



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

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	January 16, 2019
<b>SUBJECT/REPORT NO:</b>	Transit Maintenance and Storage Facility – Policy 11 Design Fees PW19006 (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Tanya Detmar (905) 546-2424, Extension 1855  Shaba Shringi (905) 546-2424, Extension 3142
<b>SUBMITTED BY:</b>	Debbie Dalle Vedove Director of Transit Public Works Department
<b>SIGNATURE:</b>	Rom D'Angelo Director of Energy, Fleet and Facilities Management Public Works Department

**RECOMMENDATION**

- (a) That pursuant to the City's Procurement Policy By-law (Policy 11 – Non-Competitive Procurements), a single source procurement for additional Phase 1 works for the Transit Maintenance and Storage Facility, located adjacent to 330 Wentworth Street, be awarded to the Prime Design Consultant, IBI Group, in the amount of \$2,950,000 and be added to the Purchase Order No. 0000087825 to complete contract C11-57-17 and funded from Public Transit Infrastructure Fund (PTIF) Phase 1 Project ID 5301785701;
- (b) That the General Manager of Public Works be authorized to negotiate, enter into and execute all required documentation to give effect thereto with IBI Group, in a form satisfactory to the City Solicitor.

## **EXECUTIVE SUMMARY**

The purpose of this report is to gain Council approval to increase the Prime Design Consultant's Purchase Order required to complete the design, planning and site preparation services for the new Transit Maintenance and Storage Facility (MSF) in lower Hamilton. There are sufficient funds available within the approved project account.

IBI Group submitted a successful bid in September 2017, as a response to the Request for Proposals (RFP) per Contract No. C11-57-17. The RFP facilitated a competitive and transparent process as per the City's Procurement Policy and as recommended by the City's Procurement Section. Following bid evaluations, IBI Group was awarded the contract and a purchase order was issued for the Phase 1 design, planning and site preparation works on January 31, 2018.

The RFP project scope was defined based on the parcels of land that were available to Transit at the time of the RFP, namely, 80 Brant Street, 2 Hillyard Street, the Canadian Pacific Rail corridor and a portion of 330 Wentworth Street North (hereinafter referred to as 80 Brant Street). During the project planning and schematic design phase, it was identified that the site located at 80 Brant Street was insufficient in size to accommodate Transit's anticipated long-term growth. The existing land parcels also presented additional design constraints, including:

- Insufficient storage and maintenance capacity
- Traffic circulation limitations onsite
- Employee surface parking limitations
- No opportunities for future expansion
- No site identified for Salt Dome relocation from 330 Wentworth Street North

In July 2018, Council approved the acquisition of additional properties in proximity to 80 Brant Street to allow for optimal use, efficiencies of scale and address future growth of public transit. The acquisition of 350 Wentworth Street North was also approved for the Salt Dome relocation. A review of Transit's current needs and long-term growth projections concluded that the new downtown MSF should be designed for 300 buses. The future fleet growth projections were based on the City's population data and distribution of the fleet growth by Ward.

The revised facility capacity resulted in project requirements that materially differed from those contained in the RFP and reflected in IBI Group's fee proposal. The additional consulting fees are a result of a number of factors as detailed below:

- Design fees for the revised MSF capacity to accommodate storage and maintenance of 300 buses
- Building size and site area changes for additional storage and maintenance capacity, including the newly acquired properties
- Demolition design and permitting services for the newly acquired properties
- Parking structure design requirements for a multi-storey parking garage

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- Salt dome relocation to the 350 Wentworth Street North property

***Alternatives for Consideration - See Page 5***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** There are no budget implications identified to facilitate Report PW19006. The additional consulting fees for Phase 1 works (design, planning and site preparation) will be covered from available budget within Project ID 5301785701 for PTIF Phase 1 project HAM-001, Transit Maintenance and Storage Facility.

**Staffing:** There are no new staff implications associated with this report.

**Legal:** There are no new legal implications associated with this report.

**HISTORICAL BACKGROUND**

Currently, all public transit services for the City of Hamilton are operated from the Mountain Transit Centre (MTC) located at 2200 Upper James Street. This facility was constructed in 1983 and designed to accommodate maintenance and storage for 200 buses. The MTC is now operating well beyond its design capacity with over 60 buses being stored outdoors, resulting in operational and fleet maintenance challenges.

With population and economic growth projected to continue over the next 25 to 30 years, along with plans to improve and expand transit services, there will be corresponding need to expand the bus fleet and employee complement to deliver these services. The Ten Year Local Transit Strategy and Rapid Ready reports identified the need for a second MSF in order to accommodate current and projected transit growth in the City. This aligns with the City's Transportation Master Plan Review and Update, which carried forward a modal split target of 12% (currently at 7%), in order to reduce single-occupant vehicle trips and increase transit trips by 2031.

Since 2016, the City has been actively acquiring land within the area bounded by Wentworth Street, Brant Street, Birch Avenue and the Canadian National Rail mainline to construct a second transit MSF. To date approximately 90% of the required lands are in City ownership.

Planning and design for a second MSF was included in Hamilton's list of projects submitted to the Government of Canada for funding under the Public Transit Infrastructure Fund (PTIF) Phase 1 and received project approval on March 31, 2017. Report PW18054, Transit Infrastructure Fund – Debt Financing Re-appropriation was approved by Council on July 13, 2018 and included a budget of \$22,000,000 for PTIF Phase 1 project HAM-001, Transit Maintenance and Storage Facility.

