



STAFF REPORT ACTION REQUIRED

Procurement Authorization Scarborough Subway Extension Project Management Services – Contract FE85-3

| | |
|--------------|-------------------------|
| Date: | February 25, 2015 |
| To: | TTC Board |
| From: | Chief Executive Officer |

Summary

The purpose of this report is to obtain authorization for the award of Contract FE85-3 for Project Management Services for the Scarborough Subway Extension (SSE) to Scarborough Link Joint Venture, in the upset limit amount of \$80 million, in Canadian funds, with a duration of ten (10) years from the Notification of Award, on the basis of highest total weighted score.

To manage delivery of the project, it is intended to staff the project team with a complement of TTC and consultant staff. Project Management Services is the first of four planned contract awards for consultant staffing in specific specialty areas, which will enable staffing of the project team to proceed.

Recommendations

It is recommended that

1. The Board authorize the award of Contract FE85-3 for Project Management Services for the Scarborough Subway Extension (SSE) to Scarborough Link Joint Venture, in the upset limit amount of \$80 million, in Canadian funds, with a duration of ten (10) years from the Notification of Award, on the basis of highest total weighted score.

Financial Impact

Sufficient funds are included in the TTC's 2014-2023 Capital Budget under Scarborough Subway Extension, as noted on pages 1029-1030, as approved by the Board on November 20, 2013 and City of Toronto Council on January 29/30, 2014. Funds of \$14.5M were budgeted for 2014 and projected year end under expenditures will be sufficient for work to be performed on this Contract, prior to approval of the 2015-2024 Capital Budget. No work beyond what can be accommodated in the \$14.5M approved by Council in 2014 and 2015 new cash flow of \$37.2M to be considered by City Council on March 10th, will be initiated unless project approval funds are available.

Contract work will be administered on a Work Assignment Release basis. Work will only commence as authorized by TTC staff in the form of a Work Assignment Release and payment for services will be based on the terms included in the Contract Documents.

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

Decision History

At its meeting of October 8, 2013, City Council confirmed support for a Scarborough Subway extending the Line 2 (Bloor-Danforth) along the McCowan Corridor to Sheppard Avenue East, subject to approval through an Environmental Assessment.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CC39.5>

At its meeting of June 24, 2014, the Board received a status report on the Scarborough Subway Extension and approved forwarding the report to the City Planning and Growth Management Committee for its information.

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2014/June_24/Reports/Scarborough_Subway_Extension_Update.pdf

At its meeting of December 9, 2014, the Board approved the award of contract FE85-2 for Tunnel Design Services.

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2014/December_9/Reports/BR_17122_Procurement_Authorization_Tunnel_Design_Contract_FE.pdf

Issue Background

Scarborough Subway Extension Project - City-TTC Roles and Responsibilities

This project is jointly managed by the City and the TTC under the guidance of a City-TTC Transit Executive Committee, which is co-chaired by the City Manager and the TTC CEO. The City Planning Division is the functional lead on the planning, project assessment, city building, and community engagement aspects of the project. The TTC is responsible for the management of project scope, budget and schedule, as well as the infrastructure design, engineering, construction and the operating requirements. Financing, project delivery assessment, and intergovernmental relations are the responsibility of the City, in conjunction with the TTC for technical input.

Project Staffing

To manage delivery of the project, it is necessary to create a project team comprised of TTC and consultant staff, with a ratio of approximately 30 and 70%, respectively. Consultant staffing of the project team is planned to be retained through four contract awards, which are outlined as follows:

A. Project Management Consultant – FE85-3 (subject of this report)

The Project Management Division of the SSE may comprise TTC and Project Management Consultant staff and will be the main point of responsibility for project delivery. This group may be responsible for the management of the project scope, budget and schedule for all phases of the project, through to project completion. This includes: scope development and control; constructability reviews; risk assessments; quality management; property acquisitions; access agreements; permitting; coordination of road closures during construction; coordination of utility agreements and relocations; detailed schedule development; cost control; progress reporting; managing facility design consultants; review of design submittals; managing design criteria; presentation of designs to the public, third parties and approval bodies; preparation of construction packages; technical support through construction; testing; commissioning and delivery to the end users.

Once awarded, the consulting staff will ramp up as the project progresses. Initially, senior staff to establish project strategies and schedules, and then as design begins, staff to manage design development and review of design

deliverables, and to coordinate third party requirements, through to award and technical support of the construction contracts. Staffing needs will be reviewed annually, or more frequently if necessary, and will be managed on a work release basis to ensure the most efficient use of consulting resources.

The upset limit is also driven by the 10 year duration of the project. As this consultant will be integral to the project team, continuity over the life of the project is imperative. This results in the award of one contract, rather than retendering and the possibility of issuing multiple contracts. Further, there would be added costs associated with retendering and subsequent learning curves to bring in new individuals.

