

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: May 11, 2011

SUBJECT: PROCUREMENT AUTHORIZATION –
TORONTO-YORK SPADINA SUBWAY EXTENSION PROJECT
INDEPENDENT ENGINEER – CONTRACT A85-104

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission authorize the award of a sole source Contract to B.F. Bahm & Associates Inc. (Mr. Barry Bahm) for the provision of an Independent Engineer for the Toronto-York Spadina Subway Extension Project, in the upset limit amount \$1,500,000.00 for a contract term commencing upon notification of award to December 31, 2015, subject to successful negotiations.

FUNDING

Sufficient funds for this expenditure are included in the Toronto-York Spadina Subway Extension (TYSSE) Project, as set out on pages 1447 to 1449R of the TTC 2011-2015 Capital Program (Category – Expansion), which was approved by City Council on February 23, 2011.

BACKGROUND

The Toronto-York Spadina Subway Extension Project (“TYSSE” or “Project”) is a \$2.634 billion (2008) inter-regional infrastructure initiative funded by the Government of Canada, the Province of Ontario, the City of Toronto and the Regional Municipality of York (“York Region”). The TYSSE is a unique transit project in that it will expand the Toronto Transit Commission subway network outside the City of Toronto geographical boundaries for the first time.

The Toronto Transit Commission (TTC) has been retained by York Region and the City of Toronto to manage the delivery of the Project through its Engineering & Construction Branch and specifically, the Spadina Subway Extension Department, which has been organized for this purpose (save and except for some surface facilities located within the geographical boundaries of York Region in which the management of the design and construction of those facilities will be the responsibility of York Region).

The Spadina Subway Extension Department, headed by the Chief Project Manager – Spadina Subway Extension, has an organizational structure comprised of TTC staff integrated with consultant staff from three consulting firms or joint ventures.

The Spadina Subway Extension Department reports to the Commission and its mandate is to deliver the Project applying TTC policies, procedures, standards and practices.

Oversight of the development and construction of the Project is being carried out by a joint Executive Task Force (ETF) established by the Regional Municipality of York and the City of Toronto currently consisting of 3 members appointed by York Region, including the Chief Administrative Officer and 3 members appointed by the City of Toronto, including the City Manager. The ETF deals with specific mandates, provides general project governance and deals with matters of inter-regional interest.

As a condition of the Terms of Reference of the ETF and requisite due diligence to monitor funding for the Project, the Project governance requires that the Project retain an Independent Engineer (IE) to provide the ETF with:

1. assurance and oversight of the reported progress of work;
2. advice on the reasonableness of claims for contribution and milestone achievement;
3. advice on cost and scope containment; and
4. advice on whether established Project policies, procedures; standards and practices have been complied with.

The IE works for and reports directly to the ETF. The TTC, under the instruction of the ETF, is responsible for arranging and administering this contract as the ETF is not a legal entity and cannot enter into contracts.

DISCUSSION

Contract A85-71 was awarded by the TTC on October 3, 2008 to Planmac Inc. (Planmac) for the provision of the IE for the Project in the upset limit amount of \$2,900,000.00. The Request for Proposal (RFP) was publicly advertised on the Commission's website in July 2008 with three companies submitting a proposal. Planmac was awarded the contract on the basis of the highest rated qualified proponent, proposing Mr. Barry Bahm as the IE. The contract completion date is October 2, 2015. However, as of May 4, 2011, Planmac advised the TTC that they can no longer provide the services of Barry Bahm to perform the role of the IE for the Project.

TTC staff have advised the ETF of the circumstances indicated above and the ETF has requested that the TTC continue with the services of Barry Bahm as the IE, due to the fact that he has been involved with the Project during its initial stages and has acquired the knowledge and details necessary to provide regular updates to the ETF with respect to the

assurance, oversight and advice for the Project. The ETF do not want the continuity or consistency of this service to be interrupted and require the recognized expertise of Barry Bahm for the duration of the Project.

On May 6, 2011, the TTC provided notification to Planmac of the termination of Contract A85-71 for convenience, since they were no longer able to provide the services of Barry Bahm. The expenditures to April 30, 2011 for the contract are approximately \$830,000. The IE is an integral part to the TYSSE project and any delay resulting from the absence of an IE will may have an impact to the success of this project.

The Co-Chairs for the ETF are in agreement with the termination of the contract with Planmac and intend to request, through a letter to the TTC's Chief General Manager, to contract directly with B.F. Bahm & Associates for the provision of the IE for the Project.

Consequently, a RFP was issued to B.F. Bahm & Associates on May 9, 2011 and subject to successful negotiations of contract terms, staff are recommending the award of a contract to B.F. Bahm & Associates in the upset limit amount of \$1,500,000.

JUSTIFICATION

Approving the sole source contract with B.F. Bahm & Associates Inc. will allow for the uninterrupted supply of the Independent Engineer services for the expected duration of the TYSSE Project.

May 6, 2011
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