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Item No. 10.1.1

**Halifax Regional Council
March 10, 2009**

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in black ink, appearing to read "Dan English".

Dan English, Chief Administrative Officer

A handwritten signature in black ink, appearing to read "Wayne Anstey".

Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: March 4, 2009

SUBJECT: **Award - RFP No. 08-360; Design Build - Ragged Lake Transit Centre (RLTC)**

ORIGIN

Approved 2008/2009 Capital Budget Account No. CB200427, Satellite Transit Garage.

RECOMMENDATION

It is recommended that Council:

1. pre-approve a 2009/10 Capital Budget increase of \$8.0M for CB200427 Satellite Garage Facility as per the Budget Implications section of this report; and,
2. award RFP No. 08-360 to the highest scoring proponent, J. W. Lindsay Enterprises Limited, at a cost of \$23,993,459 (including net HST) with funding from Capital Account No. CB200427 - Satellite Garage Facility as outlined in the Budget Implications section of this report. Award of this project will be subject to the successful execution of the contract.

BACKGROUND

On September 30, 2008, HRM Regional Council approved the siting for the new Satellite Garage in the Ragged Lake Business Park. The construction of an additional Satellite Garage is necessary before further expansion of Metro Transit can occur.

The following criteria were used:

- Site Accessibility/ Level of Service
- Sewer & Water Accessibility
- Natural Environment Impacts
- Community Impacts
- Traffic Implications
- Planning Implications
- Timing - based on an open date of Spring 2010
- Deadhead Savings

Metro Transit currently operates two facilities: a Transit Centre at 200 Ilsley Avenue in Burnside (185 units), and a temporary satellite garage at 150 Thornhill Drive in Burnside (70 units). The Thornhill facility was purchased as a temporary facility in order to support transit service expansion while awaiting the funding, design, and construction of the proposed new facility. Currently, both facilities are operating above capacity, which has caused a number of issues, including a decrease in operational efficiencies. The Thornhill Drive facility will be closed as a Transit Terminal upon the opening of the Ragged Lake Transit Centre.

A Halifax location will increase reliability of service by reducing the frequency of crossings on the two harbour bridges and avoiding bridge tolls, and reducing deadhead kilometres travelled of buses with an estimated savings of \$1M annually.

DISCUSSION

For the past number of years this project has been referred to as a Satellite Garage. In full operation the facility will be much more than a garage, it will be a fully functioning transit operations and maintenance centre. From this point forward, therefore, this facility will be called the Ragged Lake Transit Centre (RLTC). It is a design-build project with a scheduled substantial completion date of May 1, 2010. The RLTC will be designed to a LEED Silver standard.

The RLTC will consist of two facilities on one site. One facility will be a 55,920 sq. ft. maintenance service centre, including 16 service bays, a body/paint bay, two wash/fuel bays, tool and tire storage, a parts depot, revenue room, and an administrative support area. The other facility is the 119,990 sq. ft. transit operations centre which includes the enclosed bus storage facility to accommodate 150 buses, with potential for expansion to accommodate 200 buses. To support the full operation of the site there is a surface parking area of 321 vehicles.

Before finalizing the requirements of the facility for the RFP, maintenance and operations staff visited four different transit operations and maintenance facility locations in Ontario and New Brunswick. These visits provided important insight into the requirements necessary for fully functioning transit operations and maintenance facilities.

The RLTC will provide operational services in support of transit 24 hours per day 7 days a week. This includes regular vehicle inspections and servicing, repairs and preventative maintenance programs. Vehicles will be prepared for daily transit services which are to be dispatched from this facility. The RLTC will service all types of buses - 30 foot special services buses, 60 foot articulated buses, 40 foot conventional transit buses - and service vehicles (cars and trucks). Of the current 708,000 hours of service delivered by Metro transit, 30 - 40% will be dispatched from the new RLTC. This will be a significant operational shift for Metro Transit and Transit Fleet services as this facility will function as a full operations and maintenance centre unlike the current Thornhill satellite garage.

Major component rebuilding, major accident repair, bus rebuild or full bus painting will continue to be delivered from 200 Ilsley Ave in Burnside.

The Design-Build Request for Proposals (RFP) was publicly advertised on November 26th and 29th, 2008 and closed on February 6th, 2009. Proposals were received from the following proponents:

Company
J. W. Lindsay Enterprises Limited
Pomerleau Inc.
MARCO Maritimes Limited
Ellis Don
Bird/Rideau

The RFP was scored using a two envelope process. Envelope one was the technical component of the RFP (qualifications and experience, methodology and approach, work plan schedule). Envelope two consists of the lump sum project cost and deliverables for this project (i.e., responds to Transit's needs, efficient site plan, LEED Silver, etc.). Only those proponents that received 80 points or greater from envelope one had their second envelopes opened and evaluated.

