



STAFF REPORT ACTION REQUIRED

Procurement Authorization Scarborough Subway Extension Project Controls Services – Contract FE85-7

Date:	July 11, 2016 – Resubmitted October 27, 2016
To:	TTC Board
From:	Chief Executive Officer

Summary

Reporting to the Chief Project Manager, the Scarborough Subway Extension Project Controls Division will be responsible for controlling cost, schedule, scope and reporting project status. The Project Controls Division will be comprised of staff from TTC and three service providers. Staffing this group at this time is necessary to support ongoing work such as the development of schedules and estimates.

The purpose of this report is to obtain authorization for the award of contract FE85-7 for Project Control Services for the Scarborough Subway Extension (SSE).

Recommendations

It is recommended that the Board

1. Authorize award of contract FE85-7 for Project Control Services for the SSE to the following firms, in the noted upset limit amounts, in Canadian funds, including taxes, each with a duration of ten years from the Notification of Award, on the basis of the three highest total weighted scores.

<u>Firm</u>	<u>Upset Limit</u>
Comtech Group Inc.	\$10 Million
Stantec Consulting Ltd.	\$10 Million
Turner & Townsend cm2r Inc., operating as Turner & Townsend	\$10 Million
 Total Upset Limit	 \$30 Million

Financial Summary

The TTC's 2016-2025 Capital Budget includes an estimated cost of \$3.56 B for the SSE, including the SRT Life Extension and Demolition, as approved by the City of Toronto Council on February 17, 2016. Of the \$3.56 B, City Council has approved \$110.827 million for 2016 and no work beyond what can be accommodated within the approved funding will be initiated, unless additional project approval funds are made available.

Contract work will be administered on a Work Assignment Release basis. As each required task is identified, a work plan is prepared with an estimate. Work on the task 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 SSE will ensure accessibility provisions are developed in accordance with TTC Design Standards and AODA/Ontario Building Code.

Decision History

At its meeting of October 8, 2013, City Council confirmed support for a Scarborough Subway extending 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 SSE 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

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

At its meeting of March 24, 2015, the Board directed the TTC's CEO to provide a report outlining the specific, substantive changes that will be made in the planning and project management for the Scarborough Subway, as compared to the Toronto York Spadina Subway Extension (TYSSE).

This report will be submitted in the fall of 2016. It will address discussions with TYSSE staff that identified challenges and potential solutions in project delivery, and will also incorporate the findings of the KPMG's review of TTC's Capital Program Delivery. The development of SSE project controls, as outlined later in this report, takes into account the challenges encountered on the TYSSE Project and the best practices identified by KPMG.

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2015/April_29/Minutes_other/March_26_2015_minutes.pdf

At its meeting of May 27, 2015, the Board approved the award of contract FE85-4 for Systems Design and Management Services.

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2015/May_27/Reports/Decisions/PA_SSE_Systems_Design_and_Management_Services.pdf

At its meeting of March 23, 2016 and in response to the request from the February 25, 2016 Board Meeting, the Board received a Report noting that staff will include a revised project cost and schedule when the Environmental Assessment Report is submitted for Board approval.

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2016/March_23/Reports/Scarborough_Subway_Extension_Update_March_23_2016.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's CEO. The City Planning Division is the functional lead on the planning, 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 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 staff from TTC and the service providers, with a ratio of approximately 30% and 70%, respectively. Staffing of the project team is planned to be retained through four contract awards, which are outlined as follows:

A. Project Management – FE85-3

The Project Management Division of the SSE will be comprised of staff from TTC and the Project Management service providers and will be the main point of responsibility for project delivery. This group is 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; 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.

Award of contract FE85-3 was approved at the February 25, 2015 Board Meeting.

B. Systems Design and Management – FE85-4

The Systems Design and Management service provider will be integral with the SSE Project Management Division. They 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.

Award of contract FE85-4 was approved at the May 27, 2015 Board Meeting.

