



Follow Up Contract for Extension of Bechtel Staff for Project Closeout

Date: February 15, 2018
To: TTC Board
From: Chief Executive Officer (Acting)

Summary

This report requests the Board's approval to enter into a further contract with Bechtel Canada Co. ("Bechtel") for additional project management services as of April 1, 2018. The current Bechtel contract for placement of personnel expires as of March 31, 2018. In order to allow for continuity in addressing outstanding commercial issues and contract close-out, it is recommended that the TTC continue to retain up to 10 Bechtel employees from April 1, 2018 for an additional 6 months, with the option to extend.

Recommendations

It is recommended that:

1. The Board authorize the CEO to enter into a new contract with Bechtel with an upset limit of \$3,000,000, plus applicable HST, for a 6 month term, with the option to extend, commencing on April 1, 2018.

Financial Summary

Sufficient funds are included in the TYSSE Capital project for this requirement as approved in the 2018-2027 Capital Budget and Plan by the Board on November 28, 2017.

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

Equity/Accessibility Matters

There are no equity/accessibility issues resulting from this report.

Decision History

The TTC has constructed an 8.6 km subway extension from the existing Downsview Station located in the City of Toronto to the Vaughan Metropolitan Centre located in the City of Vaughan, Regional Municipality of York. The Toronto-York Spadina Subway Extension (TYSSE) is an important part of both the TTC network and regional transit, improving transit in Toronto and the GTA.

In March 2015, the Board authorized retaining a third party project management firm to support delivery of the project by the end of 2017 through a project reset. The project reset included re-establishing the schedule to support entering into Revenue Service by the end of 2017.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2015/March 26/Reports/Decisions/TYSSE Schedule and Budget Change.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2015/March%2026/Reports/Decisions/TYSSE%20Schedule%20and%20Budget%20Change.pdf)

In April 2015, the Board authorized retaining Bechtel as the third party project management firm to support the project delivery by the end of 2017. The Bechtel contract provided that Bechtel would provide personnel services, as part of an integrated TTC delivery team, with the objective of opening the YYSSE on or before December 31, 2017. The Bechtel contract expires on March 31, 2018.

TYSSE opened for revenue service on December 17, 2017, the YYSSE opened for revenue service.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2015/April 10/Reports/TYSSE Project Management.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2015/April%2010/Reports/TYSSE%20Project%20Management.pdf)

At the meetings held on January 21, 2016 and October 16, 2017, the Board received the report entitled "Toronto-York Spadina Subway Extension – Schedule and Budget Reset", and approved the recommended YYSSE schedule and budget changes, allowing funds to be made available to continue with support services required to complete the project.

[https://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2016/January 21/Reports/Board Report YYSSE Schedule and Budget Reset 2016-01-21 final.pdf](https://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2016/January%2021/Reports/Board%20Report%20TYSSE%20Schedule%20and%20Budget%20Reset%202016-01-21%20final.pdf)

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2017/October 16/Reports/8 YYSSE PAA for Contract A85-69 Project Management Services.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2017/October%2016/Reports/8%20TYSSE%20PAA%20for%20Contract%20A85-69%20Project%20Management%20Services.pdf)

Issue Background

The TYSSE project began revenue service on December 17, 2017. The project is currently working to close out various contracts and complete handover of final documentation.

On April 13, 2015, the TTC entered into a contract with Bechtel for the placement of certain loaned personnel to work as part of an integrated TTC delivery team with the objective of meeting a December 31, 2017 revenue service date for the Toronto-York Spadina Subway Extension Project ("**Initial Contract**"). The Initial Contract is set to expire on March 31, 2018.

With the project now in revenue service, the effort needed to close out the various contracts has been defined and the resources quantified. In order to complete contract closeouts and to continue managing outstanding commercial issues, it is recommended that the TTC continue to retain the services of up to 10 Bechtel employees, on a full-time basis, for a period of six months (with option to extend). Should any of the services to be provided by Bechtel personnel no longer be required prior to the end of the six month term, the TTC will have the ability to discontinue the services.

Comments

The Bechtel staff will continue to manage the outstanding commercial issues, finalize design/as-built documentation, as well as closing out some of the remaining contracts which are currently being managed by Bechtel staff.

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Signature

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