



**For Action
with Confidential Attachment**

State of Good Repair – Delegation to the CEO for the Asbestos Abatement Program

Date: October 22, 2020
To: TTC Board
From: Chief Executive Officer

Reason for Confidential Information

This report is about labour relations or employee negotiations.

Summary

The purpose of this report is to obtain delegated authority for the CEO to award a contract for the purpose of asbestos abatement on a portion of Line 1 (Finch – Sheppard) on a large scale with the total upset limit amount of \$8M inclusive of all applicable taxes. Should the project proceed, the contract will be awarded through a negotiated Request for Proposal basis. An RFI was issued to the market on September 21, 2020 and closed September 30, 2020 with a total of eight (8) expressions of interest received. A site tour has been conducted and those companies that may wish to respond to the RFP will be required to attend a future site visit, if they did not attend the site tour through the RFI process.

Recommendations

It is recommended that the TTC Board:

1. Delegate authority to the TTC CEO to award a contract for asbestos abatement on a portion of Line 1 (Finch – Sheppard) with the aggregate not to exceed the upset limit amount of \$8,000,000;
2. Approve in lieu of the standard Certificate of Recognition (COR™) requirements, that the Contractor be required as a condition to performing the work, and in order to ensure site and worker safety, to provide a site-specific-safety plan prior to commencing work on TTC Property;
3. Direct staff to report back in November 2020 on the decision to proceed with the project;
4. Receive the confidential attachment for information and that the information in the confidential attachment remain confidential as it deals with labour relations matters.

Implementation Points

The TTC is considering a ten (10) day closure for the period of December 4 - 14, 2020 from Finch station to Sheppard station, with an early closure planned for Friday December 4, 2020.

A RFI was issued on September 21, 2020, seeking interest for a vendor to perform large scale asbestos removal on a portion of Line 1 within the above noted closure. A site tour was conducted on September 27, 2020 with ten (10) vendors attending, and responses to the RFI were received September 30, 2020.

A formal RFP was issued on October 7, 2020 seeking a vendor to perform the work in question.

Due to the timelines associated with organizing and planning this work, TTC is seeking delegated authority for the contract award while it continues to develop the business case and review associated risks. This will inform the final decision and staff will report back to the Board accordingly in November on the decision to proceed.

Financial Summary

Sufficient funds for this expenditure are included in the TTC's 2020-2029 approved Capital Budget and Plan under Program 6.1 Environmental Programs – Subway Asbestos Removal Program. The Subway Asbestos Removal Program's total project cost is approximately \$46.6 million.

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

Equity/Accessibility Matters

A cornerstone of the TTC's Corporate Plan 2018-2022 is accessibility. As a proud leader in providing accessible public transit in the City of Toronto, we are committed to ensuring reliable, safe and inclusive transit services for all of our customers. While the planned closure will result in some accessibility issues to access subway services, accessible bus shuttles will be running and are planned keeping in mind social distancing requirements in light of ridership.

The asbestos abatement work that the TTC is seeking delegated authority to award a contract for will further enhance the safety of the network for both employees and passengers. Additionally, this opportunity will be used to do a deep clean of associated stations.

Decision History

Due to the COVID-19 pandemic, the TTC's daily ridership has been reduced significantly. This circumstance offers a rare opportunity to the TTC to potentially catch up as well as accelerate planned state-of-good-repair ("SOGR") and asbestos abatement work on Line 1 without impacting customers in the manner it would if ridership were at normal levels.

As such, the TTC is planning to engage in an early and extended closure from Finch to Sheppard Station. This will commence at 9:00PM December 4, 2020 with service resuming on schedule December 14, 2020. The TTC, should it proceed with the project, would be conducting Type 3 asbestos abatement. Doing so would result in an accelerated timeline for this portion of the asbestos abatement program.

The TTC will be providing shuttle service for customers along the corridor based on current ridership levels and respecting social distancing. The TTC continues to monitor ridership levels and will do so up to contract award to ensure that a sufficient shuttle service respecting social distancing can be provided.

At the TTC Board meeting of May 24, 2013, the Board approved a recommendation setting out a timeline that all contractors performing work on TTC property valued at over \$5M have a COR™ issued by the Infrastructure Health and Safety Association (IHSA). Based on a review of the potential companies that could perform the asbestos abatement work, none or very few are currently COR™ certified. This is highly specialized work and is regulated by the Province of Ontario. In order to ensure proper site and worker safety, the contractors will be required to provide a site-specific-safety plan. Based on the current timelines, it is recommended that COR™ certification not be required for these contracts.

