



**STAFF REPORT  
ACTION REQUIRED  
with Confidential Attachment**

**Toronto-York Spadina Subway Extension  
Notice of Commercial Mitigation Measures at VCC Station  
Contract A37-1**

<b>Date:</b>	March 23, 2016
<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**

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This report is submitted to notify the Board of a commercial mitigation approved by Chair Colle, Vice-Chair Heisey and the Chief Executive Officer in regards to Toronto-York Spadina Subway Extension (TYSSE) Contract A37-1.

The Board at its meeting on July 29, 2015 approved the pre-approval process for TYSSE claim settlements on an exception basis where the terms of the negotiated settlement are time sensitive and approval cannot await the Board's decision at the next scheduled meeting.

This process is in accordance with 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.

## **Recommendations**

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### **It is recommended that the Board:**

1. Receive notice of approval of the Chair, Vice-Chair and Chief Executive Officer in regards to TYSSE Contract A37-1 on March 11, 2016.
2. Receive the information contained in the Confidential Attachment.
3. Authorize the information provided in the Confidential Attachment 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 the TTC Board on January 21, 2016, City Council on February 3, 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 allocation of funding of these recommendations on February 29, 2016.

## **Accessibility/Equity Matters**

The above recommendations have no accessibility issues.

## **Decision History**

On June 21, 2011, Carillion Construction Canada (Carillion) was awarded the contract for the Toronto-York Spadina Subway Extension Vaughan Corporate Centre Station, Contract A37-1 in the amount of \$197,821,000.00.

## **Issue Background**

Due to continued poor performance and the significant risk of negatively impacting the overall TYSSE schedule completion of December 2017, TYSSE is evaluating a

mitigation plan to de-scope the remaining mechanical and/or electrical work (M&E work) from Carillion at VCC Station.

This action is being recommended as a result of the continued lack of progress at VCC by Carillion that now threatens the overall TYSSE Project critical path. Despite repeated efforts made by TYSSE in supporting Carillion in securing improved performance, the outcome continues to yield unsatisfactory results or identify any necessary level of improvement.

Funding is required to complete the remaining mechanical and electrical works by alternate means.

## **Contact**

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## **Attachments**

Confidential Attachment

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