Following Federal approval of PTIF Phase 1 project HAM-001, Transit Maintenance and Storage Facility, staff issued a competitive RFP C11-57-17 for Professional Consulting Services for a Prime Consultant to lead the City's design for a second MSF. The scope

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**SUBJECT: Transit Maintenance and Storage Facility – Policy 11 Design Fees  
PW19006 (City Wide) - Page 4 of 6**

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of the project defined in the RFP was based on the City owned parcels of land assembled for the MSF project at that time. The contract was structured for vendors to submit pricing for Phase 1 and Phase 2 of the MSF project, as described below:

- Phase 1 – consulting scope included program development, schematic and detailed design, Site Plan Approval, Building Permit, and preparation of construction tender documents.
- Phase 2 – consulting scope includes pre-qualification of the General Contractor and Mechanical and Electrical sub-contractors, procurement of the General Contractor, and Construction and Contract Administration for the MSF. Phase 2 fees are deferred to future Federal funding.

IBI Group was awarded the RFP in January 2018. As the project proceeded through the program development, space planning and schematic design phases, the constraints of the project site became evident. Transit received Council approval in July 2018, to acquire additional adjacent lands in order to optimize functionality of the site and ensure facility design meets the future capacity needs of the facility during its life-cycle.

At this time the need to study future transit growth and user needs was also identified. IBI Group was engaged to complete a Future Transit Facility Needs Assessment that evaluated the City's transit facility needs based on projected fleet growth relative to population growth by Ward. Studying the long-term direction of transit growth for the City of Hamilton; the study concluded that the new downtown MSF should be designed for 300 buses to address growth and leverage external funding opportunities.

In addition to recommending a new downtown facility of 300 buses, IBI Group's Future Transit Facility Needs Assessment also advised that the City will likely require a third transit facility to meet its future transit fleet growth needs (likely by 2036), and it is proposed to be located in eastern Hamilton (Stoney Creek area). The IBI Report further recommended that population and growth assumptions contained within the report be reviewed and updated every five years to account for changes in Hamilton's transit network (new lines, changes to service area coverage).

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

**Budget Increase:** In accordance with the Procurement By-Law and Appropriation Policy, staff is bringing this matter to Council since the single source costs are anticipated to exceed the value of the proposed procurement by more than \$250,000.

**Single Source:** The recommendation of a single source is consistent with Procurement Policy #11, Non-competitive Procurements. A competitive Request for Proposals was issued to secure the services of a Prime Consultant. IBI Group was the successful proponent and was awarded the contract.

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**SUBJECT: Transit Maintenance and Storage Facility – Policy 11 Design Fees  
PW19006 (City Wide) - Page 5 of 6**

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**RELEVANT CONSULTATION**

The following Departments/Divisions/Sections have reviewed and contributed to this Report:

- Procurement Section, Corporate Services
- Energy, Fleet and Facilities Management, Public Works

**ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The rationale for the additional consulting fees to be awarded to IBI Group required to complete the project is summarized in the table below:

Project Scope Changes: Phase 1 – Design, Planning and Site Preparation				
Items	Adjusted Requirement	Original Cost	Estimated Cost Increase	Total Item Cost
MSF Capacity increase	300 bus capacity	\$2,735,000	\$1,500,000	\$4,235,000
Demolition Services	Demolition Services for newly acquired properties	N/A	\$350,000	\$350,000
Employee Parking <sup>(1)</sup>	Multi-storey parking structure	\$100,000	\$850,000	\$950,000
Salt Dome Building/ Site <sup>(1)</sup>	New development at an adjacent new property	\$50,000	\$250,000	\$300,000
	Total	\$2,885,000	\$2,950,000	\$5,835,000

Note: (1) Review of employee parking options and relocation of the existing salt dome building within the boundaries of the 80 Brant St. site were included in the RFP, but the revisions to the scope of work resulted in project requirements that materially differed from those contained in the RFP.

Approving the additional design fees for IBI Group will allow for Phase 1 of the MSF project to be completed successfully within the PTIF Phase 1 deadlines (March 31, 2020) in order to take advantage of the available funding. IBI Group’s familiarity with the project scope, understanding of Hamilton Transit’s current and future needs and technical expertise in the design and construction of conventional transit facilities is particularly valuable to the project. Continuing to work with the IBI Group will allow for the best opportunity to meet the project schedule and funding deadlines.

Report PW19006 requests that \$2,950,000 be added to IBI Group’s Purchase Order No. 0000087825 to complete Contract C11-57-17.

**ALTERNATIVES FOR CONSIDERATION**

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The alternative to the recommendation in Report PW19006 would be to issue a Prime Consulting RFP for the revised project scope to design a new downtown Transit MSF for 300 buses and associated works.

Reinitiating the procurement process would delay project delivery beyond the PTIF Phase 1 deadline (March 31, 2020). This would result in forfeiture of the Federal share of PTIF Phase 1 funding and require the City to assume full project costs needed to complete the design, planning and site preparation scope of work for the project. Additionally, most of the design works completed to-date would need to be reproduced by the successful proponent, resulting in additional fees. This alternative is not recommended by staff.

## **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.*

### **Built Environment and Infrastructure**

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

### **Our People and Performance**

*Hamiltonians have a high level of trust and confidence in their City government.*

## **APPENDICES AND SCHEDULES ATTACHED**

None.