



**CITY OF HAMILTON**  
**PUBLIC WORKS DEPARTMENT**  
Transit Division

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	June 21, 2017
<b>SUBJECT/REPORT NO:</b>	Public Transit Infrastructure Fund (PTIF) Minor Amendments (PW17051) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Christine Lee-Morrison (905) 546-2424, Extension 6390
<b>SUBMITTED BY:</b>	Debbie Dalle Vedove Director of Transit Public Works Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That staff be authorized and directed to submit project amendments to Infrastructure Canada and the Ministry of Transportation requesting approval for a revised substantial completion date from March 31, 2018 to March 31, 2019 for PTIF projects HAM-001, HAM-005, HAM-006 as reflected in Appendix "A" of report PW17051;
- (b) That the Director of Transit be authorized to submit future project amendments that may be required to Infrastructure Canada and the Province of Ontario provided that no amendment shall result in the City's maximum funding share being exceeded;
- (c) That pursuant to the City's Procurement Policy By-law (Policy #11 - Non-competitive Procurements), a single source procurement for the PTIF-funded project HAM-010, Heating, Ventilation and Air Conditioning (HVAC) upgrades at Mountain Transit Centre, 2200 Upper James Street, Hamilton, to be awarded to the mechanical contractor currently onsite, Superior Boiler Works & Welding Ltd. as a contract extension to C13-34-16.

**EXECUTIVE SUMMARY**

On October 12, 2016, Council approved Report FCS16083 which authorized transit staff to submit an application to the Province that contained 14 projects to be considered for Federal funding under the Public Transit Infrastructure Fund program (PTIF). The application was submitted on October 18, 2016 and the City was approved to receive a

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federal contribution of up to \$36,489,204 towards the fourteen projects listed in the application, provided the funding does not exceed 50% of the projects' total eligible expenditures and the projects are completed by March 31, 2018.

It should be noted that the PTIF program allows for 25% of the federal allocation (\$9,122,300) to be completed by March 31, 2019. This amount has been allocated to project HAM-001, the Maintenance and Storage Facility. On May 30, 2017, the Federal Government announced to the Provinces that it has increased the amount of funding that can be claimed up to March 31, 2019 to 40% of the federal allocation. For Hamilton this totals \$14,595,682.

On April 26, 2017, Council approved report FCS16083a which recommended the approval of the 14 PTIF projects as well as the City's 50% funding share. The report also requested approval to submit project amendments to Infrastructure Canada and the Ministry of Transportation for a revised substantial completion date of March 31, 2019 for projects HAM-003, HAM-007, HAM-0101, HAM-012 and HAM-013 as reflected in Appendix "A" to report PW17051.

This report is required in relation to two PTIF matters:

1. Project Amendments

Despite the increase to 40% of federal allocation noted above, due to unforeseen circumstances, an additional three projects currently approved for funding have been identified as requiring an extension to the completion date of March 31, 2018 to March 31, 2019 (HAM-001 Maintenance and Storage Facility, HAM-005 Transit Priority Measures on A-Line, and HAM-006 End-of-Line Infrastructure). The request to extend the completion must be sought from MTO by way of an application.

Project HAM-001 Maintenance and Storage Facility, requires a deadline of March 31, 2019 for the full funding request of \$28,650,000 instead of an extension of only 25% of costs as originally applied for. This is due to a longer than expected closing on land acquisition. HAM-005 Transit Priority Measures on A-Line and HAM-006 End-of-Line Infrastructure projects also require amendments seeking extensions to the deadline to March 31, 2019. These requests related to unexpected changes such as the A-Line spur being removed from the LRT project. Also, for the End-of-Line Infrastructure projects, the identification of permitting requirements from outside agencies such as MTO and the Grand River Conservation Authority will have the effect of delaying the commencement of those projects. The required amendments will not result in the City's funding share being exceeded.

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Recommendation (b) would allow staff to apply for future modifications that may be required for minor changes, within the approved funding limits. Staff will keep Council advised of all project amendments forwarded to the Province via Information Updates.

## 2. Procurement Single Source

Project HAM-010, HVAC upgrades at the MTC, will require a Policy 11, single source procurement in order to deliver the project on-time, remain cost-effective and avoid constructor issues. Project HAM-010 is an extension of an ongoing HVAC project that was awarded based on a Request for Tender process in July 2016. The contract (C13-34-16) was awarded to Superior Boiler Works and Welding, however the project had to be reduced in scope as the tendered amount was over budget. Project HAM-010 will use PTIF funds to complete the HVAC and ventilation upgrades that had to be removed from the original tendered scope. In accordance with Procurement Policy #11, Council approval is being requested given that the recommended single source procurement is of a value of greater than \$250,000. The estimated cost of the additional work is \$633,000.

Appendix A lists the approved projects as per the October 12, 2016 Council approval. The Appendix also shows the proposed timeline extensions.

