



Date: February 23, 2021

Report to: Board of Directors
CityHousing Hamilton Corporation

Submitted by: Tom Hunter,
Chief Executive
Officer/Secretary

Prepared by: Sean Botham
Senior Development Project
Manager;
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Subject: **Wellington-King William – Policy 11 Single Source Provider for Project Manager (Report 21006)**

RECOMMENDATION:

That the Board of Directors approve the following resolution:

WHEREAS the Rapid Housing Initiative (RHI), a Federal program delivered through CMHC to fund commercial conversions to residential and modular construction, was announced September 21, 2020;

AND WHEREAS a motion on Modular, to prepare, coordinate, and support the rapid delivery of modular pilot developments, was presented to Council on September 24, 2020;

AND WHEREAS a report was brought by Housing Services to General Issues Committee (GIC) on November 4 to accept and administer RHI Major Cities Stream funding and provide support to projects applying to the RHI Projects Stream;

AND WHEREAS a report was brought forward by CHH to the Board authorizing to proceed with two Rapid Housing Initiative (RHI) project applications including a commercial conversion at 350 King St and a modular development at 253 King William;



AND WHEREAS a report was brought forward by CHH to the Board on January 25th to approve the single sourcing selection of a Design-Build firm, conditional on RHI Project Stream funding being secured for the 253 King William modular project;

AND WHEREAS an Owner's Representative/ Project Manager is required as project lead to manage the Design-Build process, and due to current capacity and funding timelines, has been initiated with a third party under the CEO signing authority, but which requires single sourcing for the full contract value;

THEREFORE be it resolved that:

- (i) the Board of Directors approve the recommended increase to the following purchase order outlined in Report #210XX to: Expand Purchase Order #1243 in the amount of \$67,650 plus HST pursuant to Procurement Policy #11 - Non-competitive Procurements, to Toms+McNally to extend their current contract.

A handwritten signature in blue ink that reads "Tom Hunter".

Tom Hunter

Chief Executive Officer/Secretary

EXECUTIVE SUMMARY:

With the Federal government's launch of the Rapid Housing Initiative (RHI), CityHousing Hamilton (CHH) evaluated potential development opportunities eligible for this funding. The RHI program would provide up front capital support for either modular housing, commercial to residential conversion or the rehabilitation of uninhabitable housing.

CHH hired Toms+McNally from the Roster on November 18, 2020 to research and review the potential manufactures, site plans, and development approaches to determine the most effective approach and site for modular development. Based on this research, a modular project at 253 King William was proposed to CMHC.

Due to the strict deadlines of the RHI project, and the requirement to have a project management lead, CHH initiated continued work by Toms+McNally under CEO signing authority in a continuation of services in a new role as Owner's Representative/ Project Manager and is now requesting authorization to increase the PO to the required amount in accordance with a Policy 11 Single Source. This step will ensure the project schedule is aligned to the expected completion date. CHH has requested authorization to increase purchase order 1243 by \$67,650 to account for this change in scope.

BACKGROUND:

In March 2018, the Board approved a development plan for a portfolio of five sites through Report #17021(b), which included 253 King William St.

WalterFedy was hired by CHH to undertake an assessment on the design approaches used by CHH and to establish a pro forma through Gabriel Denis & Associates to determine the feasibility of each new development in 2020. Due to market escalations causing construction costs to dramatically increase, an additional contingency of 32-46% were added to each project based on their stage of development. These costs significantly impacted the King William development with a projected unit cost of \$682,406 in Report 17021(c) due to the building's small scale, making it a candidate for alternative forms of development.

On October 27, 2020, the Federal Government publicly announced an investment of \$1B through the Rapid Housing Initiative to fund production of affordable housing across Canada within one year.



CHH hired Toms+McNally from the Roster on November 18, 2020 to research and review the potential manufactures, site plans, and development approaches. This research also included soliciting and analyzing the project management experience from recent modular developments in Canada and included recommendations regarding Planning and Building approvals and the form of prefabricated developments. A market review was conducted that evaluated the types of design, manufacturing and construction management firms in the modular space.

CHH obtained authorization from the Board on November 24th to proceed with two applications including the creation of a modular development at 253 King William.

To help meet the strict deadlines of the RHI program, CHH also acquired authorization for Staff to conduct a modified and shortened competitive process to ensure the project's success through Report #20024. CHH applied for the RHI Project Stream on December 22, 2020.

DISCUSSION:

Toms+McNally were hired through the Roster via Purchase Order 1224 to conduct a feasibility study on the manufacturers, typologies of modular development as well as the develop the criteria necessary to determine the proposed site. This study familiarized Toms+McNally with the 253 King William site and the criteria of the RHI program.

On February 1st, CHH expanded the PO to help with project management responsibilities, towards maintaining the funding schedule. With the expedited timeline of the RHI funding, CHH has requested authorization from the Board to increase the current PO beyond \$100,000. This authorization would increase the PO by \$67,650 totalling \$167,050. This increase has been accounted for in the current pro forma for the development.

CONCLUSION:

Due to the expedited schedule for the RHI program, it is important the CHH has an Owner's Representative/ Project Manager who can ensure all the timelines are



met and coordinate with the Design-Build team when they come on board. With the previous experience of Toms+McNally on the file, including with modular and site considerations, CHH has recommended that their current PO be expanded.

Staff are seeking authority from the Board of Directors to approve the increase to the current purchase order for Toms+McNally by \$67,750 to help ensure the RHI funding timelines are met.

ALIGNMENT TO THE 2017-2021 STRATEGIC PLAN:

This report implements:

Clean and Green

CityHousing Hamilton strives to be an environmental steward by minimizing our environmental footprint by implementing sustainable water and energy efficiencies in our housing stock.

Built Environment and Social Infrastructure

CityHousing Hamilton is committed to finding new ways to be innovative that will contribute to a dynamic City characterized by unique infrastructure, buildings, and public spaces. The maintenance, renewal and new development of our housing stock will ensure that the quality of life, well-being and enjoyment of our residents', influences the design and planning of our homes.

APPENDICES:

N/A

TH/sb

Mission: We provide affordable housing that is safe, well maintained and cost effective and that supports the diverse needs of our many communities.