



## **STAFF REPORT ACTION REQUIRED**

### **Procurement Authorization Scarborough Subway Extension Systems Design and Management Services – Contract FE85-4**

<b>Date:</b>	May 27, 2015
<b>To:</b>	TTC Board
<b>From:</b>	Chief Executive Officer

#### **Summary**

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The purpose of this report is to obtain authorization for the award of Contract FE85-4 for Systems Design and Management Services for the Scarborough Subway Extension (SSE) to Parsons Brinckerhoff Halsall Inc. (PB), in the upset limit amount of \$50,000,000.00, in Canadian funds, with a duration of ten years from the Notification of Award, on the basis of highest total weighted score.

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 and supervisory control.

#### **Recommendations**

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It is recommended that the Board authorize:

1. Award of Contract FE85-4 for Systems Design and Management Services for the Scarborough Subway Extension (SSE) to Parsons Brinckerhoff Halsall Inc., in the upset limit amount of \$50,000,000.00, in Canadian funds, with a duration of ten years from the Notification of Award, on the basis of highest total weighted score.

## **Financial Summary**

Sufficient funds are included in the TTC's 2015-2024 Capital Budget under Scarborough Subway Extension, as noted on pages 1043-1044, as approved by the Board on February 2, 2015 and approved by City of Toronto Council on March 10/11, 2015. Funds in the amount of \$33.8 million are included in TTC's Council approved 2015 Capital Budget and no work beyond what can be accommodated within the approved funding will be initiated, unless project approval funds are made 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.

## **Accessibility/Equity Matters**

All designs associated with the Scarborough Subway Extension will ensure accessibility provisions are developed in accordance with the TTC Design Manual and AODA/Ontario Building Code.

## **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](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2014/June%2024/Reports/Scarborough%20Subway%20Extension%20Update.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](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2014/December%209/Reports/BR_17122_Procurement_Authorization_Tunnel_Design_Contract_FE.pdf)

At its meeting of February 25, 2015, the Board approved the award of contract FE85-3 for Project Management Services.

[http://www.ttc.ca/About\\_the\\_TTC/Commission\\_reports\\_and\\_information/Commission\\_meetings/2015/February\\_25/Supplementary\\_Reports/Procurement\\_Authorization\\_Project\\_Management\\_Services\\_Contra.pdf](http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2015/February_25/Supplementary_Reports/Procurement_Authorization_Project_Management_Services_Contra.pdf)

On May 5, 2015, City Council directed the City Manager, in consultation with CEO of the TTC and the Deputy City Manager and Chief Financial Officer, to report to Council by the first quarter of 2016 with a recommendation on whether to proceed with a Design-Bid-Build or Design-Build-Finance option for the Scarborough Subway Extension, and also requested the TTC Board to continue to structure contracts in a way that preserves the ability to proceed with whichever procurement and delivery model is recommended.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX5.6>

## **Issue Background**

In addition to the tunnel and stations, systems is a key component of the project. Systems include track, power, communications, Supervisory Control And Data Acquisition (SCADA) and signal systems. Tunnel design was approved by the Board in December and Station Design is the subject of a separate report on the May 27 Board Agenda. This report addresses the retention of the Systems Design and Management Consultant.

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 and supervisory control.

Once awarded, the consulting staff will ramp up as the project progresses. Initially, senior staff will be assigned to establish project strategies and schedules. As design begins, staff will be required for design development and coordination with facility designers to ensure adequate space planning for systems elements, 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.

It is noted that a project procurement options analysis will be performed (e.g. design-build, design-bid-build), and for each consultant contract the TTC reserves the right, at its sole

discretion, to amend the Scope of Work, as necessary, based on the determined procurement and delivery model, at no additional cost.

## **Comments**

A Request for Proposals (RFP) was publicly advertised on the MERX site as well as the TTC's web site as of November 14, 2014. Fifty-One (51) companies downloaded copies of the RFP documents. Two (2) proposals, comprising three firms, were received by the closing date of March 3, 2015. Of the remaining forty-eight (48) companies, twenty-six (26) provide services that do not fall within the scope of this contract (e.g. estimating, electrical distribution, geotechnical and construction). Seven (7) companies elected to not participate in this requirement due to lack of sufficient staff or expertise for the scope of work, inability to find a suitable partner, or non-competitive rates due to the staff location.

It is noted that systems design for transit is a very specialized skill, with limited firms possessing the necessary resources/expertise to submit a proposal. In effort to ensure optimum competition, the bid period was extended to approximately 15 weeks (typically 6 weeks). Staff also contacted other North American transit properties that required systems design services. The firms identified by the transit properties were contacted and invited to submit a proposal.

## **Evaluation of the Proposal Submissions**

Submissions from the following companies were received for Systems Design and Management Services:

1. Parsons Brinckerhoff Halsall Inc. (PB)
2. Parsons-HMM Joint Venture (Parsons-HMM).

An Evaluation Team consisting of two (2) members, one (1) 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

both Parsons Brinckerhoff Halsall Inc. and Parsons-HMM Joint Venture were considered qualified to perform the work.

Upon completion of the qualitative evaluation, the pricing component of both 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 Parsons Brinckerhoff Halsall Inc. has the highest overall evaluated score based on the stated evaluation criteria amongst compliant bids.

PB has 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](mailto:Jim.Lee@ttc.ca)

Mike Piemontese  
Director – Project Procurement  
Phone: 416-393-4793  
Email: [Mike.Piemontese@ttc.ca](mailto:Mike.Piemontese@ttc.ca)

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**Attachments** - Appendix A

**APPENDIX A**  
**PROCUREMENT AUTHORIZATION**  
**SYSTEMS DESIGN and MANAGEMENT SERVICES**  
**CONTRACT FE85-4**

**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