



## **1810 Markham Road – Building Upgrades**

**Date:** September 24, 2019

**To:** TTC Board

**From:** Chief Capital Officer

### **Summary**

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The purpose of this report is to obtain authorization for the award of Contract H60-6, 1810 Markham Road Building Upgrades, to Pegah Construction Ltd. (Pegah) in the amount of \$6,326,105.75, inclusive of all taxes, on the basis of lowest total bid price.

The total bid price includes all labour, equipment, hardware and materials to upgrade the existing site and building at 1810 Markham Road. The scope of work under Contract H60-6 includes the conversion of the existing facility to a TTC garage for storage, servicing and maintenance of the TTC's fleet of non-revenue vehicles (NRVs).

The major items included in the scope of work are the installation of garage equipment, hoists, storage tanks, and lubritoriums, as well as hydro and gas upgrades. Upon completion of the planned upgrades and modifications, the facility will have 10 repair bays, a shop area, a mechanical bay, a forklift room, staff lockers, a lunch room, washrooms, offices for the garage management, and a receiving and storage area for the Materials and Procurement Department.

### **Recommendations**

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It is recommended that:

1. The Board authorize the award of Contract H60-6: 1810 Markham Road Building Upgrades, to Pegah Construction Ltd. in the amount \$6,326,105.75, inclusive of all taxes, on the basis of lowest total bid price.

### **Financial Summary**

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Once approved, Contract H60-6, 1810 Markham Road Building Upgrades, will require funding of \$6,326,105.75, that will be expended predominantly from 2019 to 2021.

Funds for this expenditure are included in the TTC's 2019-2028 Capital Budget under Program 3.9 Buildings and Structures, Project No. 6933 – Bus Maintenance Facility, which was approved by City Council on March 7, 2019. The 1810 Markham Road Building Upgrades total project approval is \$18.9 million, of which approximately \$7.8 million has been committed to date.

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

## **Equity/Accessibility Matters**

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The TTC is working toward making Toronto's transit system barrier-free by implementing changes that will make its services and facilities more inclusive and accessible by 2025. This approach will be supported and continue with the work on 1810 Markham Road Building Upgrades.

The work of this contract includes the installation of new washroom and locker room facilities, new automatic door operators and new ramps, and the renovation of the existing washroom facilities for barrier-free accessibility.

## **Decision History**

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There is no prior decision history.

## **Issue Background**

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The 1810 Markham Road property was acquired in 2017 by the TTC to address the shortfall of available storage space to service, maintain and dispatch revenue vehicles at TTC's seven bus garages and Lakeshore (Wheel-Trans) garage.

Currently, more than 300 buses are allocated to each of the seven city bus garages; This exceeds the typical design capacity of 250 buses per garage. At Lakeshore Garage, more than 252 Wheel-Trans buses, 200 light duty non-revenue vehicles and 140 forklifts are stored, maintained and dispatched from this location. With a design capacity of approximately 230 Wheel-Trans buses, Lakeshore Garage is also operating overcapacity.

An eighth city bus garage, McNicoll Garage, is currently under construction and is scheduled to open in 2020. McNicoll Garage will provide additional capacity to service, maintain and dispatch standard 40 foot and articulated 60 foot city buses. This location will reduce the overcapacity at the other city bus garages to more manageable levels.

Overcapacity at Lakeshore Garage, however, remains a concern. The opportunity to utilize 1810 Markham Road property to transfer the maintenance of non-revenue vehicles and equipment from the Lakeshore Garage location will help to reduce the overcapacity. The 1810 Markham Road property will also allow the amalgamation of all non-revenue vehicles <4,500kg and equipment from Duncan Shop and Lakeshore Garage into one maintenance facility. Reducing overcapacity will help improve operational efficiencies for both maintenance and dispatching activities.

The proposed work under the Contract would provide the necessary equipment, facilities, office and storage space along with compliance to current regulatory and safety requirements to allow the TTC to operate 1810 Markham Road facility as a garage for NRVs.

The total bid price includes all labour, equipment, hardware and materials to upgrade the existing site and building at 1810 Markham Road. The scope of work under Contract H60-6 includes the conversion of the existing facility to a TTC garage for storage, servicing and maintenance of the TTC's fleet of non-revenue vehicles (NRVs).

The major items included in the scope of work are the installation of garage equipment, hoists, storage tanks, and lubritoriums, as well as hydro and gas upgrades. Upon completion of the planned upgrades and modifications, the facility will have 10 repair bays, a shop area, a mechanical bay, a forklift room, staff lockers, a lunch room, washrooms, offices for the garage management, and a receiving and storage area for the Materials and Procurement Department.

## **Comments**

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Specifications and drawings were prepared for Contract H60-6 and a Request for Bids (RFB) was posted on the TTC's web site and Merx as of May 29, 2019. Eleven companies downloaded copies of the bid documents. A mandatory site tour was held on June 14, 2019. Six of the 18 companies that attended the mandatory site tour submitted a bid by the closing date of July 19, 2019 that are summarized in Appendix A. The bid validity expires on October 15, 2019.

The RFB specified that the bidder (including every participant of a Joint Venture, if applicable) must possess a valid Certificate of Recognition (COR™) with Infrastructure Health and Safety Association (IHSA), at the time of the closing and for the term of contract.

Pegah submitted the lowest priced bid and did not state any exceptions or qualifications. Pegah is COR™ certified as indicated on the published list from the IHSA. Reference checks were completed, that indicate Pegah has satisfactorily completed work of a similar size and nature in the past. Their bid is considered commercially acceptable and they are recommended for award of a contract.

J.J. McGuire General Contractors Inc. submitted the second lowest priced bid and also did not state any exceptions or qualifications and their bid is considered commercially acceptable. J.J. McGuire General Contractors Inc. is COR™ certified with IHSA.

Maystar General Contractors Inc. submitted the third lowest priced bid and also did not state any exceptions or qualifications and their bid is considered commercially acceptable. Maystar General Contractors Inc. is COR™ certified with IHSA.

The Agreement and Bond submitted by Pegah covers both a Labour and Material Payment Bond and a Performance Bond, that was submitted by Northbridge General Insurance Corporation, which has been verified as a Surety Company licensed to transact business under the Insurance Act of Ontario. As such, it is considered financially capable of performing the work.

The successful bidder will be required to execute a Performance Bond and a Labour and Material Payment Bond, each in the amount of 50% of the contract value.

## **Contact**

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Jane Murray, Chief Project Manager – Construction Department  
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## **Signature**

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Susan Reed Tanaka  
Chief Capital Officer  
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## **Attachments**

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Appendix A – Summary of Bids  
SharePoint # 03075-5046-34

## APPENDIX A

1810 Markham Road Building Upgrades

CONTRACT H60-6

### SUMMARY OF BIDS

COMPANY	TOTAL BID PRICE
<b>*Pegah Construction Ltd.</b>	<b>\$6,326,105.75</b>
J.J. McGuire General Contractors Inc.	\$7,447,830.00
Maystar General Contractors Inc.	\$7,525,800.00
The State Group Inc.	\$8,222,826.94
Black & McDonald Limited	\$8,362,000.00
MJ Dixon Construction Limited	\$8,621,900.00

**\*Recommended company**