

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: January 28, 2014

SUBJECT: PROCUREMENT AUTHORIZATION AMENDMENT
TORONTO-YORK SPADINA SUBWAY EXTENSION PROJECT
CONTRACT NO. A85-97 – CONSTRUCTION MANAGEMENT
SERVICES
ADDITIONAL CONTRACT AUTHORITY

ACTION ITEM

RECOMMENDATION

It is recommended that the Board authorize Contract Amendment No. 5 to Morrison Hershfield Ltd. (MH) in the amount of \$10,000,000.00, increasing the total upset limit amount from \$40,000,000.00 to \$50,000,000.00.

FUNDING

Sufficient funds for this expenditure are included in the Toronto-York Spadina Subway Extension Project, as set out on pages 1447 to 1449R of the TTC 2014-2023 Capital Program (Category - Expansion) which was approved by the Board on November 20, 2013.

BACKGROUND

The TTC is undertaking the Toronto-York Spadina Subway Extension (TYSSE) project to extend the subway line from the existing Downsview Station on the Spadina Line located in the city of Toronto, to the Vaughan Metropolitan Centre Station located in the city of Vaughan, Region of York. The 8.6 km extension will include both tunnelled and cut and cover sections.

The YYSSE project is being funded by the Federal Government, the Province of Ontario, the Regional Municipality of York and the City of Toronto. The TTC is managing the design and construction of the YYSSE project and will own and operate the subway extension.

The organization structure was initially established to have consultants supplement TTC staff in key positions including Construction Management Services (CMS). This allows the project to rapidly staff up at the start of the project and transfers the liability risks of displaced staff to consultants at the end of the project.

Currently, the YYSSE project has 187 budgeted positions with 33 key positions being filled by TTC staff. The CMS provides 80 of the consultant staff to manage construction contracts including but not limited to the following tasks:

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- Inspect, monitor and report on the contractor's daily activities
- Certify requests for contractor and supplier payments
- Certify substantial performance and contract completion
- Perform quality assurance audits
- Provide survey services
- Perform review, analysis and evaluation of contractor and third party claims
- Monitor and assist in monitoring construction safety to protect the public, construction personnel and property
- Provide construction management expertise
- Provide construction methods

At the Board meeting of March 24, 2010, the Board approved the award of Contract A85-97:

Contract A85-97 details are as follows:

| | |
|--|------------------------|
| Initial Contract Amount Authorized by the Board – March 24, 2010 | <u>\$40,000,000.00</u> |
| This Contract Amendment | <u>\$10,000,000.00</u> |
| Total Revised Upset Limit Amount (including HST): | \$50,000,000.00 |

To date there has been no expenditure beyond the previously authorized \$40,000,000.00.

DISCUSSION

To date \$37,399,730.09 have been expended and performance continues to be satisfactory. Further authority of \$10,000,000 is required to cover costs for the CMS services into early 2015. The reasons for the increase are:

1. The Contractor is responsible for an acceptable level of quality work in accordance with the Contract Documents, however, this is not being met satisfactorily. To ensure that the effective quality control measures are implemented, additional staff was retained. Staff is pursuing the recovery of this additional cost.
2. Extended schedule requires construction management staff for longer period than originally estimated.
3. Some work such as utility relocation, compensation grouting, sequential excavation, de-watering were problematic and required deployment of expert and additional staff.

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JUSTIFICATION

The contract amendment is required to allow for continued consistent support on the Toronto-York Spadina Subway Extension project.

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