

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: JANUARY 20, 2010

SUBJECT: ETOBICOKE-FINCH WEST LRT IMPLEMENTATION

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission:

1. receive this report noting that there are opportunities to start construction and other commitments of the Etobicoke-Finch West Light Rail Transit (LRT) in 2010, subject to approval from Metrolinx; and
2. forward this report to Metrolinx and the Ontario Ministry of Transportation.

FUNDING

Funding for the Etobicoke-Finch West LRT was included under Transit City approved priority projects in the TTC 2010-2014 Capital Program as amended by the Commission on October 29, 2009 and adopted by City of Toronto Council on December 8, 2009. Project commitment approval of \$67.215 million was included for the Finch West LRT line as part of the total \$403.719 million approved for Transit City Projects to cover expenditures to the end of 2010, excluding the SRT.

BACKGROUND

On May 14, 2009, the provincial government passed the Greater Toronto and Hamilton Area Transit Implementation Act to create a single regional authority to plan and build transit in the greater Toronto and Hamilton area. Metrolinx was given responsibility for owning and controlling regional transit assets; approval of project scope, budget, and delivery; and approval of Requests for Proposals, construction contracts and other commitments related to regional transit projects.

On June 4, 2009, the City Manager received a letter from the Deputy Minister of the Ontario Ministry of Transportation that, among other things, identified the Etobicoke-Finch West LRT as a regional transit project to be implemented through Alternative Financing and Procurement (AFP).

At its meeting on December 16, 2009 the Commission approved the recommendations of the joint City/TTC Etobicoke-Finch West LRT Transit Project Assessment Study. The Commission also approved a motion that staff report to the January 2010 meeting on actions required to have construction start in 2010 on the Etobicoke-Finch West LRT and that staff request a response on the subject from Metrolinx.

DISCUSSION

The Etobicoke-Finch West LRT is planned to be implemented through design-build-finance (DBF), an AFP methodology facilitated by Infrastructure Ontario. Infrastructure Ontario is a provincial crown corporation that uses an AFP model to build public infrastructure. DBF differs from the traditional method of project delivery used by the TTC, as described in the following paragraphs.

Large TTC capital projects have traditionally been implemented through a design-bid-build (DBB) process. In the traditional DBB process, the project is split into contract packages, which are typically defined within specific area limits and/or by technical disciplines. Full design for a contract (to 100%) is performed by TTC staff or consultants, and tendered. The construction or installation contractor is selected through competitive bidding. The successful contractor then constructs the contract, with field supervision typically provided by TTC staff/consultants and support provided by the designer. In DBB implementation, the TTC is responsible for overall management and coordination of the individual contracts.

In the AFP/DBF implementation methodology, as much of the project as practical is turned over to a consortium that possesses design, construction, project management, and financing resources. The consortium is responsible for the delivery of the project to the requirements of the owner. Infrastructure Ontario's process for selection of the DBF consortium requires that the design of the entire project be advanced to a preliminary engineering state (30% design). This 30% design, in conjunction with output specifications, defines the owner's intent and performance requirements.

Infrastructure Ontario's process for selection of a DBF consortium commences with the issue of a Request for Qualifications to describe the scope of work to be undertaken for the project and then invites submissions of qualifications. The submissions are evaluated and up to three qualified consortiums are selected. The next step is to proceed to a Request for Proposals phase in which the prequalified consortiums are issued the 30% design package and output specifications and directed to advance the design and prepare a project delivery plan for evaluation and selection of the successful consortium.

The potential benefits of DBF project delivery are realized in transferring project risks to the DBF consortium and allowing them as much flexibility as possible in the performance of the work. This is maximized by incorporating as much of the scope of the project as possible and practical into the DBF package.

For the Etobicoke-Finch West LRT, Transit City staff and consultants are currently considering whether traditional DBB would be the preferred delivery approach for the proposed grade-separated connections to Finch Station at Yonge Street and the future Finch West Station at Keele Street where coordination with TTC operations and Spadina Subway Extension construction activity must be maintained. They are also considering whether some or all operating systems should be removed from the DBF scope.

Preliminary engineering for the Etobicoke-Finch West LRT has commenced in preparation for DBF implementation. The design consultant is proceeding towards 30% design of the civil works for all surface portions of the LRT right-of-way (ROW) from Yonge Street to Humber College, which includes alignment of the ROW and road curbs, utility relocations, and bridge/structure modifications.