The proposals were scored under the technical components contained in envelope one.as follows:

J. W. Lindsay Enterprises Limited	83
Pomerleau Inc.	81
Marco Maritimes	69
Ellis Don	61
Bird/Rideau	56

Details of this scoring are contained in Appendix "A".

After completion of the envelope one process, only two (2) companies, J. W. Lindsay Enterprises Limited and Pomerleau Inc. met the minimum technical score to advance.

The Scoring Matrix for the criteria in the second envelope are attached a Appendix "B". This results in J. W. Lindsay Enterprises Limited being the highest ranking and recommended proponent.

The original project estimate was \$20 M with \$16.6 M approved in the 2008/09 budget year and an additional \$3.4 M planned for the 2009/10 budget year. The budget was estimated through a Class D estimate in late 2007 based on a 43,000 square foot service garage and an 81,000 square foot parking facility for 150 buses.

Following the site selection and a the visit of other facilities under construction or recently completed, a more detailed review of the requirement was conducted by Metro Transit and Transit Fleet Services. This resulted in a 55,920 sq. ft. service garage and a 119,990 square foot parking structure/administration building. The new site layout will allow for future growth at this site from 150 units to a maximum of 200 units. Additionally, it was determined that road improvement are required to extend Long Lake Drive and the construction of a 500 metres egress road to 103 off-ramp. The road improvements will provide access/services to approximately 11 acres of additional industrial zoned land available for sale within Ragged Lake Park and will be considered as adequate compensation for the value of the contributed land.

Based on the price breakdown given by the proponents for each building, the unit price for the service garage is approximately \$152 per square foot and the parking structure/administration building is approximately \$66 per square foot. These unit prices are in line with the estimated value of the original project scope and are extremely good value in this market at this time for the size and scope of this project.

BUDGET IMPLICATIONS

In addition to the award of RFP No. 08-360, there are three other project elements to complete the site and facility. These elements follow and staff will seek to have them approved as part of the 09/10 Capital Budget. This will require some re-distribution of the capital capacity within the family of Transit capital projects over the remaining four years of the Transit 5-Year Capital Approach.

Project	Description	Scope	Projected Cost
<i>CQU01223</i> Phase 1	Road Improvements to Long Lake Drive	extend Long Lake Drive by 175 metres to allow for planned entrances as per the proposed site plan	\$ 715,000
<i>CQU01223</i> Phase 2	Road Extension of Long Lake Dr. and egress to 103 off Ramp	extend Long Lake Drive by an additional 175 metres to match up with proposed overpass from Bayers Lake and an egress lane (500 metres) to the 103 off-ramp (Bay Road exit).	\$2,000,000
New account - FF&E	Furniture, Fixtures & Equipment	Purchase of all capital items required to completely outfit the RLTC (office furniture, computers, brake lathe etc.).	\$2,200,000
		Total	\$4,915,000

To provide the necessary capital funds to award RFP No. 08-360, staff is recommending to re-align \$4.6 M from The Harbour Link Project, CV300751, to Satellite Garage Facility, CB200427. The Harbour Link Project has not progressed to a point where the planned capital will be spent in FY 09/10. Staff did review other capital accounts for re-allocation; however, the other projects are further advanced and funds will be spent in 09/10.

The Business Case for the Harbour Link will be presented to Council later this month outlining the plan to bring this service forward. Should Council choose to approve this project it will take at least 24 -36 months to design, construct, and initiate this service could be launched.

Budget Summary:

The RFP in the amount of \$23,993,459 (including net HST) is recommended to be awarded to J.W. Lindsay Enterprises Ltd. based on the highest scoring proponent. Budget is available in the Advanced 2009/10 Capital Budget from Capital Account Nos. CV300751 - Harbour Link and CB200427 - Satellite Garage Facility as outlined below. The budget availability has been confirmed by Financial Services.

