

Clause 20 in Report No. 10 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 28, 2018.

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Unionville Seniors Affordable Housing Development
Design/Build Contract Award

Committee of the Whole recommends adoption of the following recommendations contained in the report dated May 30, 2018 from the Commissioner of Community and Health Services:

1. Council approve the award of the Design/Build Contract for the Unionville Seniors Affordable Housing Development project in the City of Markham, pursuant to Request for Proposal P-17-106 to Martinway Developments Limited at a total cost of \$59,495,040 excluding HST.
2. The Commissioner of Community and Health Services be authorized to execute the Design/Build Contract and any ancillary documents or agreements required to secure funding and facilitate this redevelopment on behalf of The Regional Municipality of York.

Report dated May 30, 2018 from the Commissioner of Community and Health Services now follows:

1. Recommendations

It is recommended that:

1. Council approve the award of the Design/Build Contract for the Unionville Seniors Affordable Housing Development project in the City of Markham, pursuant to Request for Proposal P-17-106 to Martinway Developments Limited at a total cost of \$59,495,040 excluding HST.
2. The Commissioner of Community and Health Services be authorized to execute the Design/Build Contract and any ancillary documents or agreements required to secure funding and facilitate this redevelopment on behalf of The Regional Municipality of York.

2. Purpose

This report seeks Council approval to enter into a Design/Build Contract with Martinway Developments Limited for the design and construction of a building in Unionville containing approximately 264 affordable housing units for seniors, a ground floor community centre, and senior's hub space. Ownership of the building will be transferred to Housing York Inc. from the Region upon completion of construction.

Included within ancillary documents are security documents for the registration of security interests on title to the property as required by the Province as a condition of receiving Investment in Affordable Housing for Ontario – Social Infrastructure Fund (IAH-SIF) funding.

3. Background

The Region plays a key role in redevelopment of the Unionville Home Society Campus

In 2014, discussions began with the Minto Communities and Unionville Home Society, which sought to sell portions of land and redevelop the Unionville Home Society campus to include a range and tenure of housing options. In 2016, Council approved purchase of a parcel of that land from Minto Communities for the purpose of constructing a senior's affordable housing building. The Region's site is 2.48 acres, and is located in the centre of the Unionville Home Society campus near Highway 7 and Main Street in the City of Markham.

Development applications were submitted to the City of Markham in March 2017. Approval to amend the Official Plan and Zoning Bylaw were obtained from Markham Council in February 2018. The site plan has been endorsed in principle by City Council, and is currently in its final stages of review with Markham staff. The land purchase will be completed once the site plan agreement is finalized, which is anticipated to occur in late 2018.

In 2017, a Request for Pre-Qualification for Design Builders helped inform the ensuing Request for Proposal for this project

In March 2016, the Region entered into negotiations with Minto Group for design and construction of the affordable seniors rental building. These negotiations were ultimately unsuccessful. A competitive procurement process began in 2017 by issuing a Request for Pre-qualification to secure a Design Builder for the project.

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The Request for Pre-qualification received 11 submissions, and scored respondents on such factors as experience, completion of similar projects, and expertise and capability. The five Design Builders listed below were pre-qualified under the Request for Pre-qualification and were invited submit proposals in response to the Request for Proposal:

- Buttcon Limited
- Ledcor Group
- Martinway Developments Limited
- Multiplex Construction Canada Ltd.
- VanMar Constructors (ON) Inc.

4. Analysis and Implications

The Request for Proposal was evaluated based on Technical, Management and Financial submission

The Request for Proposal was issued on March 15, 2018 and closed on May 24, 2018. Two proposals were received, and are summarized in Table 1. Multiplex Construction Canada Ltd and Ledcor Group both submitted a no-bid form to Procurement Office prior to closing, advising they were not in a position to submit a proposal due to the availability of their resources. VanMar Constructors (ON) Inc. did not submit a proposal.

An evaluation team was established comprised of staff from Development Services, Technical Services, and Housing Operations. KPMG was retained as a fairness monitor throughout the process. Although KPMG is still completing its analysis, they have indicated they have not identified any issues which would prevent them from concluding the process was fair. Evaluations were conducted under the guidance of the Procurement Office.

The technical Proposal is pass/fail based on a minimum score of 60 per cent to pass. Elements scored in the proposal included:

- Demonstrated understanding of project requirements
- Design considering efficiencies, energy sustainability and value engineering
- Construction management

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- Community benefit

The financial submission of proponents passing the technical evaluation were opened and the proponent with the lowest total price within budget was selected as the winning bidder.