C. Project Controls Services– FE85-7 (subject of this report)

The Project Controls Division will report to the Chief Project Manager and will be responsible for controlling cost, schedule, scope, change and documents, as well as reporting project status. By establishing the following system of checks

and balances, this group will ensure the project achieves a predictable and successful outcome, by:

- a. conducting scope control & verification;
- b. implementing an integrated scheduling and budgeting system;
- c. performing schedule and cost analysis and control through forecasting and trending;
- d. implementing an integrated scope, schedule and cost change control system;
- e. ensuring a consistent reporting structure;
- f. preparing and validating estimates; and
- g. facilitating a defined audit trail.

This Division will develop and implement best practices to achieve the above-mentioned system of checks and balances. In addition, the project will implement processes that will promote a culture of collaboration, information sharing and accountability, throughout the SSE project team.

The Project Controls Division will be comprised of staff from TTC and the service providers. It is intended that three firms be selected for this contract. When the need for a position is identified, all three firms will be requested to propose their best candidate, from which a selection will be made. This process will enable the selection of the best candidate for each position.

As previously noted, contract work will be administered on a Work Assignment Release basis. Once awarded, staff will ramp up as the project needs dictate. The first order of business for the Project Controls Division will be to develop the Project Controls procedures. Staffing needs will be reviewed annually, or more frequently if necessary, with work releases being issued accordingly to ensure the most efficient use of consulting resources.

Staff acknowledge the ongoing discussions within the City relative to transit planning and the SSE project. Notwithstanding and to mitigate further delays, staff recommend proceeding with the award at this time, to enable the start of the work, as noted.

D. Construction Management

The Construction Management service provider 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 2017.

Comments

A Request for Proposals (RFP) was publicly advertised on the MERX site, as well as the TTC's web site as of October 5, 2015. Twenty-two (22) companies downloaded copies of the RFP documents, with four (4) proposals being received by the closing date of October 29, 2015. The remaining eighteen (18) companies were contacted and seven (7) responded that they were not in position to submit, or it was outside their area of expertise.

Evaluation of the Proposal Submissions

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

1. Comtech Group Inc.
2. RCM Technologies Canada Corp.
3. Stantec Consulting Ltd.
4. Turner & Townsend cm2r Inc., operating as Turner & Townsend

An evaluation team consisting of two members, one representing the SSE Department and one (1) from Materials and Procurement Department evaluated the proposals in accordance with the criteria set out in the RFP and attached as Appendix A.

It was pre-determined that any proponent who scored a total qualitative rating of at least 75% would be considered qualified. It was also pre-determined and stated in the proposal document that the TTC intended to award up to three contracts.

The recommendation for award is based on the three highest total weighted scores. The evaluation of proposals was based on qualitative portion only with points allocated to the qualitative merit. There was no pricing component evaluated as part of the RFP.

Proposals were 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 75 points out of the maximum 100 points available for the qualitative evaluation would be considered qualified. Once ranked, the three firms with the highest number of points out of 100 would be awarded the contracts.

Upon completion of the evaluation process, the proposals submitted by Comtech Group Inc. (Comtech), Stantec Consulting Ltd. (Stantec) and Turner & Townsend cm2r Inc., operating as Turner & Townsend (Turner & Townsend) have the highest overall evaluated scores amongst compliant proposals, based on the stated evaluation criteria.

Comtech and Stantec have satisfactorily performed work for the TTC in the past. Reference checks were completed for Turner & Townsend which indicate they have satisfactorily performed work of a similar nature for other organizations.

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Attachments - Appendix A

APPENDIX A
PROCUREMENT AUTHORIZATION
PROJECT CONTROLS SERVICES
CONTRACT FE85-7

EVALUATION CRITERIA

- A. Corporate Qualifications/Experience
- Number of years in business
 - Understanding/experience of development and implementation processes in the area of project controls
- B. Sourcing Methodology
- Summary of the recruitment /search methodology used for sourcing individuals
 - Selection process
 - Summary of current available employee database for various position categories
- C. Training/Education
- Methods of keeping staff up to date
 - Company's educational policies
- D. Corporate Policies
- Corporate employment policies and measures taken to maintain company staff