



Report to: General Committee

Meeting Date: January 21st, 2025

SUBJECT: Main Street Markham Reconstruction from Bullock Drive to 16th Avenue – Design Budget Update

PREPARED BY: Salia Kalali, Senior Manager, Infrastructure & Capital Projects, Ext. 2360
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RECOMMENDATION:

- 1) That the report entitled “Main Street Markham Reconstruction from Bullock Drive to 16th Avenue – Design Budget Update” be received;
- 2) That capital account #083-6150-24271-005 in the amount of \$962,500.00 for Consulting Services for pre-design and detailed design of Main Street Markham Reconstruction from Bullock Drive to 16th Avenue be increased by \$1,454,726.24 (from \$962,500.00 to \$2,417,226.24) inclusive of HST to account for changes to the design elements, regulatory changes, new standards, inflation, and process changes;
- 3) That the additional costs be funded from the following sources:
 - Development Charges – \$290,945.25
 - Life Cycle/Waterworks/Stormwater – \$1,163,780.99
- 4) That the Chief Administrative Officer be given the delegated authority to award the contract for the Consulting Services for the pre-design and detailed design of Main Street Markham reconstruction from Bullock Drive to 16th Avenue; and,
- 5) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to obtain Council approval for the following:

1. Increase the design budget under capital account #083-6150-24271-005 for the Main Street Markham reconstruction from Bullock Drive to 16th Avenue by \$1,454,726.24 due to anticipated increased costs discussed in the report.
2. Provide the Chief Administrative Officer the authority to award the contract for the Consulting Services for the pre-design and detailed design of Main Street Markham Reconstruction from Bullock Drive to 16th Avenue.

BACKGROUND:

In 2008, the City of Markham undertook a Municipal Class Environmental Assessment Study (EA) to support future growth of Main Street Markham between Highway 407 and future Donald Cousens Parkway (DCP), while preserving and enhancing the historic and cultural heritage of the Markham Village Heritage Conservation District. This EA was completed in September 2010.

Since the EA approval, the City proceeded with the detailed design and construction along various sections of Main Street Markham under different timeframes. The construction has been completed from Highway 407 to Bullock Drive, and from 16th Avenue to Major Mackenzie Drive. The remaining portion to be completed is along Main Street Markham from Bullock Drive to 16th Avenue (Project) as outlined in **Attachment A – Project Study Area**.

The original design budget of \$962,500 was approved in February 2024. The scoping process of the Project to prepare a Request For Proposal (RFP) included detailed consultation with various departments including Environmental Services regarding the storm sewer, sanitary sewer and, watermain upgrades. The RFP was issued on January 6th, 2025 and will close on January 30th, 2025.

DISCUSSION:

The design budget was developed in January 2024 and approved in February 2024. The budget estimate was based on similar design consulting services for projects awarded in 2022 and 2023, taking into consideration the regulatory and industry standards in place at that time and the limited information available regarding the required underground services upgrades.

Since the design budget approval, staff have undertaken a detailed scoping of the design assignment and anticipate that the approved budget is insufficient given current market conditions as consulting fees, labor rates, and inflation have risen significantly in the past two years. The total cost of award and the funding split will be determined following the completion of the competitive bidding process. Other key factors contributing to the anticipated budget shortfall are as follows:

1. Regulatory & legislative changes
2. Refined design elements associated with the underground services upgrades

New standards and legislation have been introduced that include further requirements that were not considered in the original scope of the project. The original budget was developed in January 2024 prior to the finalization of the excess soil management regulations (O. REG. 406/19), effective April 23, 2024, which have added substantial costs to projects. The excess soil management regulations require additional soil testing, tracking, disposal planning, and compliance with environmental guidelines. Additionally, the recent implementation of Bill 212 (Reducing Gridlock, Saving You Time Act, 2024) has created protocols, necessitating additional consultations and approvals from the Ministry of Transportation (MTO) regarding implementation of active transportation facilities such as bike lanes where a traffic lane needs to be removed. Concerns surrounding this legislation

may lead to potential delays and further compliance requirements which may further impact the budget.

Furthermore, through the scoping process and consultation with other departments, the design scope is now refined to consider the following additional aspects:

- The previous Main Street Markham project along Hwy 7 to Bullock Drive encountered challenges related to streetlight and pavement design. As a result, a more comprehensive detailed design for both the streetlights and pavement is necessary for this project. The streetlight design will align with specifications from the Operations department, ensuring the use of energy-efficient, decorative lighting systems that prioritize ease of operation.
- Detailed design and constructability of the trenchless sewer and watermain installation, evaluation of hydro pole and guardrail relocations, addressing environmental concerns such as species at risk and implementation of erosion and sediment control measures.
- Property/Permanent easement acquisition may be required for this project.
- Extensive coordination/consultation is required with indigenous communities for design report reviews and potential archeological investigation monitoring according to the City’s current practices.
- Coordination between the detailed design and the Public Art design is required.
- Further detailed requirements have been implemented in 2024 from the City’s Forestry and Parks department regarding tree preservation. The Tree preservation by-law 203-164 was passed in December 2023.
- Additional process updates and field investigations, updated risk management strategies, and further utility coordination are now required to prevent delays and minimize risks.

FINANCIAL CONSIDERATIONS:

The details of the original 2024 budget and additional request are shown in **Table 1**.

Table 1 – Project 24271 Overall Project Cost Breakdown

Description	Approved Budget	Additional Request	Total Budget
External Consulting	790,000.00	1,194,000.00	1,984,000.00
Contingency (10%)	79,000.00	119,400.00	198,400.00
Sub-Total	869,000.00	1,313,400.00	2,182,400.00
HST Impact	15,294.40	23,115.84	38,410.24
Internal Fees	78,205.60	118,210.40	196,416.00
Total Project Cost	962,500.00	1,454,726.24	2,417,226.24

Staff recommends the following funding sources for the additional budget request as shown in **Table 2**.

Table 2 – Sources of Funding

Funding Source	Approved Budget	Additional Request	Total Budget
Development Charges	192,500.00	290,945.25	483,445.25
Life Cycle/Waterworks/Stormwater*	770,000.00	1,163,780.99*	1,933,780.99
Total Funding	962,500.00	1,454,726.24	2,417,226.24

*The funding split will be determined at time of award, following the completion of the tendering process.

HUMAN RESOURCES CONSIDERATIONS:

Not Applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The adjustment to the budget will allow the City to retain a design consultant to complete the detailed design for the Project, ensuring the City's Strategic Plan objectives for Main Street Markham. This project will follow the recommendations outlined in the approved 2010 Municipal Class Environmental Assessment Study (EA) and the Markham Village & Unionville Flood Remediation Plan.

BUSINESS UNITS CONSULTED AND AFFECTED:

The Environmental Services department has been consulted during the preparation of this report. The Finance and Procurement departments have reviewed and approved this report.

RECOMMENDED BY:

Frank Clarizio, P.Eng.
Director, Engineering

Arvin Prasad, MPA, RPP, MCIP
Commissioner, Development Services

ATTACHMENTS:

Attachment A – Project Study Area map

ATTACHMENT A – PROJECT STUDY AREA

