

**TTC AUDIT COMMITTEE
REPORT NO. 3(d)**

MEETING DATE: February 19, 2013

SUBJECT: AUDIT REPORT – STREETCAR NETWORK UPGRADES FOR
LRT PROJECT

INFORMATION ITEM

RECOMMENDATION

It is recommended that the Audit Committee receive for information the attached Audit Report.

February 19, 2013
01-27

Attachment – Audit Report

TORONTO TRANSIT COMMISSION

TO Joseph Kennelly

FROM Peter Edward

DATE October 4, 2012

SUBJECT Capital Audit of Streetcar Network Upgrades for LRT Project

Summary

The audit of the Streetcar Network Upgrades for Light Rail Transit (LRT) Project has been completed. Audit work performed indicates adequate documentation has been maintained to support construction and TTC labour and non-labour costs. However, an overbilling by the consultant URS Canada was noted.

Background

As part of the City of Toronto's mandate to achieve 100% accessibility by 2025, the Streetcar Network Upgrade project was initiated to upgrade the existing system to accommodate the new Low Floor Light Rail Vehicles (LFLRV). The project involves modifying the elevations and layout of the platforms along streetcar routes to meet the accessibility requirements and ensuring that they are within acceptable tolerances, standards, and requirements of the new LFLRV's. Currently the Commission has 757 unique streetcar stops on 11 streetcar lines, of that 643 (85%) provide on street boarding. The Project is scheduled to be completed in 2018 at a projected cost of \$50.428 Million.

The actual costs incurred for this project as at the end of June 30, 2012 was \$1.7 Million, comprised of the following:

Expenditures:	LTD (\$ Million)
Construction Costs	\$0
Consultant Costs	\$.8
TTC Labour and Non-Labour Costs	\$.9
Total	\$1.7

Observations

Audit reviewed financial records, contract documents and various correspondences relating to the Streetcar Network Upgrades for LRT Project.

Construction Costs:

Construction contract documents were properly approved and in order. Audit review was limited due to construction work was in the initial phase.

Consultant Costs:

Audit reviewed financial records and contract documents relating to the Streetcar Network Upgrades for LRT Project. Audit noted the consultant's all-inclusive billing rates for two individuals were not in accordance with the terms and conditions of the contract, resulting in an overbilling by URS Canada of approximately \$13,156.

TTC Labour and Non-Labour Expenditures:

TTC labour, fringe and overhead costs incurred by several TTC Departments were appropriately charged and supported by signed attendance sheets. Purchases and inventory charges reviewed were reasonable and appropriate for the work being carried out.

Summary of Actions

Management is currently working to recover the overbilling from the consultant URS Canada.



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File #12-00404