

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** AUGUST 23, 2010

**SUBJECT:** INTERIM PROCUREMENT AUTHORIZATION FOR  
TRANSIT CITY PROJECTS

## **ACTION ITEM**

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### **RECOMMENDATION**

It is recommended that:

1. The Commission authorize staff to continue to provide procurement related services to Metrolinx for the implementation and construction of the Sheppard East LRT, Eglinton Crosstown LRT, Finch West LRT and Scarborough RT (collectively the "Transit City Program"), including preparing, administering and evaluating Transit City Program procurements;
2. The Commission waive any requirements from TTC Corporate Policy 13.5.8 – Authorization for Expenditures and Others with respect to new Transit City Program procurements as Metrolinx is to be responsible for all authorizations and award and payment of contracts arising from these procurements; and
3. This interim authorization apply to all new Transit City Program procurements, which are funded by Metrolinx, commencing on or after September 1, 2010 and continuing until execution of a Master Agreement between the City of Toronto, TTC and Metrolinx.

### **FUNDING**

There are no direct financial impacts as a result of the recommendations in this report.

### **BACKGROUND**

Since the Commission approved the Transit City Light Rail Plan in 2007, it has received a number of reports regarding the development and implementation of the Transit City Light Rail Plan, Province of Ontario funding commitments for the Transit City Program, and the new transit project delivery framework introduced by the Province of Ontario.

The December 16, 2009, report to the Commission "*Transit City Update Report – Project Approach*" noted that the *Metrolinx Act 2006* and Province of Ontario's new transit project delivery framework provides Metrolinx with ownership of designated transit projects and responsibility for approval of scope, budget, schedule, cost and delivery of the transit projects. It also noted that a series of agreements with Metrolinx, including a Master Agreement to define the new roles and relationships for the TTC delivery of the Transit City Program on behalf of Metrolinx, will implement the Province's new transit project delivery framework.

The TTC, City of Toronto and Metrolinx have previously signed a Memorandum of Agreement allowing for Metrolinx to provide interim funding for the Transit City Program.

### **DISCUSSION**

Staff from TTC, City of Toronto and Metrolinx are currently negotiating a Master Agreement defining the roles and responsibilities for TTC program management and project delivery on behalf of Metrolinx. In order to continue to ensure that project scheduling is not impacted, staff is recommending that until the Master Agreement is finalized and approved by the City of Toronto, the Commission and Metrolinx, that the TTC continue to act, on Metrolinx's behalf, with respect to preparing and administering all Transit City Program procurement related matters, and Metrolinx authorize and award any contract arising from a specific procurement.

TTC will continue to be responsible for preparing all procurement documents and administering the procurement, including the evaluation of any bids. TTC will make a recommendation to Metrolinx with respect to the awarding of a contract based on bids received. However, unlike TTC capital projects, the authorization and award of any Transit City Program procurement, which is to be funded by Metrolinx, will be made by Metrolinx. In addition, any contract arising from a specific procurement will be between Metrolinx and the successful bidder. Payments on any Transit City Program contracts will be the responsibility of Metrolinx.

Metrolinx have advised that commencing on September 1, 2010, it will be a party to each new Transit City Program contract and will be responsible to make all payments owing under each contract. Existing contracts previously awarded by the TTC will continue to be administered and paid by the TTC. Since Metrolinx will become the contracting party, it will also be necessary for Metrolinx to authorize and award any contract arising from a specific Transit City Program procurement.

As a result, TTC Corporate Policy 13.5.8 – Authorization for Expenditures and Others will not apply to new Transit City Program procurements and Metrolinx will be responsible to authorize, award and enter into any contracts arising from a specific procurement.

**JUSTIFICATION**

Approval of the interim authorization for Transit City Program procurements will enable the TTC to continue to provide procurement services related to the Transit City Program and help to maintain current Project schedules.

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August 23, 2010  
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