



**STAFF REPORT
ACTION REQUIRED**

**George Street Revitalization – Continuation of
Consultant Services**

Date:	February 24, 2016
To:	Executive Committee
From:	Chief Corporate Officer and Director, Purchasing and Materials Management Division
Wards:	All Wards
Reference Number:	P:\2016\Internal Services\FAC\Ec16010fac (AFS # 22527)

SUMMARY

On November 3, 2015, City Council adopted a report, "George Street Revitalization – Recommended Scope and Approach" (EX9.6). The report outlined progress in regard to due diligence in the areas of scope, schedule, cost, stakeholder engagement, development of a transition plan, and acquiring of adjacent properties for the George Street Revitalization ("GSR"). The revitalization will include the demolition of the Seaton House men's shelter to allow for the co-location of a long-term care home, a new emergency shelter, an assisted living program and affordable housing in addition to a community service hub in a new facility.

The November 2015 report authorized the extension of contract terms to February 29, 2016 for two project consultants: PRISM Partners Inc. ("PRISM") and Montgomery Sisam Architects ("MSA"). As a result, Amendment #1 was granted for the period of October 1, 2015 to February 29, 2016 for both PRISM and MSA. Amendment #1 was based upon available funding within the 2015 Shelter, Support and Housing Administration ("SSHA") Capital Budget.

This report seeks to amend both contracts to extend to December 31, 2016, to allow continuation of the work undertaken to date as directed by the November 2015 report and outlined further in Attachment 1. The 2016 Approved Capital Budget includes sufficient funding for the recommended contract extensions.

In line with City Council's direction, this work will ensure ongoing GSR progress. A staff report to Executive Committee in June 2016 will recommend a project procurement and delivery model that could coincide with the 2017 Capital Budget process, subject to City Council approval.

RECOMMENDATIONS

The Chief Corporate Officer and the Director of Purchasing and Materials Management Division recommend that:

1. City Council authorize the Chief Corporate Officer to enter into an extension to the amending agreement (Amendment #1) with PRISM to extend the term and continuum of project management services. subject to the following conditions:
 - a. that the agreement include an extension term of March 1, 2016 to December 31, 2016;
 - b. that the continuum of services, as set out in Attachment#1 of this report, which can be performed within the timeframe indicated in 1a above, be added to the current agreement upon such other terms and conditions as satisfactory to the Chief Corporate Officer;
 - c. that the total cost of the continuum of services for March 1, 2016 to December 31, 2016 (Amendment #2) is \$508,750 (net of HST recoveries), increasing the value of the approved contract from \$877,623 to \$1,386,373 (net of HST recoveries); and
 - d. that the agreement be on terms and conditions satisfactory to the Chief Corporate Office and in a form satisfactory to the City Solicitor.

2. City Council authorize the Chief Corporate Officer to enter into an extension to the amending agreement (Amendment #1) with Montgomery Sisam Architects Inc. to extend the term and continuum of architectural services, subject to the following conditions:
 - a. that the agreement include an extension term of March 1, 2016 to December 31, 2016;
 - b. that the continuum of services, as set out in Attachment#1 of this report, which can be performed within the timeframe indicated above, be added to the current agreement upon such other terms and conditions as satisfactory to the Chief Corporate Officer;
 - c. that the total cost of the continuum of services for March 1, 2016 to December 31, 2016 (Amendment #2) is \$1,322,750 (net of HST recoveries), increasing the total value of the contract from \$1,623,733 to \$2,946,483 (net of HST recoveries); and
 - d. that the agreement be on terms and conditions satisfactory to the Chief Corporate Office and in a form satisfactory to the City Solicitor.

- City Council amend the 2016 Approved Capital Budget for SSHA by reallocating funds in the amount of \$1.232 million from the George Street Redevelopment – Phase 2 project to the Shelter Development/Redevelopment 2016 project to extend the existing contracts with PRISM and MSA until December 31, 2016 with no gross and debt impact.

Financial Impact

The 2016 Approved Capital Budget for SSHA includes funding of \$0.600 million for GSR - Project Management and Architect Fees (Phase 1) project and \$9.641 million for GSR- Phase 2 (Transition and redevelopment) project.

The recommendations included in this report will require a reallocation of funds in the amount of \$1.232 million from the George Street Redevelopment –Phase 2 project to GSR - Project Management and Architect Fees project to extend the existing contracts to the end of December 31, 2016. Staff will be reporting back to the Executive Committee in June 2016 recommending a project procurement and delivery model along with the financing options. In the event the City elects to pursue an alternate form of project procurement and delivery, the City has termination rights within the Prism and MSA contracts that could be exercised.

Table One outlines the estimated costs to amend the existing contracts.

