



Date: January 25, 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;
Samantha Blackley,
Development Coordinator

Subject: **First Place - Policy 11 Single Source Provider for Construction Manager (Report #21002)**

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, with the City of Hamilton receiving a \$10.8M allocation for distribution;

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, 2020 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 on November 24, 2020 to the CHH Board authorizing Staff to proceed with two RHI project applications including a 15-unit conversion at 350 King St and a 20-unit modular development at 253 King William;

THEREFORE, be it resolved that:

- (l) That the Board of Directors approve the procurement plan outlined in this report to:
 - a. Single source, in consultation with the City of Hamilton's Procurement Department, and, pursuant to Procurement Policy #11 – Non-competitive Procurements, a Construction Manager with relevant experience, expertise, and the capacity necessary with a fee for services that would be included in the construction funding envelope;
 - b. Have the CEO of CityHousing Hamilton (CHH) negotiate, enter, and execute a contract, and any ancillary documents required to identify and secure a Construction Manager, in a form satisfactory to the CHH legal and City's procurement division;
 - c. Have CHH staff report back to the Board detailing procurement results of project awarded.

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

Tom Hunter
Chief Executive Officer/Secretary

EXECUTIVE SUMMARY:

In Fall 2020, the federal government launched the Rapid Housing Initiative (RHI) which provides \$1B to help address the urgent housing needs of vulnerable Canadians through the construction of affordable housing. This funding initiative intends to create over 3,000 new affordable units which are to start within 90 days and have occupancy within 12 months of project approvals. If a project is not completed within this timeframe, the funding must be returned, increasing the importance of expediting the project schedule where possible.

On November 20th, CHH applied to the RHI Major Cities Stream, to convert underutilized commercial space at 350 King St to 15 new affordable units, with an expected construction period of 6 months and full completion within 10 months. On December 4th CHH received confirmation that the project was selected and awarded \$2.25M in funding from the RHI Major Cities Stream. Due to the strict timelines of this program, it is critical that the construction begin as soon as possible.

In response to the compressed timeframe and following the approval of Report #20027 to single sourcing the architect and a project management sub-consultant on December 15, 2020, Staff have recommended that the Board provide authorization to sole source a construction manager to ensure the project schedule aligns to the requirements for the project's start and occupancy date.

The aim of this report is to seek the necessary authorization needed to retain the construction management company to create the fifteen units within the one-year timeline.

BACKGROUND:

On October 27, 2020, the Federal Government announced an investment of \$1B through RHI to fund new affordable housing across Canada at an accelerated pace. The City of Hamilton received an allocation of \$10.8M under the RHI Major Cities Stream to support projects selected by the City.

CHH applied for the RHI Major Cities Stream on November 20th and obtained the authorization from the Board on November 24th to proceed with two applications including the conversion of 9,500 sq. ft of under-utilized first-floor commercial space at 350 King St. to build 15 additional units.



To help meet the short and strict deadlines, CHH acquired authorization for Staff to conduct a modified and shortened competitive process to ensure the success of projects on November 24, 2020 through Report #20024.

On November 27th, City of Hamilton supplied their recommended projects for the Major Cities Stream for CMHC review, and on December 4, 2020 CHH received confirmation of \$2.25M in funding for the 350 King St E conversion. The remaining unfunded portion of \$850k is being sought through collaboration with Housing Services.

DISCUSSION:

Given the RHI timelines, a typical procurement process for a construction manager, would take several months, pushing the project schedule beyond the required project start and occupancy dates. Under the funding agreement, the project must begin within 90 days of the approved Investment Plan and be complete and occupied within 12 months. Therefore, the use of sole sourcing is being recommended to ensure the timelines are met.

Through the RHI application process and feasibility work for the 350 King St E proposal, Invizij Architects was hired first under Policy 5.1 of the procurement policy to assist with the schematic design and Class D costing, and subsequently sole sourced under Policy 11 for the full design and project management services. This design work included determining the optimum unit configuration and accessibility for the space. Appendix "A" to Report 21002 outlines the current design for the conversion, which efficiently repurposes the space to 15 units, including four barrier free units, along with washrooms, amenity, and office space.

CityHousing Hamilton recommended a project cost envelope of \$3.1M. As a CCDC 5B-2010 Construction Management contract will be utilized for this project, with procurement documentation aligning with the City of Hamilton's procurement procedures, the construction management services fee would form part of the construction cost within this envelope, alongside the trade costs which will be secured through a competitive process once detailed design is finalized



CHH proposes to select a construction manager with relevant experience, expertise, and the capacity necessary to complete the project in a timely manner, with reporting back to the Board on the company secured.

CONCLUSION:

Due to the short and strict deadlines involved with the RHI funding, it important that all aspects of the project be streamlined where possible to enable project completion and occupancy prior to the CMHC RHI deadlines. CHH is recommending sole sourcing the construction manager to ensure procurement aligns with requirements of the RHI funding program including the 90 day start and 12-month occupancy.

ALIGNMENT TO THE 2017-2021 STRATEGIC PLAN:

This report implements:

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:

Appendix A – First Place Proposed Conversion Floor Plan

TH/bs

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