



## STAFF REPORT ACTION REQUIRED

### Transportation Services – 2012 Budget Adjustment Work for Others (Zero Net Impact on Debt)

<b>Date:</b>	May 11, 2012
<b>To:</b>	Budget Committee
<b>From:</b>	Executive Director, Technical Services
<b>Wards:</b>	All Wards
<b>Reference Number:</b>	P: \2012\Cluster B\TEC\BC12023 (AFS #15794)

#### SUMMARY

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This report recommends an increase in the Transportation Services 2012 Capital Budget of \$1,400,000 gross, \$0 net fully recoverable from the third party funding ( in order to award the contract associated with completing the construction of an underpass on Howland Avenue where the CP Railway organization has a vested interest. The project costs increase of \$1,400,000 is fully recoverable by CP Railway and work can be coordinated with works already planned by Transportation Services for 2012.

#### RECOMMENDATIONS

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**The Executive Director, Technical Services recommends that:**

1. Council amend the 2012 Approved Transportation Services' Capital Budget by increasing the Various Construction Projects budget by \$1,400,000 (fully recoverable by CP Railway) resulting in a zero net debt impact on the 2012 Approved Capital Budget for Transportation Services.

## **Financial Impact**

Funding in the total amount of \$1,400,000 with cash flows of \$1,400,000 in 2012 is required for the work on an underpass on Howland Avenue for reasons, outlined in the body of this report, with no impact on the City debt. The approval of this report will also authorize an increase of \$1,400,000 in the Transportation Services' 2012 Approved Capital Budget for third party work that was not anticipated at the time of the 2012 Capital Budget Submission. This work will be contracted and completed jointly with the work already planned for 2012 by Transportation Services.

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

## **COMMENTS**

The Transportation Services Division routinely undertakes to budget for third party works and submits requests for same during the capital budget process in any given year. Works for third parties are fully recoverable by the agency requesting the work. These works are budgeted in the Transportation Services 'Various Construction Programs' -project which is fully recoverable (zero net debt to the City). In virtually all instances, third party works are coordinated with planned road and bridge works and it is both economically feasible and less disruptive to an affected community if all works are carried out by one contractor.

One such project involves the construction of an underpass on Howland Avenue where the CP Railway organization has a vested interest in rehabilitating. This work was originally contemplated for tender in 2011 but was deferred due to the investigation into a query to lower the roadway to increase the existing vertical clearance. The matter hadn't been fully resolved until well into 2012 and staff have been advised that CP Railway has allocated a budget for this year to cover its cost of this work which amounts to one-half of the total value in the range of \$1.4 million. CP Railway has also informed City staff that it has tentatively scheduled track closures to accommodate the work. The current condition of the underpass warrants work to be done as soon as possible or temporary works may have to be done to ensure safe usage of the underpass by the public. Due to the above stated reasons, the rehabilitation work is recommended to be carried out this year. If the contract is not awarded in July, then construction will have to be deferred into the winter or the completion will be delayed until next year, which will result in increased costs not only to CP Rail but to the City as well.

## **CONTACT**

John Bryson, P. Eng.  
Manager, Structures and Expressways  
Technical Services Division  
Tel: 416-392-9183  
Fax: 416-392-3300  
Email: [jbryson@toronto.ca](mailto:jbryson@toronto.ca)

## **SIGNATURE**

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Peter M. Crockett, P. Eng.  
Executive Director  
Technical Services