term needs of the Division in 2007. Currently, the Public Works Division services and staff are consolidated into a single operation centre.

The City of Toronto initiated a comprehensive yard study in 2006. The process examined services district by district, however was not implemented.

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

**2009 Public Works Yard Rationalization and Corporate Changes**

Phase I of the 2009 Public Works Yard Master Plan as identified in staff report PW09029 has been fully implemented and included the following recommendations:

- Relocate Waste Collection Operations from 330 Wentworth Street to the Materials Recycling Facility at 1579 Burlington Street
- Relocate DARTS from the Mountain Transit Centre to 330 Wentworth Street.

The implementation of the Phase I recommendations created efficiencies within the Public Works programs. The relocation of Waste Collection Operations to 1579 Burlington Street provided more indoor storage capacity for vehicles. Staff are able to keep the expanded collection of waste collection vehicles in doors resulting in more reliable operation of hydraulic components and reduced wear and tear on vehicles due to inclement weather. Furthermore, the relocation of Waste Collection Operations opened space at 330 Wentworth which is now being utilized by DARTS resulting in a reduction of approximately 100,000 traveled kilometers per year and freeing up space at the Mountain Transit Centre that was needed by HSR.

In addition the report identified the following Phase II recommendations which are presented in Table 1 below. Prior to proceeding with the implementation of the Phase II recommendations staff were to report back to Public Works Committee with businesses cases to support the implementation.

<b>Table 1: Public Works Yards Master Plan - Phase II Recommendations</b>	
<b>Number</b>	<b>Recommendation</b>
1.	Relocate the Roads and Parks operation from Wentworth Yard to 1579 Burlington Street
2.	Relocate the Fleet central storage from Wentworth Yard to 1579 Burlington Street
3.	Consolidate the Ancaster Roads operations to a new facility within the Ancaster Industrial Park
4.	Consolidate Forestry operations in a new facility located at 1275 Upper Ottawa Street
5.	Relocate Water and Wastewater from the current locations at Wentworth Yard, Stoney Creek Yard and Dundas Yard to the Centre of Excellence (Brampton Street)
6.	Consolidate Dundas Road operations Parks operations (from Dundas Driving Park to Dundas Yard)
7.	Relocate the Roads operation from Binbrook Yard to the Tapleytown Yard
8.	Relocate the Roads operation from Millgrove Yard to the Flamborough Yard (Brock Road)
9.	Expand the Traffic Operations Centre to accommodate future needs

Table 1: Public Works Yards Master Plan - Phase II Recommendations	
Number	Recommendation
10.	Remove Fleet operations from Chedoke (161 Studholme Road), 1301 Upper Ottawa, and Leisure Park (752 Centre Road) Yards and redistribute the resources where needed
11.	Relocate the Facilities storage from Millgrove Yard and 1255 Centre Road to 125 Barton Street
12.	Relocate Parks operations from 125 Barton Street to the new Forestry Depot (1275 Upper Ottawa)
13.	Relocate the Waste Management administrative operations to 1579 Burlington Street
14.	Relocate Horticulture operations from Gage Park to the new Forestry Depot

Prior to developing business cases for the Phase II recommendations a number of events occurred which impacted the timing of the elements in the Plan.

In September 2009 the Public Works Department, and more particularly the Operations and Waste Management Division, went through a reorganization that impacted the implementation of some of the elements in Public Works Yard Master Plan. The Department considered ways of streamlining operations and synergies to lead to efficiencies given the new structure, but the Phase II recommendations were not consistent with the restructuring of the Public Works Department.

The Hamilton Transportation Master Plan 2007 was finalized and highlights include but are not limited to:

- Transportation requirements for future growth based on different alternatives of the Growth Related Integrated Development Strategy (GRIDS).
- Development based on the City's Transportation Policies, Vision 2020, and other applicable policies.
- Coordinating with this master plan, work with other GRIDS initiatives, namely the water/wastewater and the storm water master plans as well as the preparation of a new Official Plan for the City of Hamilton. GRIDS, includes the completion of an Integrated Class EA to fulfill Phases 1 & 2 of the Municipal Class EA document for transportation, storm water and water/wastewater as well as public consultation requirements. GRIDS is an iterative process which will be used to select the best growth and servicing scenario based on the "triple bottom line" methodology.

Furthermore, the Transportation Division continues to develop the Light Rapid Transit (LRT) plan focusing on the A and B lines. The Public Works Yard Review team will coordinate efforts with the Transportation Division to ensure the review is complimentary to LRT plans.

In 2012 the City initiated the Service Delivery Review to examine the way we provide services and a strategy to become an organization that is more adaptable to change.

The Public Works Yard Review will coordinate efforts between the two programs to ensure services are delivered in a cost effective and efficient manner.

The combination of the above mentioned elements impacted the rational of the Public Works Yards Master Plan Phase II recommendations and subsequently business cases to support their implementation were not brought forward. The recommendations need to be revisited and adjusted to provide sustainable cost effective services that fit the current and future structure of the Public Works Department.

