



**STAFF REPORT
INFORMATION ONLY
with Confidential Attachment**

Toronto-York Spadina Subway Extension – Project Management

Date:	April 10, 2015
To:	TTC Board
From:	Chief Executive Officer
Reason for Confidential Information:	This report contains advice that is subject to solicitor-client privilege, including communications necessary for that purpose

Summary

The Toronto-York Spadina Subway Extension (TYSSE) will be an important part of both the TTC network and regional transit, dramatically improving transit in Toronto and the GTA.

The purpose of this report is to provide legal advice to the Board arising from the previously approved recommendations.

Recommendations

This report is for information purposes only.

Financial Impact

The total current budget approved for this project is \$2.634 billion. A total of \$1.639 billion has been spent to the end of 2014, leaving \$995 million to be spent.

The recommended third party project management contract together with the existing project management costs requires an additional funding commitment from the City of Toronto in an amount of \$90M and that can be met through a number of mechanisms such as: the TTC's 2014 operating budget surplus, net property sales and/or potential deferral of projects. Staff will report out by the end of the year on expected claims payout costs.

The Chief Financial and Administration Officer has reviewed this report and agrees with the financial impact information.

Decision History

At the TTC Board Meeting of March 26, 2015, the Board approved a series of recommendations, as amended, relating to a reset of the TYSSE Project and approved entering into a sole source contract with a third party project management firm.

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2015/March_26/Reports/Decisions/TYSSE_Schedule_and_Budget_Change.pdf

On March 31, 2015, City Council approved the increase in the 2015 Capital Budget and 2016-2024 Capital Plan for the Toronto-York Spadina Subway Extension project by \$150 million gross, and \$90 million net, representing the City of Toronto's share of costs, with the remaining \$60 million reflecting the Regional Municipality of York's share.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CC5.1>

At its meeting of March 26th, 2015, York Region Council approved, in part, supporting the TTC CEO being authorized to take the steps set out in his report (March 26th, 2015 Board Report 4.1) to minimize the impact of the delay to the completion of the Spadina subway extension and to minimize the additional budget impact. York Region Council further agreed to fund up to an additional \$60M subject to other funding be available from other levels of government.

<http://www.toronto.ca/legdocs/mmis/2015/cc/bgrd/backgroundfile-78649.pdf>

Issue Background

At its meeting of March 26, 2015, the TTC Board approved, in part, proceeding with the sole source contract to a third party in accordance with the recommended Option No. 1 based on a total known cost of \$150M with the goal of achieving the opening of the TYSSE by the end of 2017. The Board also delegated authority to the TTC Chair, Vice-Chair and CEO to retain the third party project-management firm as an incentivized project manager.

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Accessibility Matters

All stations on the TYSSE have extensive facilities (such as elevators, escalators, tactile markings, etc.) that comply with AODA. Furthermore the service the TYSSE provides will improve access to jobs and opportunities for a large number of Torontonians and any delay to the start of service delays access to these opportunities.

Comments

In accordance with the Board's delegated authority, the Chair, Vice-Chair and TTC CEO have engaged in negotiations with a project-management firm as an incentivized project manager based on the previously agreed upon principles with the goal of achieving an end of 2017 opening for the TYSSE project. The TTC Chief Financial and Administration Officer as well as staff from TTC Legal Department, the City of Toronto and the TYSSE Independent Engineer have also participated in the discussions with the third-party management firm.

The information contained within the Confidential Attachment is subject to solicitor-client privilege and shall remain confidential. Upon conclusion of the negotiations with the third party provider, the terms and conditions of the agreement with the provider will be publicly available in accordance with the *Municipal Freedom of Information and Protection of Privacy Act*.

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Attachments - Confidential Attachment