

Date: 2023-11-21

Subject: **New Brampton Transit Facility – Project Update**

Contact: John Zelem, Project Manager, Building Design & Construction

Report Number: Public Works & Engineering-2023-986

Recommendations:

1. That the report from John Zelem, Project Manager, Building Design & Construction to the Committee of Council Meeting of November 29th, 2023, re: **New Brampton Transit Facility – Project Update**, be received.

Overview:

- The new **Brampton Transit Facility** project is in the design stage, which is to be followed by early-works site development and primary building construction in 2024.
- A Request for Proposal has been released to hire a construction manager, and the contract award is anticipated in Q1 2024.
- Current project funding of \$189,780,000 is insufficient to complete the building construction portion of the project. The first two Construction Manager service agreements of preconstruction and early works site development are to proceed in 2024 prior to full funding being in place.
- The project cost increase is attributed primarily to market escalation, the addition of enhanced energy performance requirements and the additional requirements to future-proof for a battery electric bus fleet.
- A budget amendment request is planned for mid-2024 for the remaining construction funding required to complete the project. Based on a revised Class D cost estimate prepared by WSP in September 2023, the funding shortfall is expected to be within the anticipated range previously reported to the closed session of Council on February 10, 2022.
- The budget amendment value will be based on pricing provided by the Construction Manager, closer to a Class A level pricing.

Background:

The new Brampton Transit Facility project was initially approved in 2019. Based on ridership and service growth projections prior to the pandemic, Brampton Transit anticipated reaching maximum bus capacity levels at the existing Sandalwood and Clark facilities by the end of 2024.

In October 2019, a funding application was submitted through the Investing in Canada Infrastructure Program (“ICIP”), with a request for \$174.8M for the phase 1 construction of a 250 standard bus equivalent (s.b.e) transit facility. ICIP funding was received in April 2021, with a \$128.2M contribution from Federal and Provincial partners. The balance of \$46.6M is to be funded by external tax supported debt. The ICIP cost-sharing breakdown includes a commitment of 40% from the Federal Government, 33.3% from the Province of Ontario, with the City covering the remaining 26.7%. There was also funding in the amount of \$15M approved for initial project costs and expenses ineligible under the grant. This provides overall project funding of \$189,780,000.

In addition to design and construction project funds, there was \$13.5M in external debt funding for land acquisition costs.

Table 1: Project Funding

\$(‘000’000s)	ICIP	DC’s	External Debt	Total Approved Budget
New Facility - Construction (Project 194880-003)	\$ 128.2		\$ 46.6	\$ 174.8
Design (Project 194880-002)		\$ 15.0		\$ 15.0
Total Design - Build	\$ 128.2	\$ 15.0	\$ 46.6	\$ 189.8
Land Acquisition (Project 191542-005)			\$ 13.5	\$ 13.5
Total	\$ 128.2	\$ 15.0	\$ 60.1	\$ 203.2

Upon completion of the land acquisitions, a Transit Project Assessment Process was conducted. This process received approval from the Ministry of the Environment, Conservation and Parks on May 19, 2021, which fulfilled the requirement to complete an Environmental Assessment.

The project was initially planned as a design-build delivery method. In preparation for a design-build procurement, WSP was retained as an owner advisor to provide a concept design as well as contract administration.

Three design-builders were prequalified in March 2021, and in June 2021 the design-build Request for Procurement (RFP) was released to the three proponents. Through the “in-market” RFP process, the prequalified Proponents provided feedback advising that there were insufficient funds based on the size and complexity of the project. Proponents also provided feedback that it was unfavourable for them to accept the design risk associated with a design-build delivery model, given the volatile market conditions. As a result, the procurement was cancelled in February 2022.

The project was reconvened to use a construction manager delivery method to provide greater flexibility given the market volatility and cost escalation. Construction management would also transfer the design risk from proponents to the City, which is important during times of high market volatility.

In April 2022, [staff reported to Council](#) for authorization to commence limited tendering to WSP for design and contract administration consulting services. The limited tendering process was used in lieu of a public procurement, since it reduced the project schedule significantly by leveraging work performed by WSP under their previous owner advisor services. The report also authorized staff to commence procurement for construction manager services.

This approach was supported by external Counsel and an outside financial expert. WSP has since been retained as a consultant, and a schematic design has been completed for the facility.

The schedule is critical for this project as the facility is required to accommodate growth. If a limited tender was not used, the longer timelines for procurement, onboarding and redesign would likely have resulted in missing a construction season. With the growth in ridership since the pandemic, that is even more problematic now. To accommodate this approach, the design portion of the project was removed from the ICIP grant application, and the grant is to be used for the construction portion of the project.

Current Situation:

On June 6, 2023, a Request for Proposal to hire a construction manager was issued publicly. This procurement is ongoing, and the award is anticipated in Q1 2024. The construction manager's services are split into three agreements, which include a preconstruction consultation stage, early works stage to develop the site, and a primary construction stage for the building and remaining development. The third stage of the construction manager services is not to be awarded until after a planned budget amendment request in mid-2024, which is subject to Council approval.

