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Form Revised: February 2005

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**TORONTO TRANSIT COMMISSION  
REPORT NO.**

**MEETING DATE:** January 25, 2006

**SUBJECT:** Procurement Authorization Project Management Contract G85-211

**RECOMMENDATION**

It is recommended that the Commission:

1. Authorize the award of Contract G85-211 to Delcan Corporation, Hatch Mott MacDonald Ltd. and UMA Engineering Ltd. Joint Venture, in the upset limit amount of \$35,000,000 for a period of five years for Project Management services.
2. Authorize the release of an initial \$7,000,000 for the period of February 1, 2006 to February 28, 2007. A Commission Report will be submitted annually requesting further authorization in accordance with an approved annual work plan.

**FUNDING**

Sufficient funds for this expenditure are included in the 2006-2010 TTC Capital Program which was approved by Council on December 12, 2005.

Payment will be on actual time basis and will be charged to approved projects for which the work is required in accordance with the approved annual work plan. No work will be initiated on any project unless the funds have been approved.

**BACKGROUND**

Over the last few years the Commission has seen an increase in the amount of project work that has occurred, largely as a consequence of improved funding of its Capital Program. This has resulted in a

significant increase in the project work that will be undertaken by the Construction Department. The historical budgeted work is shown on the following table along with the approved 2006-2010 Capital Program.

### Historical

<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
\$52.7	\$75.4	\$78.8	\$75.1	\$82.4	\$91.1	\$106.1

### 2006-2010 Capital Program

<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
\$131.6	\$183.8	\$171.3	\$190.6	\$173.5

During the period 1999-2005 the Construction Department had a TTC staff complement of 51 to 55 individuals.

The Construction Department consists of two sections: a Project Management group of approximately 21 staff and a Construction Management group of 34 staff.

In the past few years this staff has been complemented by a number of consultant staff retained through various consulting agreements. Currently, there are approximately 5 full time equivalent consultant staff in Project Management and 15 full time equivalent consultant staff in Construction Management assisting in project delivery efforts.

The current staff level is capable of delivering approximately \$50 to \$70 million in project work yearly and in order to deliver the amount of project work currently budgeted, additional Project Management and Construction Management resources are required.

The Construction Department conducted a thorough review of past delivery performance, project nature, budget and staff resources in mid-2005 leading up to the 2006-2010 budget cycle and considered options to better position itself to be able to deliver the 2006-2010 Capital Program.

It became evident that in order to maximize the Department's ability to carry out the Capital Program, it had to undertake a number of steps. This includes:

1. Consolidate the various Construction Department offices, with the exception of construction field staff into one location.
2. Optimize the use of Consultant and TTC staff in order to provide the flexibility to adjust staffing levels in response to the changing Capital Program having the availability of various skill sets while maintaining a core TTC staff. The proposed split between TTC and consultant staff resources is approximately 50%/50%.

3. Increase TTC staffing by 23 to a total of 78 that, along with increased consultant staff, will allow for sufficient Project Management and Construction Management resources to carry out the assigned project work.
4. Retain a Project Management consultant and a Construction Management consultant and integrate the TTC and consultant staff resources into one organization.

## **DISCUSSION**

A Request for Proposal (RFP) for Contract G85-211, Project Management, was publicly advertised on the TTC's website and in The Globe and Mail on November 1, 2005. Twenty-eight companies requested copies of the proposal document. Six proposals were submitted as summarized in Appendix A.

Concurrently, a separate RFP was issued in a similar fashion requesting proposals for Construction Management. Approval for this requirement is the subject of a separate Commission Report.

The RFP for Project Management and Construction Management specifically prohibit the same firms or joint venture being awarded both contracts. In addition, the contract provisions allow the Commission to terminate this contract on 30 days prior notice.

The recommendation for award is based on the highest rated qualified proponent with reasonable pricing.

All proposals received were reviewed and all appeared to be compliant. All proposals were evaluated and rated by the evaluation team based on established criteria (Appendix A). The proposal submitted by Delcan Corporation, Hatch Mott MacDonald Ltd. and UMA Engineering Ltd. Joint Venture was considered superior in all aspects over the other proposals submitted. They were rated best overall due to the qualifications and experience of the joint venture and the proposed staff. Following the determination of the final ranking, the pricing envelope of the best qualified proponent, Delcan Corporation, Hatch Mott MacDonald Ltd. and UMA Engineering Ltd. Joint Venture, was opened and evaluated. This evaluation confirmed that the prices submitted are fair and reasonable based on the experience and qualifications of the proposed staff.

Delcan Corporation, Hatch Mott MacDonald Ltd. and UMA Engineering Ltd. Joint Venture has not provided work to the Commission as this joint venture in the past. However, each of these firms has provided satisfactory work in the past both on individual contracts and in joint ventures with other firms.

Giffels Associates Limited was considered qualified, however ranked significantly lower than Delcan Corporation, Hatch Mott MacDonald Ltd. and UMA Engineering Ltd. Joint Venture and therefore their pricing envelope was not opened.

**JUSTIFICATION**

The award of the contract to Delcan Corporation, Hatch Mott MacDonald Ltd. and UMA Engineering Ltd. Joint Venture will ensure that satisfactory consultant staff resources are available for Project Management. Their proposal is the best overall and prices are considered to be fair and reasonable.

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January 5, 2006  
50-2-1/30  
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Attachment: Appendix A

**APPENDIX A**

**PROCUREMENT AUTHORIZATION  
PROJECT MANAGEMENT  
CONTRACT G85-211**

**LIST OF PROPONENTS**  
**(Alphabetically)**

Delcan Corporation, Hatch Mott MacDonald Ltd. and UMA Engineering Ltd. Joint Venture\*

Genivar Gpm. Ltd.

Giffels Associates Limited\*

Marshall Macklin Monaghan Limited/McCormick Rankin Corporation

SNC-Lavalin Engineers & Constructors Inc.

Stantec Consulting Limited

*\*Qualified Companies*

**EVALUATION CRITERIA**

A. Corporate Qualifications/Experience

- Number of years in business
- Relevant corporate experience
- Depth of available resources

B. Recruitment/Deployment Plan

C. Staff Qualifications/Experience

- Number of years of direct experience
- Work of similar size and nature
- Technical qualifications