Table One: Estimated Costs to Amend Existing Contracts

	Approved to Date (Net of all taxes and charges)	Approved to Date (Net of HST Recoveries)	Amendment #2 (Net of HST Recoveries)	Revised Contract Value (Pending) (Net of HST Recoveries)	Total Spent to Date (Net of HST Recoveries)	Balance of Commitment (Net of HST Recoveries)
Project Management Consultants (PRISM)	Original Award \$618,000 Amendment #1 <u>\$244,444</u> Total \$862,444	Original Award \$628,877 Amendment #1 <u>\$248,746</u> Total \$877,623	\$508,750	\$1,386,373	\$801,573	\$584,800
Architectural Consultants (MSA)	Original Award \$1,095,650 Amendment #1 <u>\$500,000</u> Total \$1,595,650	Original Award \$1,114,933 Amendment #1 <u>\$508,800</u> Total \$1,623,733	\$1,322,750	\$2,946,483	\$1,290,107	\$1,656,376
Total	\$2,458,094	\$2,501,356	\$1,831,500	\$4,332,856	\$2,091,680	\$2,241,176

To date, City Council has approved \$23.729 million for all aspects of the George Street Revitalization project including funding for the project management, planning and design work referenced above, property acquisition and transition costs.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of August 25, 2014, City Council adopted the report *Project Management Contract Award for the Proposed Redevelopment of Seaton House and Revitalization of George Street*. Council authorized the engagement of PRISM Partners Inc. for project management services to develop and manage the scope of work, schedules, budgets and stakeholder management required for the overall delivery of the project. The contract value is not exceed a value of \$628,877 (net of HST recoveries).

The following is the link to the Executive Committee Decision Document:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX44.12>

At its meeting on February 11, 2015, Bid Committee adopted the award to MSA for architectural design services in the amount of \$1,114,933 (net of HST recoveries) for Project Stage One.

The following is the link to the Bid Committee Decision Document:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.BD12.4>

At its meeting of November 3-4, 2015 City Council adopted *George Street Revitalization – Recommended Scope and Approach*. The report outlines the due diligence and stakeholder and community engagement that was completed. Additionally, it outlined the amended scope of work (Amendment#1).

The following is the link to the City Council Decision Document:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX9.6>

ISSUE BACKGROUND

At its meeting of November 3-4, 2015, City Council endorsed the project scope for the George Street Revitalization. City Council authorized the recommendation that the Chief Corporate Officer enter into amending agreements with PRISM and MSA for the period of October 1, 2015 to February 29, 2016. The amendment (Amendment #1) from October 1, 2015 to February 29, 2016 was based upon available funding within the 2015 SSHA Capital Budget.

This report requests an extension to the amending agreement from March 1, 2016 to December 31, 2016 (Amendment #2). The required funds are included in the SSHA 2016 Capital Budget, which was approved by City Council on February 17, 2016.

The issuance of two separate amendments (Amendment#1 and now Amendment#2) was as a result of SSHA having limited funds available in the 2015 SSHA Capital Budget for only the value of Amendment#1. Funds became available upon approval of the 2016 SSHA Capital Budget in February 2016 allowing for this Amendment #2.

COMMENTS

This report recommends continuing with the scope of work for both PRISM and MSA from March 1, 2016 to December 31, 2016 and will ensure ongoing GSR progress. The submission of a staff report to Executive Committee in June 2016 will include a recommendation on the type of project procurement and delivery model that would be available to the City and which could coincide with the 2017 Capital Budget process, subject to City Council approval.

The total cost of the extension (Amendment#2) to the amended scope of work for PRISM would be \$508,750 (net of HST recoveries) for the period of March 1, 2016 to December 31, 2016.

The total cost of the extension (Amendment#2) to the amended scope of work for MSA would be \$1,322,750 (net of HST recoveries) for the period of March 1, 2016 to December 31, 2016.

Tasks to be undertaken by PRISM and MSA during this period are outlined in Attachment 1. The work includes seeking City Planning approvals that are required by the City regardless of the procurement and delivery method to be recommended in the June 2016 Staff Report.

In the event the City elects to pursue an alternate form of project procurement and delivery, the City has termination rights within the Prism and MSA contracts that could be exercised.

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ATTACHMENTS

Attachment #1 – Scope of Services for George Street Revitalization Amendment #2

Attachment #1
Scope of Services for George Street Revitalization Amendment #2

1. MSA to further develop and submit design documentation for the Official Plan Amendment, Re-Zoning and Site Plan Application processes to the extent necessary to lead towards a successful application.
2. PRISM and MSA will continue with any additional stakeholder sessions that may be required.
3. PRISM and MSA will continue to review the Project deliverables to ensure compliance with potential Alternative Financing and Procurement (“AFP”) requirements; plan/initiate a seamless transition process should the June 2016 staff report recommend an AFP delivery model.
4. PRISM and MSA to carry on with discussions with Community Planning regarding Re-Zoning.
5. PRISM and MSA will liaise with the selected Procurement Options Analysis Consultant to provide information and data as required enabling the preparation of the staff report for June 2016.
6. PRISM and MSA will assist City with Procurement Options Analysis Consultant and provide direct input. PRISM Partners Inc. will act as the city’s main point of contact in regards to required information and deliverables (non-contractual).
7. PRISM and MSA will provide the due diligence required for the City’s newly acquired heritage properties (303, 309 and 311 George Street) required for Re-Zoning, Official Plan Amendment and Site Plan Application as deemed appropriate.
8. PRISM and MSA will provide technical information as may be required to assist City in finalizing staff reports as required.