### ***Alternatives for Consideration –Not Applicable***

## **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: This Report has no direct financial impact. The PTIF allows for up to 50 percent of eligible project costs up to a maximum of \$36,489,204 to be funded from the Federal Government with the City required to fund the balance of the project shares of \$36,489,204. In April 2017, Council approved funding for the City's PTIF contribution (for details refer to Report FCS16083(a)) which is unaffected by the recommendations of this report.

Staffing: n/a

Legal: n/a

## **HISTORICAL BACKGROUND**

On October 12, 2016, Council approved Report FCS16083 which authorized transit staff to submit an application to the Province that contained 14 projects to be considered for Federal funding under the PTIF program. The application was submitted on October 18, 2016 and the City was approved to receive a federal contribution of up to \$36,489,204 towards the fourteen projects listed in the application, provided the funding does not exceed 50% of the projects' total eligible expenditures and the projects are completed by March 31, 2018.

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On April 26, 2017 Council approved report FCS16083a approving the City's funding and authorizing staff to apply for a timeline extension for four projects.

It should be noted that the PTIF program allows for 25% of the federal allocation (\$9,122,300) to be completed by March 31, 2019. This amount has been allocated to project HAM-001, the Maintenance and Storage Facility. On May 30, 2017, the Federal Government announced to the Provinces that it has increased the amount of funding that can be claimed up to March 31, 2019 to 40% of the federal allocation. For Hamilton, this totals \$14,595,682.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

PTIF funding will support the Ten Year Local Transit Strategy which aligns with a number of key policy documents including:

- Hamilton Transportation Master Plan (2007)
- The Big Move Regional Transportation Plan (2008)
- Improving Health by Design in the Greater Toronto-Hamilton Area – A report of Medical Officers of Health in the GTHA (2014) and,
- Urban Hamilton Official Plan (2009)

The request to single source is being requested as per By-law 17-064, City Procurement Policy, Policy 4.11 Non-Competitive Procurements.

## **RELEVANT CONSULTATION**

Corporate Services Department – Legal Services has been consulted. Financial Planning and Policy and Procurement Sections have reviewed the report and are satisfied the recommendations comply with the City's Financial and Procurement Policy.

Energy, Fleet & Facilities Management Division, Facilities Management & Capital Programs Section.

Economic Development Division, Real Estate Section.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

### **1. Project Amendments**

Three of the fourteen projects currently approved for funding have been identified as requiring an extension of the set completion date of March 31, 2018 to March 31, 2019 (HAM-001 Maintenance and Storage Facility, HAM-005 Transit Priority Measures on A-Line, and HAM-006 End-of-Line Infrastructure). The request to extend the completion must be sought from MTO by way of an application.

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Project HAM-001 Maintenance and Storage Facility, requires a deadline of March 31, 2019 for the full funding request of \$28,650,000 instead of an extension of only 25% of costs as originally applied for. This is due to a longer than expected closing on land acquisition. HAM-005 Transit Priority Measures on A-Line and HAM-006 End-of-Line Infrastructure projects also require amendments seeking extensions to the deadline to March 31, 2019. These requests related to unexpected changes such as the A-Line spur being removed from the LRT project. Also, for the End-of-Line Infrastructure projects, the identification of permitting requirements from outside agencies such as MTO and the Grand River Conservation Authority will have the effect of delaying the commencement of those projects. The required amendments will not result in the City's funding share being exceeded.

Furthermore, given the limited project timelines and the need for staff to act expeditiously this report requests authority for the Director of Transit to submit any future required project amendments provided they are within the maximum approved budgets. Staff will keep Council advised of all project amendments forwarded to the Province via Information Updates.

## 2. Procurement Single Source

In addition, staff seeks authority to include a single source procurement consideration for project HAM-010, HVAC at the Mountain Transit Centre. This project was identified for PTIF consideration due to an ongoing HVAC project that was awarded based on an RFT process in July 2016. The contract (C13-34-16) was awarded to Superior Boiler Works and Welding ("Superior") for upgrades to the ventilation and HVAC system within the Mountain Transit Centre garage and maintenance bay areas. All compliant bids that were received for this RFT were over budget and, in accordance with the Procurement Policy, the scope of work was reduced and the tendered amount was renegotiated with Superior. Project HAM-010 will use PTIF funds to complete the remaining HVAC and ventilation upgrades that were originally tendered.

As construction is already underway at Mountain Transit Centre and given tight completion deadlines on project PTIF-funded projects, it is efficient and cost-effective for the City to continue to work with the current mechanical contractor. It is also important to utilize the same contractor for the HVAC upgrades in order to avoid constructor issues with respect to the Occupational Health and Safety Act on the construction site. In accordance with Procurement Policy #11, Council approval is being requested given that the recommended single source procurement is of a value of greater than \$250,000. The estimated cost of the additional work is \$633,000.

## **ALTERNATIVES FOR CONSIDERATION**

n/a

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**ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

**Economic Prosperity and Growth**

*Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.*

**Healthy and Safe Communities**

*Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life.*

**Clean and Green**

*Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.*

**Built Environment and Infrastructure**

*Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.*

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report PW17051 – PTIF List of Projects

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