

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: February 2, 2011

SUBJECT: NOTICE OF AWARD - PROCUREMENT AUTHORIZATION
TORONTO-YORK SPADINA SUBWAY EXTENSION
HIGHWAY 407 STATION AND THE NORTHERN TUNNELS
CONTRACT A35-26

INFORMATION ITEM

RECOMMENDATION

It is recommended that the Commission receive the notice of award of Chair Stintz, Vice-Chair Milczyn and the Chief General Manager authorizing the award of a contract to Obrascon Huarte Lain, S.A. (OHL,SA) and FCC Construcción, S.A. Joint Venture, in the amount of \$404,387,479.00 for Contract A35-26, Highway 407 Station and the Northern Tunnels.

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.

The allocated amount for this contract is \$416,890,000.00 including provision for applicable HST of 1.76%. The recommended bid of \$404,387,479.00 includes an HST component of 13%. When this HST is adjusted to reflect the actual 1.76% applicable to the work, this amount is reduced to \$364,163,450.00. The recommended bid is \$52,726,550.00 below the allocated amount.

BACKGROUND

At its meeting of July 14, 2010, the Commission approved the revisions and updates to the Authorization for Expenditures and Other Commitments Policy, effective August 1, 2010, which states that *'The Commission delegates authority to the Chair, Vice-Chair and the Chief General Manager to authorize items that would normally be authorized by the Commission when the approval is required before the next Commission meeting. If the Chair and/or Vice-Chair are not available, authority would be deemed to be delegated to any two (2) Commissioners and the Chief General Manager.'* These authorizations are to be followed up by a notice of award Commission report that is to be submitted to the next scheduled Commission meeting for information.

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The TTC is planning the design and construction of an underground subway line from the existing Downsview Station on the Spadina Line located in the City of Toronto, to the proposed Vaughan Corporate Centre located in the City of Vaughan, Region of York. The new 8.6 km long line will include both tunnelled and cut and cover sections.

The Contract designated as A35-26 consists of five individual packages as follows: Highway 407 Station, North Twin Tunnels, Steeles West Launch Shaft Permanent Works, York University Station Siteworks and Finch West Station Traffic Management Plan Staging.

The work for Highway 407 Station includes all labour and materials for the construction of Highway 407 Station.

The work for North Twin Tunnels includes approximately 7.3 km of tunnelling from the north end of Finch West Station to the extraction shaft at the southern end of the south crossover at Vaughan Corporate Centre Station and associated temporary and permanent works.

The work for Steeles West Launch Shaft Permanent Works includes the construction of 50 m of structure and associated works at the southern end of the south crossover at Steeles West Station.

The work for York University Station Siteworks includes utility diversions and the construction of the support of excavation system and full excavation for York University Station.

The work for Finch West Station Traffic Management Plan Staging includes temporary traffic diversions on Keele Street in the vicinity of Finch Ave.

DISCUSSION

A Request for Tenders was posted on the TTC's website as of September 10, 2010. Eleven pre-qualified companies were issued copies, and another 29 companies requested copies of the tender documents, out of which three pre-qualified companies/entities submitted tenders as summarized on the attached Appendix A.

Due to the magnitude of the contracts and the capability of the contractors to undertake the work, a pre-qualification package was issued on January 18, 2010. Eighteen entities were pre-qualified to undertake work for the station and/or tunnel contracts. Of the 18 pre-qualified entities, seven indicated that they would not be bidding on this combined station and tunnel contract prior to the tender.

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Obrascon Huarte Lain, S.A. (OHL,SA) and FCC Construccion, S.A. Joint Venture, submitted the lowest priced tender and did not state any exceptions or qualifications. Their tender is considered acceptable.

Dragados Canada Inc. and Ellis Don Civil Ltd., Joint Venture submitted the second lowest priced tender and also did not state any exceptions or qualifications and their tender is considered acceptable.

Toronto Spadina Constructors submitted the third lowest priced tender and also did not state any exceptions or qualifications and their tender is considered acceptable.

The successful tenderer will be required to execute a Performance Bond and a Labour and Material Payment Bond each in the amount of 50% of the contract value.

JUSTIFICATION

The tender submitted by Obrascon Huarte Lain, S.A. (OHL,SA) and FCC Construccion, S.A. Joint Venture, is the lowest priced acceptable tender.

December 15, 2010
70-92
03-04-000021557

Appendix A – Summary of Tenders
Appendix B - Plan Showing Extent of Work

APPENDIX 'A'

Toronto-York Spadina Subway Extension Highway 407 Station and the Northern Tunnels Contract A35-26

Summary of Tenders

	<u>Tender Price</u>
1. Obrascon Huarte Lain, S.A. (OHL, SA) and FCC Construcción, S.A. Joint Venture *	\$404,387,479.00
2. Dragados Canada Inc. and Ellis Don Civil Ltd., Joint Venture	\$409,870,000.00
3. Toronto Spadina Constructors	\$459,721,977.00
 ENGINEER'S ESTIMATE	 \$480,000,000.00

* Recommended Company

APPENDIX 'B'