Table 1
Request for Proposal Submission from Design Builders

Proposal	Buttcon Limited	Martinway Developments Limited
Technical (pass/fail)	Pass	Pass
Bid Amount excluding HST (\$)	\$66,242,069	\$59,495,040

Martinway Developments Limited is the winning bidder

Based on the results of the evaluation process, Martinway Developments Limited is recommended to proceed to executing the Design/Build Contract. Their proposed contract price of \$59,495,040 is within the project's capital budget for construction. The design concept presented meets the objectives of the Request for Proposal as well as includes features which include:

- A universally accessible building
- A building envelope designed to achieve superior energy performance
- The Design Builder is also responsible for obtaining all building permit approvals on the Region's behalf. The Region reserves the right to terminate the contract, without penalty, if the Design Builder fails to obtain required approvals

The Design Builder will retain their own project team and provide a full range of services in the design, construction and commissioning of the building until it is turned over to the Region. Construction is expected to begin in late 2018, with completion anticipated in late 2021, and occupancy in early 2022.

5. Financial Considerations

Unionville Seniors Affordable Housing Development has been identified in the 2018 Budget

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The 2018 capital budget includes Capital Spending Authority of \$79.2 million and total estimated project costs of \$80 million for the Unionville Seniors Affordable Housing Development. Up to December 31, 2017, the total spent on the project totalled \$839,095 for predevelopment activities required to obtain municipal approvals.

This project includes Federal and provincial funding. The Investment in Affordable Housing program is designed to increase access to affordable housing. The program is provided as a forgivable capital loan that is available during the construction phase of the project. The program will fund up to 75% of the total capital cost per unit or \$150,000 per unit, whichever is less. Total capital costs include land, financing, hard (construction) and soft costs but less any HST rebates. The Federal and provincial funding and the Regional funding percentages are in line with recent projects, such as Woodbridge Lane.

This project is funded through several sources as identified in Table 2.

Table 2
Unionville Seniors Affordable Housing Development
Total Project Cost (2018 Budget)

Capital Funding Source	Total (\$)
Investment in Affordable Housing Extension	10,983,750
Social Infrastructure Fund, Investment in Affordable Housing	12,253,992
Total Federal and Provincial Funding (29%)	23,237,742
Social Housing Development Reserve	35,711,624
Development Charge and Development Charge Debentures*	8,650,597
Debentures (HYI)	12,400,037
Total Regional Funding (71%)	56,762,258
Total Funding (\$)	80,000,000

*Development charge funds are eligible only on the component of project costs not funded federally/provincially.

The contract award is within the approved capital spending authority for this project.

The total estimated project costs are broken down in Table 3:

Table 3
2018 Project Budget

Item	Amount (\$)
Development Charges & Municipal Fees	\$5,000,000
Land and Servicing	\$8,000,000
Development Costs & Other Project Cost Provisions	\$5,000,000
Building Construction	\$62,000,000
Total	\$80,000,000

6. Local Municipal Impact

There is a growing need for new affordable housing for seniors across York Region. The Unionville Seniors Affordable Housing Development presents a tremendous opportunity to address this, specifically in the Markham area.

The current development parcel is well serviced by public transportation and is in close proximity to shops, services and park space. The new community centre and hub space that is designed specifically for seniors will enhance the quality of life for both residents, and members of the greater community.

Creation of affordable rental housing units in the community will contribute to the economic viability of the Region and provides stable housing for lower income senior citizens.

The City of Markham has been supportive of the development process, and has been cooperative in working with the Region, Minto, Unionville Home Society, the consultants and local community as the project moves towards achieving the required planning approvals.

7. Conclusion

Through an extensive Request for Pre-qualification and Request for Proposal process, as well as stringent evaluation criteria, the Region has selected Martinway Developments Limited as the successful candidate to design and construct a new affordable housing building in the City of Markham, at a cost of \$59,495,040 excluding HST.

Unionville Seniors Affordable Housing Development Design/Build Contract
Award

This project will increase the affordable housing units for seniors in the City of Markham and will assist in decreasing the number of people waiting for affordable housing in York Region.

For more information on this report please contact Rick Farrell, General Manager, Housing Services at ext. 72091.

The Senior Management Group has reviewed this report.

May 30, 2018

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Accessible formats or communication supports are available upon request