



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Hamilton Water Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	September 6, 2019
SUBJECT/REPORT NO:	Airport Employment Growth District (AEGD) Servicing Update (PW19079) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Hector Quintero (905) 546-2424 Ext. 4315
SUBMITTED BY:	Andrew Grice Director, Hamilton Water Public Works Department
SIGNATURE:	

Discussion of Appendix B in closed session is subject to the following requirements of the City of Hamilton's Procedural By-law and the Ontario Municipal Act, 2001, as amended:

- Advice that is subject to solicitor-client privilege, including communications necessary for that purpose;
- A position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

RECOMMENDATION(S)

- (a) That the single source procurement be approved, pursuant to Procurement Policy #11 – Non-competitive Procurements, for a Consultant (GMBLuePlan Engineering) for the detailed design and contract administration services for the required sanitary outstation upgrade of HC018 pumping station for the Airport Employment Growth District (AEGD);
- (b) That the General Manager of Public Works Department be authorized to negotiate, enter into and execute a contract and any ancillary documents required to give effect thereto with GMBLuePlan Engineering, in a form satisfactory to the City Solicitor;

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

- (c) That the single source procurement be approved, pursuant to Procurement Policy #11 – Non-competitive Procurements, for one or more vendors of specialized wastewater equipment for the required sanitary outstation upgrade projects for the Airport Employment Growth District (AEGD);
- (d) That the General Manager of Public Works Department be authorized and directed to negotiate and execute single source procurement contracts and any ancillary documents to provide original equipment manufactured parts and services for:
 - (i) Motor Control Center (MCC) equipment;
 - (ii) Wastewater pump equipment;
 - (iii) Standby power generator equipment.
- (e) That Hamilton Water staff report back to the Public Works Committee detailing procurement results of project awards; and
- (f) That the contents of Appendix B attached to Report PW19079 remain confidential.

EXECUTIVE SUMMARY

This report is to recommend an alternative project delivery model for a time sensitive project to support the Airport Employment Growth District (AEGD). Within the last 12 months the AEGD lands have become a prime opportunity to attract innovative business with the potential to create more than 2800 jobs. The scope of work includes the procurement of engineering design, contract administration services and specialized equipment for the capacity upgrades to the wastewater system at the HC018, HC019 and HC027 pumping stations.

In order to complete the wastewater upgrades within the timeframe required for the development community, staff have worked on alternative project delivery models. The preferred procurement strategy being recommended includes single sourcing and negotiating with a consultant to provide detailed design and contract administration services for the work required at HC018 pumping station. The strategy also recommends single sourcing procurement of specialized wastewater equipment (motor control centre (MCC), wastewater pumps, standby power generators at HC018 pumping station. The work required at HC019 and HC027 pumping stations will follow the City's standard procurement model for design and construction services.

The Hamilton Water Division reviewed several scenarios to procure and execute this project. The strategy being recommended is the best-case scenario to fast track the delivery of this project. It is expected this procurement strategy will reduce the overall project schedule by six (6) months allowing for project completion by spring 2021.

Alternatives for Consideration – See Page 5

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As part of the 2019 Water, Wastewater and Stormwater Rate Budget deliberations \$11 Million was approved to execute the project.

Staffing: There are no staffing implications.

Legal: See Confidential Appendix B attached to Report PW19079.

HISTORICAL BACKGROUND

With a renewed focus on air cargo/transportation, the City of Hamilton has a prime opportunity to develop and promote the Airport Employment Growth District (AEGD) as a North American Gateway hub for logistics, distribution and goods movement, and to develop a Hamilton alliance with partners to jointly market opportunities for development and increase the awareness of Hamilton's infrastructure strengths.

Fast-tracking of business park servicing in the AEGD to provide more shovel-ready opportunities is a priority for the City.

The AEGD is an opportunity to attract a range of airport related and other businesses providing conventional (e.g. manufacturing & warehousing) as well as innovative, creative, green and knowledge-based services. Quality jobs and successful businesses will contribute to the prosperity of the Hamilton region. It supports the airport as important infrastructure and as an economic driver, supports long-term prosperity, and contributes to quality of life for Hamilton. It assists with Hamilton's ability to promote itself as an economic and goods movement gateway.

The development community has shown interest in executing development projects within the AEGD. Hamilton Water was approached by Planning and Economic Development Department to ensure water/wastewater servicing could accommodate anticipated development. New developments are expected to come online in the near future with the potential creation of over 2800 quality jobs and the City wants to maintain continued momentum in the development of the AEGD and the airport itself.

Hamilton Water staff completed a review of existing operating conditions in 2018 within the AEGD servicing areas and documented required conceptual design for infrastructure upgrades and rehabilitation needs to fast-track business park servicing. The conceptual design identified opportunities to increase vertical and horizontal capacity through a series of projects and upgrades. Hamilton Water is pushing forward with vertical

infrastructure upgrades and will work with the Engineering Services Division to undertake horizontal infrastructure upgrades.

The results of the review concluded that mechanical and electrical work is required at the following wastewater outstations: HC018, HC019, HC027. See Appendix A attached to Report PW19079 for outstation locations.

The identified infrastructure upgrades will ensure development projects move forward as Hamilton Water continues implementing the Integrated Water and Wastewater Master Plan. Future works include the design and construction of a sanitary trunk sewer on Dickenson Road to support the ultimate capacity needs of the AEGD.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Procurement Policy - Section 4.11 - Policy #11 - Policy for Negotiations requires that Council approval be obtained for any Single Source of \$250,000 or greater.

RELEVANT CONSULTATION

The following groups were consulted and provided input in the report:

Planning and Economic Development – Growth Management

Corporate Services – Legal Services Division and Procurement Section

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

The timing of this work is critical to the success of new businesses and employment opportunities within the AEGD. Hamilton Water has reviewed procurement options with the Procurement Section of the Corporate Services Department to expedite delivery of capital work. Using the standard process as a baseline, staff quantified delivery alternatives to expedite the delivery of capital works and be in a position to initiate construction in 2020.

The preferred procurement strategy being recommended by Public Works staff to Council is two-fold. The first includes single sourcing the detailed design and contract administration services for the HC018 pumping station to a consultant. GMBLuePlan Engineering is the recommended vendor, as they assisted the City develop the conceptual design workplan and this will ensure value for money. The strategy also recommends single sourcing procurement of specialized wastewater equipment (motor control centre (MCC)), wastewater pumps, standby power generators at HC018 pumping station. Specialized wastewater equipment does have a procurement lead time (which includes fabrication and delivery) that can take up to 12 months. This time does not

include the time required to select an equipment vendor via the City's standard delivery model. This was identified as a risk that may impact the overall project schedule and it is anticipated this approach will save critical time.

The design and construction activities at HC019 and HC027 pumping stations will follow the City's standard procurement model.

In summary, it is being recommended that the City proceed with the preferred procurement strategy for the procurement of engineering design, contract administration and specialized wastewater equipment. It is expected that this delivery model will fast-track the overall project by approximately six (6) months allowing for project completion by spring 2021.

ALTERNATIVES FOR CONSIDERATION

Council may choose to deliver the project via a standard Design – Bid – Build procurement model. However, due to sensitive development time constraints associated with AEGD opportunities, staff do not recommend this option.

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.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" – Outstation Locations

Appendix "B" – Confidential – Legal Implications