



## REFERRAL OF MEMBER MOTION BY CITY COUNCIL

### Freeze and Review Transit City Contracts

<b>Date:</b>	April 7, 2010
<b>To:</b>	Executive Committee
<b>From:</b>	City Council
<b>Wards:</b>	All

### City Council Decision

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City Council on March 31 and April 1, 2010, referred Motion MM47.5 to the Executive Committee.

### Recommendations

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Councillor Lindsay Luby, seconded by Councillor Nunziata, recommends that:

1. City Council request the Toronto Transit Commission to review all contracts regarding the Transit City project and to freeze all current and pending bids.
2. City Council request the Toronto Transit Commission to approve all sub-contracts in an open and transparent manner and report to City Council and the Commission on steps taken to improve this process.

### Summary

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Thanks to an investigative press report, it was revealed that a Transit City project manager, who was one of three people who approve payments to subcontractors hired by AECOM, had given a \$50,000 contract to a friend. Although this contract was small, other contractors who have done business with this individual refused to speak on the record because they “fear they will lose government contracts”.

The problem may be systemic. There were significant overruns by sub-contractors on the St. Clair Right-of-Way project, as outlined in the report “Lessons Learned”.

Instead of continuing to rush this project through, Toronto City Council should be concerned that public money is handled properly at the sub-contract level. It is reasonable for Council to make this request of the TTC and expect a full answer on steps they are taking to ensuring that this discovery is not the tip of the iceberg.

(Submitted to City Council on March 31, April 1, 2010 as MM47.5)