



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

**Toronto-York Spadina Subway Extension
Settlement of Claim- Contract A65-29 – Track Installation**

Date:	July 11, 2016
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

On November 2, 2011, Herzog/Delta, a Joint Venture (Herzog/Delta) was awarded the contract for the Toronto-York Spadina Subway Extension Track Installation in the amount of \$36,529,000.00.

This report requests the Board's approval for funds to establish a final resolution for a claim by Herzog/Delta for additional costs incurred due to an extension of time.

Recommendations

It is recommended that the Board:

1. Approve the recommendation outlined in the confidential attachment.
2. Authorize the information provided in the confidential attachment, to remain confidential in its entirety as it contains information that is subject to solicitor client privilege.

Financial Summary

TTC's 2016-2025 Capital Budget for the TYSSE Project is \$3.184 billion as approved by City Council on February 3, 2016 and February 17, 2016, and the Regional Municipality of York on February 18, 2016.

Sufficient funds for the expenditure outlined in this report are available within the project budget.

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

The TYSSE Executive Task Force approved the allocation of funding for these recommendations on June 27, 2016.

Accessibility/Equity Matters

There are no accessibility or equity issues.

Decision History

On November 2, 2011, Herzog/Delta was awarded the contract for the Toronto-York Spadina Subway Extension Track Installation in the amount of \$36,529,000.00.

Issue Background

Contract Section 01 14 00 “Work Restrictions, Milestones and Constraints”, of Contract A65-29 between Herzog/Delta and TTC outlines a progress and completion schedule for each of the fifteen interim milestones along with Substantial Performance and Contract Completion Milestone dates. The overall Contract Completion Milestone provided 927 calendar days from the Notice of Award, which was November 2, 2011.

TTC modified the Contract Completion Milestone which required Herzog/Delta to perform the Works beyond the originally anticipated contracted 927 calendar days. RFQ 02 Rev 3 extended the Contract to 1,256 calendar days after Notice of Award to April 11, 2015. Additionally, RFQ 72 Rev 1 extended the Contract even further to 1,672 calendar days after Notice of Award to May 31, 2016. These schedule changes extended the overall duration of the Contract and also shifted labor, equipment, overhead and profit into an escalated period.

Contact

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Attachments

Confidential Attachment

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