

# TTC AUDIT COMMITTEE REPORT NO.

**MEETING DATE:** October 25, 2013

**SUBJECT:** TTC CAPITAL AUDIT REPORT – THE UNION STATION  
SECOND SUBWAY PLATFORM AND CONCOURSE  
IMPROVEMENTS PROJECT – PRELIMINARY AUDIT RESULTS

**INFORMATION ITEM:**

---

## RECOMMENDATION

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

-----

01-27

# TORONTO TRANSIT COMMISSION

**TO** Joseph Kennelly

**FROM** Peter Edward

**DATE** October 1, 2013

**SUBJECT** The Union Station Second Subway Platform and Concourse Improvements Project – Preliminary Audit Results (Updated)

---

## SUMMARY

A preliminary review of the Union Station Second Subway Platform and Concourse Improvements Project indicates accounting and construction reporting procedures and policies are being followed as required by the TTC and funding agency Toronto Waterfront Revitalization Corporation (TWRC).

Audit's review also indicates documentation is maintained to support construction and TTC labour and non-labour expenditures to date.

## BACKGROUND

In March 2001, the City of Toronto, Provincial and Federal Governments announced funding for four priority waterfront revitalization projects. An interim Contribution Agreement was reached on July 18, 2001 and amended on March 20, 2002. TTC and TWRC entered into a Delivery Agreement for the project known as "Union Station Second Platform" on November 8, 2002, which was revised on November 28, 2006 and further amended on December 15, 2010. The TWRC amended the Contribution Agreement between the three levels of government and the Delivery Agreement with TTC to reflect a total funding of \$137.5 million for the defined Union Station project.

The Union Station Second Subway Platform and Concourse Improvements Project is a priority project for the TWRC. The intended transformation of this station is expected to address current overcrowding and safety concerns, enhance pedestrian accessibility and flow throughout the station, and provide a direct connection to the Harbourfront streetcars.

As the proponent of this project, the TTC is responsible for project planning, design and construction. The Board approved the design concept on November 17, 2004, and the station finishes and refined layouts on August 26, 2009. The project is expected to be constructed and commissioned at a projected cost of \$161.6 million by Ellis Don Construction. Actual costs incurred for this project as at November 24, 2012 were \$67.0 million.

## **AUDIT OBSERVATIONS**

### **Project Scope**

The second subway platform and concourse improvements planned for Union Station are expected to improve the flow of commuter and pedestrian traffic, and relieve passenger congestion on the existing platform, as passenger volumes are projected to double by 2021. The existing centre platform and top-side roof repairs will be rehabilitated, station fire ventilation equipment will be upgraded and new escalators and elevators will be installed. Required accessibility elements, second exits and upgrades to fire alarm systems will also be constructed.

Several items of work will be completed by TTC on behalf of the City of Toronto, including but not limited to the rerouting of the siphon sewer at the Front Street East moat, construction of the northeast plaza and stairs from the moat to Bay Street/Front Street, and the rehabilitation of the Front Street East Bridge.

### **Project Risk Management**

Best practices indicate that a risk assessment identifying and analyzing potential project risks should be completed prior to the start of a project. The assessment should be continually reviewed and project risks updated throughout the project life cycle to ensure appropriate action plans are developed in response to issues that may affect the progress and successful completion of the project. Audit noted that TTC Management has adopted this best practice, as well as, the preparation and updating of risk and issue registers.

### **Project Communication**

TTC Staff liaise with Waterfront Toronto and the City of Toronto regarding communication and public relations best practices, particularly in explaining construction impacts and associated community benefits. TTC management regularly provides the TWRC and other stakeholders with construction progress reports, schedule adherence updates and revised milestones.

### **Schedules and Milestones**

The Union Subway Station Second Platform and Concourse Improvements project is one of many projects being coordinated and monitored as part of the City of Toronto's master plan for the greater Union Station area. The project has an agreed baseline schedule and two week look-ahead schedules are being received from the contractor. Management maintains a log of contractor correspondence in which concerns and issues about on-site work performance are documented.

### **Construction**

Audit's review of payment certificate (#22) with Ellis Don indicated that the certificate was properly documented, supported and paid as per the contract terms and conditions. Per Certificate details, as of mid-November 2012, approximately 44.3% of the approved upset limit has been paid. A sample of contract changes valued at \$1.1 million was also reviewed and found to be properly documented and supported.

Audit's review of construction site field records, including monthly progress reports and minutes of meetings, revealed no outstanding issues. Contract deficiencies are identified, resolved and closed in a timely manner. Inspection and testing requirements for concrete strength and steel mill are being met and there are no reported issues or concerns to date.

**TTC Labour and Non-Labour Expenditures**

TTC labour, fringe and overhead costs are appropriately charged and supported by signed documentation. Purchases and inventory charges are reasonable and appropriate for the work being completed.

A handwritten signature in dark ink, appearing to read 'Peter Edward', with a long horizontal flourish extending to the right.

Peter Edward  
Auditor  
CEO's Office – TTC Audit Department  
File No: 12-00403

Copy: Chris Leach