

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: July 14, 2010

SUBJECT: TORONTO-YORK SPADINA SUBWAY EXTENSION
MAJOR CONTRACT AWARD SCHEDULE

INFORMATION ITEM

RECOMMENDATION

It is recommended that the Commission receive this report for information.

FUNDING

Sufficient funds for this expenditure are included in the Toronto-York Spadina Subway Extension (TYSSE) project, as set out on pages 1439 to 1442 of the TTC 2010-2014 Capital Program (Category – Expansion) which was approved by City Council on December 8, 2009.

BACKGROUND

The Toronto-York Spadina Subway Extension project received approval to proceed in stages between its announcement in early 2006 and culminating in the extension of the Contribution Agreement on September 5, 2008 when final approval was in place. TYSSE subsequently assembled an organization and retained various architectural and engineering firms to advance design. To date several early contracts have been awarded to ready the Project for the six major works that will follow:

These early contracts include:

- relocation of a storm sewer on Steeles West
- purchase of four tunnel boring machines (TBMs)
- purchase of precast concrete tunnel liners
- construction of two TBM launch shafts
- construction/relocation of Fire Hall No. 141 at Finch West Station
- Tangiers Road extension and utility work at Finch West Station
- Highway 407 Station bridge, utility work and relocation of Black Creek
- Construction of structure connection from Wilson Yard to existing subway line.

DISCUSSION

Going forward, the project is expecting to tender the six major facility contracts in a sequential manner to avoid conflicting tender closing dates. This follows a process of pre-qualification whereby those contractors that applied to be pre-qualified were evaluated and all those that met the pre-qualification criteria will be invited to bid.

The six major contracts are currently expected to be tendered during the period July 2010 to January 2011.

The expected sequence that they will be tendered is as follows:

<u>Contract</u>	<u>Current Scheduled Tender Date</u>
1. Sheppard West Station and South Tunnels (south of Finch Avenue)	July 2010
2. Highway 407 Station and North Tunnels (north of Finch Avenue)	August 2010
3. Finch West Station	November 2010
4. Vaughan Corporate Centre Station	November 2010
5. Steeles West Station	December 2010
6. York University Station	December 2010

The approximate bid value of these contracts vary from \$75 million to \$400 million. The total value will be in the range of \$1.4 billion.

The award of these contracts is schedule critical and delaying award will have a corresponding extension in the project schedule with an increase in costs.

In order to ensure that these contracts are awarded in a timely manner and recognizing that the Commission will not be meeting in October and November, staff will seek approval to award based on the Authorization for Expenditures and Other Commitments Policy, which states that *"The Commission delegates authority to the Chair, Vice-Chair and the Chief General Manager to authorize items on an interim basis that would normally be authorized by the Commission when the approval is required before the next Commission Meeting. In the event that the Chair and/or Vice-Chair are not available, authority would be delegated to any two (2) Commissioners and the Chief General Manager."* For the months when there is a Commission meeting but there is an extended period of time between the date when a contract is ready to be awarded and the following Commission meeting date, staff will likewise recommend early award based on the Authorization for Expenditures and Other Commitments Policy.

Concurrent with each approval, a Contract Change Allowance of 5% per contract value will be requested for staff to manage contract changes and resolve claims on an ongoing basis.

A Notice of Award Commission report will be submitted at the earliest possible Commission meeting that follows.

It is expected that these are the major contracts normally requiring Commission approval scheduled to be awarded during this period. Awarding these contracts in this time effective manner will optimize the Project schedule and avoid costs related to extending the schedule.

JUSTIFICATION

While there is a process in place in the TTC Policy for the Authorization for Expenditures and Other Commitments that allows for the award of contracts in the absence of a Commission meeting or for schedule critical circumstances, staff consider it prudent to advise the Commission in advance of this anticipated activity given the value of these contracts.

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June 16, 2010
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Attachment: Construction Method Legend