Issue Background

Asbestos Abatement

The TTC is challenged to maintain its assets and maintain its current SOGR schedules given the restricted nightly window to perform the work, which has led to schedule slips on some of its critical SOGR work, including asbestos abatement, which poses risks to service and future initiatives, and which could result in future weekend closures that negatively impact customers.

Under a status quo scenario, it would take TTC employees between 93-152 regular shifts to complete the amount of abatement we are seeking delegated authority to award. This work can be scheduled regularly however there is a potential for work zone conflict due to competing demand for track level work during the short maintenance window which could result in a prolonged schedule. The current timeframe for the Asbestos Abatement Program within the North Yonge Corridor on Line 1 is outside of the 10-year window. The work contemplated in this closure by TTC employees and contractors as requested authorization for, should reduce this timeframe by at least $\frac{3}{4}$ year overall.

Comments

The work to be performed under this contract would be the abatement of box tunnel structure, north and south corridors, between North York Centre Station Platform and Church street emergency exit. This represents a total of approximately 35,000 square feet of material to be abated. A range of reasonableness in terms of what can safely be abated during the short closure is being considered, and will be factored into the analysis.

A RFI was issued to the market on September 21, 2020. A site visit was conducted for ten (10) vendors, on September 27, 2020 with eight (8) vendors provided a response to the RFI. The responses reflect varying cost estimates and completion rates.

A RFP was issued to the market on October 7, 2020. Due to timing constraints associated with the proposed project and the extraordinarily accelerated timeframes in order to take advantage of the decreased ridership to hasten the abatement program, the TTC issued the RFP in advance of obtaining the delegated authority and in advance of completion of its analysis, in order to ensure that we are in a position to proceed with the project should it make sense to do so. The TTC will require any vendor who did not attend the site tour to do so as a part of the RFP process. The contract will be awarded by approximately November 20, 2020.

The TTC will be assessing proposals based on a variety of factors with emphasis on ability to safely and reliably complete the work in question.

The TTC continues to review the project from a business and risk perspective. While a contractor could offer significantly increased productivity, there are operational risks that must be taken into account. For example, the cabling that runs within our tunnels cannot be turned off in order to maintain revenue service south of the closure. As such, there are significant risks should a contractor damage the cabling which would result in unanticipated service suspension or late closure removal. Risk mitigation measures are currently being developed.

Additionally, the TTC has been able to enhance its productivity through the mechanism of early closures, which in turn elongate the period of productive work for TTC employees. This is pivotal when dealing with the TTC's internal type 3 asbestos abatement procedure where the on-site set up with our abatement workcars can be carried out more than once per shift during an extended work window.

The below table reflects a high level estimate of TTC employee productivity in performing the abatement work in contrast to a third-party contractor:

| | | |
|--|---|---|
| | 18,800 sf of abatement (flat surface only) | 35,000 sf of abatement (25,400 flat walls; 9,600 cabling) |
| TTC (assuming 230 sf per shift-status quo) | 93 shifts | 152 shifts |
| TTC (assuming 750 sf shift for early access/3000 sf per 4 day early access for flat walls; 200 sf shift for early access/ 800 for cabling) | 25 shifts/6 weeks of early access | 34 shifts/8.5 weeks <u>48 shifts/ 12 weeks</u> 82 shifts/ 20.5 weeks |
| Contractor | 10 days | 10 days + (TTC work for complete removal under cabling) |

The below table reflects a cost range associated with the area of abatement to be conducted:

| | Average Contractor Costs (Excluding low and High bid) | Cost of Diversion Buses and Support* | Totals (incl. overhead; excluding HST) |
|--|---|--------------------------------------|--|
| Low range of completion (18,000sf) | \$1.8M | \$1M | \$2.8M |
| High range of completion** (35,000 sf) | \$3.1M | \$1M | \$4.0M |

*NB: These costs are inclusive of the cost of providing shuttle services, operators, supervisors and supporting infrastructure. These do not include any additional supervisory personnel or workcar costs to the contractors

**NB: While high range estimates are based on square footage of the area as reflected in the RFI, it is not anticipated that the contractors would reasonably be able to complete abatement of the full area based on site tour feedback and that TTC forces would still be required to complete the 9,600 square feet of cabling work estimated to take approximately 12 weeks over early access closures.

The TTC will be finalizing its decision to proceed based on an assessment of safety, impact to service and cost.

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Signature

Richard J. Leary
Chief Executive Officer

Attachments

Confidential Attachment 1 – State of Good Repair – Delegation to the CEO for the Asbestos Abatement Program