

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** November 26, 2008

**SUBJECT:** PROCUREMENT AUTHORIZATION  
TRANSIT CITY LIGHT RAIL PROGRAM –  
PROGRAM MANAGEMENT SERVICES  
CONTRACT TC85-3

## **ACTION ITEM**

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### **RECOMMENDATION**

It is recommended that the Commission authorize the award of contracts to the following firms, in the upset limit amounts listed below, for Transit City Light Rail Program, Program Management Services, Contract TC85-3, for a period of 10 years, for a total upset limit amount of \$375 million:

1. Transit City Partners (A joint venture of AECOM Ltd., Parsons Brinckerhoff and Giffels Associates Ltd./IBI Group) - \$125,000,000.00
2. 4Transit (A joint venture of Delcan Corporation, Hatch Mott MacDonald Ltd., MMM Group Limited and McCormick Rankin Corporation) - \$125,000,000.00
3. STV Incorporated - \$125,000,000.00

### **FUNDING**

Funds in the amount of \$7.1 million have been provided by the Province of Ontario and a further \$9.2 million approved by the Commission to allow the Transit City EA's and related activities to progress as planned.

At its meeting of October 23, 2008, the Commission approved additional funds in the amount of \$13.6 million to all Transit City projects to proceed without interruption through April 2009, at which time it is expected that Provincial funding approval will be available. This funding is subject to Toronto City Council approval of the budget and project commitments totalling \$29.9 million as part of the TTC's 2009-2013 Capital Program. Toronto City Council project commitment approval of \$11.1 million currently exists as approved on December 11, 2007 through the 2008 capital budget process.

No work or staff deployment will be initiated on any project unless the funds have been approved. Payment will be on actual time basis and will be authorized to approved projects on a Work Assignment Release basis.

## **BACKGROUND**

The Transit City Light Rail Plan consists of seven new light rail transit (LRT) lines, the Scarborough Rapid Transit and four maintenance and storage yards, that would, upon implementation, provide a network of rapid transit throughout Toronto. The Commission endorsed the Transit City plan at its meeting of March 21, 2007 and has since received several updates.

The Transit City Department has been created to manage and deliver the Transit City projects valued at over \$10 billion with a very aggressive schedule that aims at completing all the lines and the Scarborough Rapid Transit (SRT) in 10 years.

The magnitude and the ambitious schedule require substantial resources in the area of project management, controls and engineering. An aggressive recruitment of additional TTC staff for all required positions is ongoing, however it is not expected that all positions can be filled by TTC staff. It is therefore imperative to retain consultant firms to supplement TTC staff.

This report is to address the program/project management staffing requirements of the department. Separate requests for proposals for controls and engineering support are currently out for bids and will be the subject of future reports to the Commission.

It should be emphasized that there are not sufficient resources within the TTC or within a single firm to implement the Transit City initiative from a program/project management perspective. The total program management staff requirements (TTC/Consultants) are 40 positions for 2009, peaking at 240 positions in 2013 and averaging 150 positions over the next 5 years for the full program.

The process for the selection of a project/program management consultant first involves the selection of the most qualified firms based on their corporate qualifications and the qualifications/experience which is the subject of this report. Following the selection of qualified firms, the best individual candidates for each position will be selected by reviewing and comparing the consultant staff as well as, TTC staff identified from an external/internal search process on a position by position basis. This will include a review of staff qualifications and rates, to ensure that the Transit City Department selects the most qualified and competitively priced staff for each position.

## **DISCUSSION**

A Request for Proposals for Contract TC85-3 was publicly advertised on the Commission's website as of September 12, 2008 and also advertised in several national and international publications. Sixty-eight companies requested or picked up copies of the proposal documents out of which four submitted a proposal (as summarized in Appendix A).

The recommendation for award is based on the highest rated qualified proponent(s) with

reasonable pricing. As three consultants are required, any proponent rated within 3% of the third highest rated qualified company is considered equally qualified.

Ian Martin Limited submitted an alternate proposal which did not contain any bid forms and therefore was deemed to be non-compliant and unacceptable by staff and was not evaluated further.

The remaining three proposals were reviewed and rated by the evaluation team based on the evaluation criteria outlined in Appendix A. The proposals submitted by 4Transit (A joint venture of Delcan Corporation, Hatch Mott MacDonald Ltd., MMM Group Limited and McCormick Rankin Corporation), Transit City Partners (A joint venture of AECOM Ltd., Parsons Brinckerhoff and Giffels Associates Ltd./IBI Group) and STV Incorporated are all considered qualified to perform the work. Their submissions did not state any exceptions or qualifications and their submissions are considered acceptable.

Upon review of the confidential pricing information from all three proponents, staff considered pricing from all three as fair and reasonable based on the experience and qualifications of the project team and compared to previous contracts.

The contracts will be administered on a Work Assignment Release basis, which permits the Commission to stop work at any time during the contract.

**JUSTIFICATION**

The award of these contracts will ensure satisfactory program/project management consultant services are available to effectively manage the Transit City Light Rail Program. Selection of the best qualified candidate for each of the key project positions from among the consultant candidates, TTC staff and other external candidates will ensure competitive pricing and high quality staff.

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Attachment: Appendix A

## **APPENDIX A**

### **PROCUREMENT AUTHORIZATION TRANSIT CITY LIGHT RAIL PROGRAM - PROGRAM MANAGEMENT SERVICES CONTRACT TC85-3**

#### **LIST OF PROPONENTS (in alphabetical order)**

1. STV Incorporated (\*)
2. 4Transit (a joint venture of Delcan Corporation, Hatch Mott MacDonald Ltd., MMM Group Limited and McCormick Rankin Corporation) (\*)
3. Transit City Partners (a joint venture of AECOM Ltd., Parsons Brinckerhoff and Giffels Associates Ltd./IBI Group) (\*)
4. Ian Martin Limited

(\*) – Indicates Recommended Proponent

#### **PROPOSAL EVALUATION CRITERIA**

##### **A. CORPORATE QUALIFICATIONS/EXPERIENCE**

- Number of Years in Business
- Depth of Available Relevant Resources at Proponent's office
- Relevant Corporate Experience by Project

##### **B. PROJECT STAFF QUALIFICATIONS/EXPERIENCE**

- Number of Years of Direct Experience
- Relevant Project Experience
- Technical Qualifications