### **Additional Public Works Review**

The Facilities Management & Capital Programs section of the Corporate Assets and Strategic Planning Division completed Yard Condition Review in 2013. The review captures the following information:

- Facility element, location, and condition
- Actions and resources required for the renewal – replace or repair
- Priority – low, medium, high and urgent
- Capital works forecast 5, 10 or 20 years

The Public Works Yard Review will incorporate the findings of the Yard Condition Review and work closer with the section to develop an action plan. Working together on this initiative the City could eliminate capital investment into aging assets that are not recommended in as part of the Public Works Yard Review.

The Energy, Fleet & Traffic section of the Corporate Assets and Strategic Planning Division completed a Fuel Site Review in 2013 that identifies facility condition and associated capital works to ensure compliance. The review has also identified the financial benefit of combining fueling sites. For example, the report recommends combining the fueling operations at the Upper Ottawa Yard to a central location that will service Forestry and Horticulture, Traffic Operations, and Hamilton Fire. The merge of fueling stations would minimize capital investment and reduce the annual maintenance budget without impact to service levels. The Public Works Yard Review will incorporate the findings of the Fuel Site Review to further optimize fueling locations and reduce impact on capital budget while maintaining the same service level.

The Public Works Yard Review will develop an action plan that is adaptable to changes in service levels and strategies for the next 20 years. In addition, the value of unused capacity will be examined to determine the feasibility of modifying a few strategically located yards to act as emergency posts in the event of a declared emergency or act of God.

### **Public Works Yard Review Strategy**

The City of Hamilton Public Works Department is a large and multi-faceted group responsible for providing services including but not limited to water and wastewater treatment and distribution, waste collection and processing, transportation, parks, and construction services. Currently, a number of yards located throughout the City are maintained to provide these services. The objective of the Public Works Yard Review is



to identify efficiencies, synergies, partnerships, and potential cost savings to optimize the Public Works Yards. The following describes the focus areas of the proposed strategy.

- Facility conditions assessment - Major capital investment required to maintain existing facilities warrants further review of relocating and merging yards. It is suggested that the closure and sale of yards at market value could help offset capital costs. In addition, the need for backup emergency power to operate crucial equipment such as fuel tanks, security and lighting will also be evaluated. Changes to regulations such as Accessibility for Ontarians with Disabilities and the Technical Safety Standards Authority may require modification to existing infrastructure.
- Residential growth - Expansion outside the downtown core of the City warrants the investigation of expanding, relocating and merging yards. Residential growth in Flamborough, Stoney Creek and Binbrook requires increased service and strategically locating yards to optimize the service level is a crucial element of the review.
- Adjacent land use - By nature Public Works yards are noisy high traffic areas and consideration will be given to locating yards an appropriate distance from residential areas.
- Fuel location and fuel alternatives - As the price of fuel continues to escalate the need for efficient equipment and strategically located fueling stations is important for delivery of sustainable services. The Public Works Yard Review will evaluate alternative fuel measures for fleet vehicles and the relocation of fueling stations to reduce dead end time leading to more cost effective service.
- Partnerships - The capital and maintenance cost to operate a facility are high. Therefore, it is recommended that partnerships with other City Departments and Agencies are considered as a possible solution to the capital and operating pressures. Partnerships could include the sharing of a facility, fueling location, or design efforts. Potential partnerships include Community and Emergency Services as well as external agencies such as Horizon Utilities.
- Surplus land disposal - Relocating and merging yards may produce surplus land that can be sold to help offset the capital cost associated with the recommendations of the Public Works Yard Review. Staff will be cognisant of the value of unused capacity as a means of providing reliable service in emergency situations.

Staff recommend that a consultant be retained to assist with the development of the next stage of the Public Works Yard Review. Table 2 outlines the proposed schedule for the Public Works Yard Review.

<b>Table 2: Public Works Yard Review Action Plan</b>									
	<b>2013</b>	<b>2014</b>				<b>2015</b>			
	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Retain Consultant	X								
Review Existing Conditions		X	X						
Develop Strategy				X	X				
Finalize Review						X			
Report to Council							X		
Implementation Phase							X	X	X

### **ALTERNATIVES FOR CONSIDERATION**

If Council elects not to support the recommendations contained within this report the alternative is to not complete the Public Works Yard Review.

Staff do not recommend this alternative as changes in facility condition, growth patterns, fuel prices, and partnerships opportunities provide an opportunity to optimize service levels and efficiencies.

### **ALIGNMENT TO THE 2012 - 2015 STRATEGIC PLAN**

The Public Works Yard Review supports the City Of Hamilton Strategic Plan and provides the following benefits:

- Increased reliability and optimized services to the public
- Reduction of operating budget
- Elimination of aging facilities with high maintenance costs
- Promoting interdepartmental relationships

The Public Works Yard Review is identified on the Corporate Strategic Priority under Strategic Objective 2.1 as noted below.

#### **Strategic Priority #2**

Valued & Sustainable Services

*WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.*

#### **Strategic Objective**

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

**Strategic Priority #3**

Leadership & Governance

*WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.*

**Strategic Objective**

3.3 Improve employee engagement.

3.4 Enhance opportunities for administrative and operational efficiencies.

<b>APPENDICES / SCHEDULES</b>
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None