



Toronto-York Spadina Subway Extension – Procurement Authorization Amendment

Date: March 20, 2018
To: TTC Board
From: Chief Executive Officer

Summary

This report requests the Board's approval to amend Contract C13SB17600, On-Call Miscellaneous Services, for changes in the completion of the work in support of the project delivery date of December 17, 2017, and the closeout of the TYSSE project.

This request for approval follows the recommendations endorsed by the Board at its meeting on January 21, 2016, as detailed in the report titled "Toronto-York Spadina Subway Extension Schedule and Budget Reset".

Recommendations

It is recommended that:

1. The Board authorize a contract amendment to Black and McDonald Limited for Contract C13SB17600 – On-Call Miscellaneous Services, increasing the contract upset limit amount by \$8,300,000.00 bringing the total upset limit amount to \$29,800,000.00 and extending the contract expiry date to July 2018.

Financial Summary

Sufficient funds are included in the 2018 – 2027 TYSSE Capital Project for this requirement, as approved by Council on February 2, 2018.

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

Equity/Accessibility Matters

There are no equity/accessibility issues resulting from this report.

Decision History

The TTC is constructing an 8.6 km subway extension from the existing Downsview Station located in the City of Toronto, to the proposed Vaughan Corporate Centre located in the City of Vaughan, Region of York. The Toronto-York Spadina Subway Extension (TYSSE) is an important part of both the TTC network and regional transit, improving transit in Toronto and the GTA.

At its meeting on January 21, 2016, the Board received the report entitled “Toronto-York Spadina Subway Extension – Schedule and Budget Reset”, and approved the recommended TYSSE schedule and budget changes, allowing funds to be made available to continue with support services required to complete the project.

[https://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2016/January 21/Reports/Board Report TYSSE Schedule and Budget Reset 2016-01-21 fina.pdf](https://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2016/January%2021/Reports/Board%20Report%20TYSSE%20Schedule%20and%20Budget%20Reset%202016-01-21%20final.pdf)

The TYSSE project is approximately 99 percent complete. The Board has endorsed the recommendations outlined in the project reset, extending the project delivery schedule to the end of 2017 and increasing the project budget.

Issue Background

Following a competitive bidding process to engage a company to assist TYSSE in achieving completion of the Project works, it was determined that the original tender package could not be awarded as originally packaged. The package was split into two separate packages, one for completion services and one for on-call miscellaneous services. On January 4, 2017, single source approval was sought and received by the CEO to retain the services of Black and McDonald Limited (B&M) to provide miscellaneous services to assist in the completion of works on the Project, on an on-call basis. The proposed amendments are within the TYSSE project budget and represent:

1. On-Call Miscellaneous Services

The specified work performed under this contract is released on a work order basis authorizing Black and Macdonald to complete various miscellaneous outstanding works in order to achieve the target revenue service date.

2. Addition of Security and Care and Maintenance Packages

Following the initial award of this contract, the scope has been expanded to include security and care and maintenance work related to the TYSSE stations. When requesting the original procurement authorization, this work was originally anticipated to be awarded under separate contracts. Subsequently, and owing to changes to the station contractor’s substantial performance dates, this work was determined to overlap with the on-call miscellaneous services and that it was commercially and logistically advantageous to incorporate the scope into a single source contract.

3. Assignment of Late Changes to Stations

Change order work related to the station finishes and incorporation of scope gaps not included in the station contracts which have arisen after the substantial performance dates on those contracts have been assigned to the On-Call Miscellaneous contract. This allows for timely completion of the balance of the works to maintain the project's schedule as well as keeping the major contractors focused on completing the core project scope. Furthermore, this is in alignment with the project commercial strategy of closing out the major contracts, allowing contractors to demobilize and mitigating potential delay claims arising from extension of time related to completing change order works. Black & Macdonald has demonstrated they can reliably complete these various change order works in a cost effective manner, and the intent is to continue to assign that scope to the On-Call Miscellaneous contract when appropriate.

4. Finch West Station

Due to the challenges of the Finch West Station contractor, certain remaining critical activities are proposed to be descoped from the station contractor BCCL and incorporated into the On-Call Miscellaneous Services contract. The proposed works to be added to the On-Call Miscellaneous Services contract include predominantly architectural finishes, cladding, signage and completion of deficiencies. These activities must be completed to obtain safety certification and an occupancy permit for the station. Black and Macdonald Limited are well suited to complete the work and are currently present at the Finch West Station site. Other works including mechanical finishing, electrical finishing and certain site works were previously descoped from BCCL and assigned to separate contractors. The completion of the Finch West Station is currently on the project's schedule critical path and is essential to meeting the TYSSE Revenue Service date.

5. Steeles West Station North

Due to the challenges of the Steeles West Station North contractor, certain remaining critical activities were descoped from the facility contractor BCCL and incorporated into the On-Call Miscellaneous Services contract. The works added to the On-Call Miscellaneous Services contract include predominantly mechanical and electrical finishing, architectural finishes, cladding, signage and completion of deficiencies. These activities had to be completed to allow opening of the Steeles North parking lot and YRT bus terminal. Black and Macdonald Limited were well suited to complete the work and were already working at the Steeles West Station North site. The completion of the Steeles West Station North was on the project's schedule critical path and was essential to meeting the TYSSE Revenue Service date.

6. Vaughan Metropolitan Centre Completion

Due to the financial insolvency of the Vaughan Metropolitan Centre station contractor, certain remaining activities are being descoped from the contractor Carillion and incorporated into the On-Call Miscellaneous Services contract. The works added to the On-Call Miscellaneous Services contract include completion of escalators, elevators, glazing, architectural cladding, and rectification of deficient concrete. The station contractor is no longer able to complete this work as their financial insolvency will not allow them to issue the necessary payments to the

subcontractors. Completion of these scopes of work is essential for final completion and turnover of the station to TTC and to the Bus Rapid Transit connection to York Region.

Comments

While this recommendation requests an increase of \$8,300,000.00 the costs for items 4, 5 and 6 will be credited from the respective station contractors' contracts. Also, while the costs related to item 3 are additive to the On-Call Miscellaneous Services, these costs were budgeted, although not previously authorized, against the station contracts. The summary breakdown of contract amendments to implement the cost details of the approved reset budget are summarized in the table below.

Contract	Contractor	Award Value	Previous Amendments	This Amendment	Revised Contract Value
C13SB17600 On-Call Miscellaneous Services	Black and McDonald Limited	\$2,000,000.00	\$19,500,000.00	\$8,300,000.00	\$29,800,000.00

Contact

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Signature

Richard J. Leary
Chief Executive Officer (Acting)