

MEETING DATE: June 12, 2002

SUBJECT: Sheppard Subway - Status Of Project

RECOMMENDATION

It is recommended that the Commission receive this report regarding the status of the Sheppard Subway budget and schedule for information, noting that the line is scheduled for opening on November 24, 2002.

FUNDING

Sufficient funds to accommodate these expenditures are included in the Buildings and Structures Projects under Sheppard Subway, Yonge to Don Mills, as set out on pages 647-667 in the Expansion category of the 2002-2006 Capital Program approved by City Council on March 6, 2002.

BACKGROUND

Approval to proceed with the construction of the Sheppard Subway was granted by the then Metropolitan Toronto Council in August 1996.

By early 1998 the scope and estimated cost of the project was fully defined and the budget was set at \$932.9 million. This was eventually increased to \$933.9 million to provide for additional fibre optic capacity requested by the City of Toronto.

A revenue service date was not set but was anticipated to be in the third quarter 2002.

DISCUSSION

1. Budget

Based on figures to the end of May 2002, the incurred costs of the project are as follows:

<u>Budget</u>	<u>Incurred to Date</u>	<u>Estimated Final Cost</u>	<u>Estimated to Go</u>
\$933.9 M	\$911.5 M	\$933.8 M	\$22.3 M

The value of work remaining to be carried in the field is approximately \$8.0 million. Another \$6.0 million is to be paid to contractors for testing exercises, supply of manuals, correction of deficiencies, training programs, etc. The other costs cover a large variety of administrative and commercial expenses. The project is expected to be concluded on budget subject to the following.

- a. The budgeted credit realized from the sale of a property used for construction purposes.
- b. The budgeted credit realized from the sale of the two tunnel boring machines.
- c. The claims and other commercial issues are reconciled within the amounts protected in the budget for that purpose.

1. Schedule

The schedule was impacted throughout the life of the project by several issues. The most significant impacts were poor performance by a few contractors, labour disputes, sub-contractor bankruptcy. Staff, with the co-operation of most contractors, were able to work around these impacts to keep the project on schedule.

It is expected that all contract work with the exception of the Bessarion Station contract will be completed by the end of June - early July 2002. It is contemplated that Bessarion Station will be completed a few weeks later.

After completion of the project work, Subway Operations will carry out signal work to connect the Sheppard Subway to the Yonge Subway, as well as staffing, training and other exercises.

Sheppard Subway project staff are scheduling the turn over of the Sheppard Subway to Subway Operations on October 13, 2002. The revenue service date is scheduled to be November 24, 2002.

On June 17, 2002 the members of the Commission will be able to view the progress of the project as part of a ride aboard a standard revenue train.

JUSTIFICATION

While the year to year cash flow has fluctuated, the total estimated final cost has been controlled and the Sheppard Subway Project is projected to be completed on budget.

The schedule has been negatively impacted on a number of occasions in the last five years. Nevertheless, schedule has been maintained.

May 31, 2002

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