Capital Account No. CV300751 Harbour Link

2009/10 Proposed Plan as indicated in 08/09 Capital Budget book	\$10,000,000
Less: Realignment to CB200427 Satellite Garage Facility	<u>\$ 4,600,000</u>
Remaining Proposed Budget 2009/10	\$ 5,400,000

Capital Account No. CB200427 Satellite Garage Facility*

Cumulative Unspent Budget	\$16,781,013
Plus: Pre-approved 2009-10 Budget (realigned from CV300751)	4,600,000
Plus: Pre-approved 2009-10 Budget (CB200427)	3,400,000
Less: RFP No. 08-360	<u>23,993,459</u>
Balance	\$ 787,554**

The realignment will take place during the Capital budgeting process for 2009/10.

The projected annualized Operating Cost of Capital (OCC) for the facility will be approximately \$3M. Staff is currently reviewing details of the OCC and it will be brought forward as part of the 2009/10 and 2010/11 Business Planning & Budget cycle. Attached as Appendix "C" is the summary table identify Operating Cost of Capital.

* This project was estimated in the Approved 2008/09 Capital Budget at \$20,000,000.

** The balance of this account will be held during the construction period against potential contingencies.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

Council may choose not to approve this RFP award. This is not recommended by staff as it will negatively impact Metro Transit's ability to deliver the proposed service increases.

ATTACHMENTS

Appendix "A" - Envelope 1 Scoring Matrix

Appendix "B" - Envelope 2 Scoring Matrix

Appendix "C" - Sketch Business park Availability

Appendix "D" - Identification of Operating Cost of Capital (OCC)

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Appendix A
HALIFAX REGIONAL MUNICIPALITY
Request for Proposals RFP#: 08-360
DESIGN BUILD - SATELLITE TRANSIT GARAGE - TECHNICAL EVALUATION

ITEM		MAX SCORE	SUBMISSION				
			Pomerleau	Lindsay	Ellis Don	Bird	Marco
	D. Carman						
1.	Qualifications and Experience: 1. Quality of work, ability to organize and work with consultants, subtrades and suppliers 2. References from past five (5) projects of similar size, scope and magnitude. 3. Qualifications and expertise of team members 4. Demonstrated design-build partnering experience on similar projects and LEED	40	32	33	28	27	29
2.	Methodology and Approach: 1. To managing budget To managing schedule To managing quality control 2. Completeness and ingenuity of the planning/design process 3. Stakeholder consultation - approach and completeness 4. Is the approach appropriate to a transit garage facility unique to and responsive to the needs of Metro Transit users	40	32	33	22	23	25
3.	Work Plan Schedule: 1. A detailed work plan outlining effective project management 2. Demonstrate how the work plan will meet the substantial completion date of May 1, 2010	20	17	17	11	6	15
Total Score (100)			81	83	61	56	69

**APPENDIX B
HALIFAX REGIONAL MUNICIPALITY
REQUEST FOR PROPOSALS RFP # 08-360
DESIGN BUILD - SATELLITE TRANSIT GARAGE - ENVELOPE 2 SCORING MATRIX**

ITEM		MAX SCORE	SUBMISSION	
			Pomerleau	J.W. Lindsay
1	Deliverables: <ul style="list-style-type: none"> - Responds to needs of Transit/HRM - Interpretation of program and criteria - Response to LEED Silver - Ingenuity and innovation - Efficient site planning - Respect for environment - Aesthetics 	50	39	41
2	Financial and Contract Terms: <ul style="list-style-type: none"> - Lump Sum Price - Statement of acceptance of terms and conditions 	50	50 \$23,864,668 (net HST included)	50 \$23,993,459 (net HST included)
Total Score (100)			89	91*

* recommended proponent



TRANSIT
GARAGE
SITE

+ -11 acres

Ragged Lake Blvd

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New Transit Garage - Identification of Operating Cost of Capital (OCC)

Department	Funding	2009/10	2010/11
Metro Transit	\$1,120,388	\$93,366	\$1,027,022
Fleet Services	\$375,334	\$31,278	\$344,057
Building Services	\$1,155,000	\$12,083	\$1,142,917
Procurement	\$701,900	\$175,475	\$526,425
	Total	\$312,202	\$3,040,420

Area			
Salary & Benefits	\$2,182,022	\$289,385	\$1,892,637
Office Costs	\$84,000	\$11,000	\$73,000
External Costs	\$55,000	\$8,917	\$46,083
Equipment & Communications	\$0		
Training & Education	\$21,600	\$2,900	\$18,700
Conferences & Travel	\$0	\$0	\$0
Vehicle Expenses	\$0	\$0	\$0
Building operating costs	\$1,010,000	\$0	\$1,010,000
	Total	\$312,202	\$3,040,420

New FTE's 34.5