

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: November 23, 2011

SUBJECT: NOTICE OF AWARD - PROCUREMENT AUTHORIZATION
TORONTO-YORK SPADINA SUBWAY EXTENSION
TRACKWORK INSTALLATION
CONTRACT A65-29

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 Herzog/Delta, A Joint Venture (Herzog/Delta) in the amount of \$36,529,000.00 for Contract A65-29, Trackwork Installation.

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

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.

The TTC is planning the design and construction of a new 8.6 km long 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.

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This Contract, designated A65-29 is for the supply of labour, products, and services to complete the work which includes, but is not limited to, the construction and installation of isolated track slabs, standard track, turnouts, crossovers, crossings, rail lubricators, bumping posts; install that part of the traction power system connected to the track; and install that part of the signalling system cables that connect to the rails.

DISCUSSION

A Request for Tenders was issued to four pre-qualified companies as of August 3, 2011. All four companies submitted a tender and are summarized on the attached Appendix A.

Herzog/Delta (unincorporated joint venture of Delta Railroad Construction Inc. and Herzog Contracting Canada Ltd.) submitted the lowest priced tender and did not state any exceptions or qualifications. As they have not previously worked for the Commission, reference checks were completed which indicate that they have satisfactorily performed work of a similar size and nature in the past.

Railroad Construction Company, Inc. submitted the second lowest priced tender and also did not state any exceptions or qualifications.

PNR Railworks Inc. submitted the third lowest priced tender and also did not state any exceptions or qualifications.

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 trackwork installation is required to complete the TYSSE and the tender submitted by Herzog/Delta is commercially and technically acceptable.

October 18, 2011
70-95
03-04-000041672

Appendix A – Summary of Tenders

APPENDIX A

Toronto-York Spadina Subway Extension
Trackwork Installation
Contract A65-29

Summary of Submissions

	<u>Tender Price</u>
1. Herzog/Delta, A Joint Venture *	\$36,529,000.00
2. Railroad Construction Company, Inc.	\$39,932,900.00
3. PNR Railworks Inc.	\$43,789,175.00
4. Peter Kiewit Infrastructure Co.	\$71,650,000.00
ENGINEER'S ESTIMATE	\$48,000,000.00

*Recommended Company