B. Systems Design and Management Consultant – FE85-4

The Systems Design and Management Consultant will be integral with the SSE Project Management Division. They will complement the Project Management Division as to project strategies and planning, with specific responsibility for design and delivery of the systems elements of the project. Systems elements include signalling, communications, track, power, supervisory control, etc. Recommendation for award of this contract is planned for submission to the April 2015 Board Meeting.

C. Project Controls Consultant

The Project Controls Consultant shall supplement a team of TTC staff who will be responsible for preparing and validating estimates, reporting and documenting project cost performance and project variances. This RFP will be issued later in 2015.

D. Construction Management Consultant

The Construction Management Consultant will support the SSE Project Management Division and shall have responsibility for enforcing construction contract compliance, construction field inspection, monitoring safety, reporting and supervising the execution of contract requirements. This RFP will be issued in 2016.

In addition to staffing the SSE project team, design consultants will also be retained for the project. Following are the key design contracts:

1. Tunnel Design – FE85-2
Approved at December 9, 2014 Board Meeting
2. Station Design – FE85-5
RFP has been issued and recommendation for award of this contract is planned for submission to the March 2015 Board Meeting.

It is noted that a project delivery assessment will be performed (e.g. design-build, design-bid-build) and for each consultant contract TTC reserves the right, at its sole discretion, to amend the Scope of Work, as necessary, based on the determined project delivery method, at no additional cost.

Accessibility/Equity Matters

All designs associated with the Scarborough Subway Extension will ensure accessibility provisions are developed in accordance with the TTC Design Manual.

Comments

A Request for Proposals (RFP) was publicly advertised on the MERX site as well as the TTC's web site as of October 28, 2014. Thirty-Five (35) companies downloaded copies of the RFP documents, out of which four (4) submitted a proposal by the closing date of December 11, 2014. Of the thirty-five, eighteen companies provide services that do not fall within the scope of this contract (e.g. construction, real estate, environmental, geotechnical, material testing and facility design). Eight of the remaining companies have performed consultant services for transit work in the past and have elected to not participate in this requirement. The reasons for not bidding were: lack of sufficient staff or expertise for the scope of work, inability to find a suitable partner, non-competitive rates due to the staff location, preference of pursuing other opportunities within SSE program (such as station design or construction management services) and interest in design-build-finance-operate-maintain type of projects. The remaining nine companies are included within the four submissions received, as part of the joint venture or subconsultants for the other respondents.

Evaluation of the Proposal Submissions

Submissions from the following companies were received for Project Management Services:

1. AECOM Canada Ltd.
2. Parsons Brinckerhoff Halsall Inc.
3. Scarborough Link Joint Venture
4. Stantec Consulting Ltd.

An Evaluation Team consisting of three (3) members, two (2) representing the SSE Department and one (1) from Materials and Procurement Department evaluated the qualitative portion of the proposals in accordance with the criteria set out in the RFP and attached as Appendix A.

The recommendation for award is based on the highest total weighted score. The evaluation of proposals was based on a two envelope process and consisted of qualitative

and pricing components; 80 points were allocated to the qualitative merit and 20 points were allocated to the pricing.

Proposals were first scored jointly by the Evaluation Team based on qualitative criteria at the associated weightings, as set out in the RFP documents. It was pre-determined that proposals achieving a total minimum of 64 points out of the maximum 80 points available for the qualitative evaluation would be considered qualified. Final scores for the qualitative evaluation of proposal submissions were arrived at by consensus, whereby the following companies were considered qualified to perform the work: AECOM Canada Limited, Parson Brinkerhoff Halsall Inc. and Scarborough Link Joint Venture.

Upon completion of the qualitative evaluation, the pricing component of all qualified proponents was evaluated for the pre-defined key staff positions, as set out in the RFP documents for evaluation purposes only, to determine a composite hourly billing rate. The total weighted score was calculated as a sum of the weighted qualitative score and the weighted pricing score.

Upon completion of the evaluation process, the proposal submitted by Scarborough Link Joint Venture has the highest overall evaluated score based on the stated evaluation criteria amongst compliant bids.

Members of the Scarborough Link Joint Venture, Parsons Inc., Hatch Mott MacDonald Limited and MMM Group Limited have satisfactorily performed work for the TTC in the past.

Contact

Jim W. Lee
Head – Materials & Procurement
Phone: 416-393-3113
Email: Jim.Lee@ttc.ca

83-2-1
03082-19-6

Attachments

Appendix A

APPENDIX A
PROCUREMENT AUTHORIZATION
PROJECT MANAGEMENT SERVICES
CONTRACT FE85-3

EVALUATION CRITERIA

A. Corporate Qualifications/Experience

- Number of years in business
- Depth of available resources
- Relevant corporate experience

B. Staff Qualifications/Experience

- Number of years of experience
- Number of years of direct experience
- Technical qualifications
- Relevant experience