Consideration of the status of preliminary design for the project has identified the following enabling works that could be started in 2010:

- **Bridge Modifications:** Two City-owned bridges on Finch Avenue have been identified as requiring widening to accommodate the LRT infrastructure – the bridge over the West Don River, situated east of Dufferin Street; and the bridge over the Humber River, situated at Islington Avenue. A draft preliminary design report has been completed. Design for the modifications to these bridges can be completed by May 2010 allowing construction of the bridge modifications to commence in the summer/fall of 2010.
- **Property Acquisitions:** With the refinement of the alignment design, property requirements for road widening are being defined to the point where the acquisition process can be commenced. In addition, there is some flexibility in where traction power substations may be located and this flexibility allows the City/TTC Property Departments to take advantage of opportunities that may become available. Property acquisition is on the project critical path and is considered critical to the implementation of the project on time for opening in 2015. Commencement of property acquisition required for the entire line in 2010 can proceed in order to mitigate any potential delay to the construction activity.

Metrolinx has been asked for approval to proceed with these commitments (see Appendix A). As of the date of submission of this report, Metrolinx has acknowledged the request and asked for a meeting to discuss the impact of advancing the bridge construction on their 2010 cash flow (see Appendix B). Staff will provide an update at the Commission Meeting regarding this issue.

On a program-wide basis, staff are very cognizant of the fact that the Transit City program as a whole is an ambitious undertaking with aggressive schedule objectives. Implementation of the program will require extensive coordination among all stakeholders including the TTC, City Water and Transportation Services Divisions, utilities, consultants and contractors. To this end, the Transit City Department is involved in reviewing ways of coordinating and

staging LRT construction so that it may be conducted in the most efficient and effective manner, with minimal disruption to residents and businesses. A major theme that is emerging is the coordination of all construction within a given area so that major disruption is confined to one contract. The Transit City Department is staging a construction industry workshop involving major stakeholders and construction contractors on February 11, 2010.

JUSTIFICATION

The DBF process contemplates start of construction of the Etobicoke-Finch West LRT occurring in 2011. However, staff have identified structure modifications to two bridges that could be started as enabling works in 2010. In addition, large scale property acquisitions will be accelerated in 2010.

January 11, 2010

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Attachments: Appendix A
Appendix B

Copy: Anna Pace

December 22, 2009

Jack Collins
Vice President Project Implementation
Metrolinx
20 Bay Street, Suite 901
Toronto, ON M5J 2N8

Dear Mr. Collins:

As its meeting on December 16, 2009, the Toronto Transit Commission considered the report on Finch West LRT and directed staff to report to the January 2010 Commission Meeting on actions required to start construction on the project in 2010 and that staff request a response on the subject from Metrolinx.

As you know, and as has been communicated to the Commission, the letter dated June 4, 2009 from the Deputy Minister of Transportation to the Toronto City Manager indicated that the Finch West LRT would be designated as an AFP project with Infrastructure Ontario acting as the procurement agent.

Through the AFP process the construction start on the Finch West LRT project is tentatively targeted to start in 2011. TTC staff propose to expedite the project starting with advance work in 2010. The Finch West LRT project team is currently reviewing the project implementation schedule to determine the elements that could be advanced in 2010. We expect to be able to meet with Metrolinx to present the proposed advance work in early January in order to include the Metrolinx response in the report to the Commission.

I will contact your office to arrange for a meeting in early January.

Sincerely,

ORIGINAL SIGNED BY:
S. GHALY

Sameh Ghaly
Program Manager -
Transit City

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Jack Collins
 Vice President, Project Implementation
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January 7, 2010

Mr. Sameh Ghaly
 Program Manager – Transit City
 Toronto Transit Commission
 5160 Yonge Street
 13th Floor
 Toronto, ON M2N 6L9

Dear Mr. Ghaly:

I write to acknowledge receipt of your letter dated December 22, 2009, concerning the Commission's request to have staff evaluate advancing construction on the Finch West LRT Project from 2011 to 2010.

The current plan for Finch West implementation as an Alternative Financing Procurement (AFP) project anticipates a start of construction in late 2011 following the design-build contractor selection process by Infrastructure Ontario. Project cash flows for the Big Move that Metrolinx submitted to the MTO in November 2009 for the FY 2010/11 budgeting cycle contemplated funding based on the AFP model and delivery schedule. The FY 2010/11 budget for Finch West assumed continuing preliminary engineering, real estate acquisition and some early utility relocation activities to clear the way for the design-build contractor, but no major construction activities.

While we are always open to discussing opportunities to fast track these projects and review potential 'pinch points' that might reduce schedule risk to the DB contractor if accelerated, our overall funding and cash flow assumptions may not allow advancing some construction activities to 2010. However, please arrange a meeting between our staff and we will review your proposal.

Sincerely,

Jack J. Collins
 Vice President, Project Implementation

cc: Robert Prichard, President and Chief Executive Officer, Metrolinx
 Mary Martin, General Counsel and Corporate Secretary, Metrolinx
 Gary Webster, Chief General Manager, Toronto Transit Commission
 Anna Pace, Deputy Program Manager, Transit City, Toronto Transit Commission
 David Livingston, President and Chief Executive Officer, Infrastructure Ontario