Phasing of construction management services is planned to expedite the project schedule and allows for early construction to proceed prior to full funding being in place. A detailed construction schedule is to be established with the successful construction manager.

Preconstruction Consultation

Preconstruction consultation is to occur from Q1 2024 through Q3 2024. This stage will involve design reviews, value engineering recommendations, and cost monitoring and controlling assistance during design.

Early-Works Site Development

Early-works site development is to occur from Q2 2024 through to Q4 2024. During early-works, site earthworks, site servicing, utilities and foundation work is to take place. Commencing this stage in advance allows for fast tracking of the project schedule.

Primary Building Construction

The primary construction stage is to commence in Q4 2024 and last until 2027. During this stage, the bulk of construction takes place, including the facility component, equipment, and commissioning. This stage cannot commence without approval of additional funding.

The available funding of \$189,780,000 is insufficient to complete the project. A budget amendment report is planned for mid-2024 to seek the additional funding required for construction. The actual budget amendment value will be based on market pricing provided by the construction manager. Since site development and earthworks are proceeding in advance of full funding approval, there would be sunk construction costs should the building construction stage not receive funding approval.

Additional Federal and Provincial funding is not currently available to assist with the funding shortfall. Staff will continue to advocate for funding and monitor available grant funding programs that may be applicable.

Cost Evolution

Staff have collaborated with WSP to find ways to lessen the impacts to the budget where possible without compromising the operation of the facility, sustainability measures, future expansion, and future proofing for battery electric buses. Some of the measures taken to date include the replacement of a multi-level parking structure with a surface parking lot, reduction of the building footprint through efficient space planning, and changing the design of the structure and envelope to reduce costs.

The budget increase to the project, since it was initially planned in 2019, is attributed to the below items:

- Unforeseen market escalation;
- Enhanced energy efficiency measures;
- Measures to future-proof for electric bus fleet;
- Increased foundations and earthworks requirements;
- Additional maintenance space for increased 60-foot bus fleet;
- Additional construction outside property boundaries and intersections; and
- Additional EV car charging.

Market escalation is the largest contributor to the project cost increase and has been prominent in the construction industry since 2021. According to Statistics Canada, non-residential construction costs in the GTHA peaked at an annual rate of 17.5% in the first

half of 2022. As of Q2 2023, the escalation was recorded at 8.1% annually. This is a significant increase considering pre-pandemic inflation rates averaged between 3-4% over a five-year span. The construction industry continues to experience pressure on availability and cost of labour as well as increased material and equipment costs.

Battery Electric Bus Charging

The new Brampton Transit Facility is to be designed to accommodate future installation of electric bus charging infrastructure. This includes features incorporated into this project such as additional structural steel to support equipment and rooftop photovoltaic panels, space in electrical rooms dedicated for charging equipment, and careful planning of facility layout to ideally locate infrastructure and minimize impacts during future installation.

Installation of battery electric bus charging equipment is to be a separate project and Transit staff continue to advocate for funding to electrify the facility.

Corporate Implications:

Financial Implications:

Based on recent project estimates, this project will require additional funding.

As the project progresses and funding requirements are further refined, staff will report to Council by mid 2024 with a budget amendment, subject to Council approval.

The table below provides the latest financial status of the project:

Transit Maintenance Storage Facility		[\$]			
Activity Description	Project #	Budget	Spending	Purchase Order	Uncommitted Funds
New Transit Facility - Design	194880-002	15,000,000	7,516,646	5,637,330	1,846,024
New Facility - Construction	194880-003	174,780,000	14,172	10,176	174,755,652
Total Design - Build		189,780,000	7,530,817	5,647,506	176,601,676
Land Acquisition-Transit Facility	191542-005	13,450,000	13,610,815	-	- 160,815
Total		203,230,000	21,141,632	5,647,506	176,440,861

Legal Implications:

Section 3.1 of the Purchasing By-law applies as it is an active procurement, which provides that Council shall have no involvement in specific procurements until a contract has been entered into.

This report is to provide Council with an update on the status of this project.

Strategic Focus Area:

The new Brampton Transit Facility is important to the City's Transit & Connectivity and will provide much needed transit infrastructure to allow for the expansion of bus service in the City. The project also supports Environmental Resilience & Sustainability by utilizing high performance building systems and envelope design as the facility is to achieve LEED certification. Additionally, the project supports a well-designed transit network, which provides the infrastructure for sustained strategic growth, job creation, and new housing.

Conclusion:

This report provides an update on the new Brampton Transit Facility project. The project has recommenced with a construction management delivery model to respond to market volatility and a budget shortfall. Early works construction is to commence in 2024 and a budget amendment will be requested in mid-2024 for the primary building construction stage.

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Attachments: Appendix 1 - Confidential Appendix provided to Council as part of the closed session agenda for the November 29, 2023 Committee of Council meeting, under the following open session meeting exception:

(k) 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.