



**STAFF REPORT  
ACTION REQUIRED  
with Confidential Attachment**

**Notice of Claim Settlement  
Toronto-York Spadina Subway Extension  
Sheppard West Station and Southern Tunnels, Contract A35-25**

<b>Date:</b>	July 29, 2015
<b>To:</b>	TTC Board
<b>From:</b>	Chief Executive Officer
<b>Reason for Confidential Information:</b>	This report contains advice that is subject to solicitor-client privilege, including communications necessary for that purpose

**Summary**

---

This report is submitted to notify the Board of a claims settlement approved by Chair Colle, Vice Chair Heisey and the CEO in regards to TYSSE Contract A35-25 on June 29, 2015.

On November 25, 2010, Aecon Buildings (Aecon) was awarded the contract for the Toronto-York Spadina Subway Extension Sheppard West Station and The Southern Tunnels Contract A35-25 in the amount of \$279,078,688.00. Aecon's major subcontractor on the project is MKA. MKA was the tunnelling expert used for the mining of the twin tunnels.

**Recommendations**

---

**It is recommended that the Board:**

1. Receive the information as set out in the confidential attachment;
2. Authorize that the information provided in the confidential attachment is to remain confidential in its entirety as it contains information that is subject to solicitor-client privilege.

## **Financial Summary**

Sufficient funds for this contract are included in the TTC's 2015-2024 Capital Budget & Plan, which was approved by City Council on March 10/11, 2015 as amended by the Board March 26, 2015 and by Council March 31, 2015. Funding for this contract is included in the Toronto-York Spadina Subway Extension project (Category – Expansion), as referenced in the 2015-2024 Capital Budget & Plan noted on pages 1035-1037.

As part of the Project reset, external claim consultants and schedulers have been retained to assess, substantiate and evaluate potential construction related claims. An overall assessment of Project costs is expected to be provided to the Board by the end of 2015.

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

## **Accessibility/Equity Matters**

The above recommendations have no accessibility issues.

## **Decision History**

On November 25, 2010, the TTC awarded A35-25 for the construction of the Sheppard West Station and Southern Tunnels as part of the Toronto-York Spadina Subway Extension Project to AECON Buildings for \$279,078,688.00.

## **Issue Background**

At its meeting of October 24, 2012, the Board approved the revisions and updates to the Authorization for Expenditures and Other Commitments Policy, effective November 1, 2012, which states that 'The Board delegates authority to the Chair, Vice-Chair and the Chief Executive Officer to authorize items that would normally be authorized by the Board when the approval is required before the next Board meeting. If the Chair and/or Vice-Chair are not available, authority would be deemed to be delegated to any two (2) Board Members and the Chief Executive Officer.' These authorizations are to be followed up by a notice of award Board report that is to be submitted to the next scheduled Board meeting for information.

As part of Contract A35-25, AECON has submitted various claims relating to tunnelling activities. This report provides the Board with the details of the negotiated settlement for those specific claims. AECON has also submitted additional claims for non-tunnelling construction activities which are not included in this report.

## **Contact**

Keith Sibley  
Project Director – TYSSE  
Phone: 416-393-6763  
Email: [keith.sibley@ttc.ca](mailto:keith.sibley@ttc.ca)

## **Attachments**

Confidential Attachment

70-12  
03-04-000172260