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2013 CAPITAL BUDGET BRIEFING NOTE

North West PATH Pedestrian Tunnel

Issue/Background:

- The approved budget for the North West PATH Pedestrian Tunnel of \$65 Million was based on the 2007 Environmental Assessment (EA) cost estimate. Significant issues regarding design and delivery that have arisen during the detailed design for the entire project and tendering process for Phase 1 have resulted in increased costs.
- In September 2012, through the contract award report for Phase 1 of the project available at <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.PW17.2>, Technical Services staff advised that total costs were estimated to have increased by \$35 Million for a revised total cost of \$100 Million.
- Since that time, additional cost information regarding utility relocations for Phase 1 have resulted in a further increase to the estimated cost by \$5 Million, for a new total of \$105 Million.

Key Points:

- The key drivers of the increased costs relative to the 2007 EA estimate are as follows:
 - Additional capital contingencies due to increased project complexity
 - Inflationary cost escalations following the original 2007 estimates
 - Greater than anticipated utility relocation costs
 - Revised works due to the presence of key utility infrastructure, the need to move the exit pavilion to the west side of York Street and the addition of an elevator at the exit to street level
- Design fees expended prior to 2012 total approximately \$4.5 Million. Total costs for design and contract administration services through project completion in 2015 total \$16.7 Million.
- The contract award value for Phase 1 of the project was \$34.9 Million excluding taxes. Construction is beginning in November 2012 and continuing through December 2013. The scope of work for Phase 1 includes construction of the tunnel from Union Station at the southeast corner of Front Street and York Street up to and including exit pavilions on the northwest corner of Front Street and York Street.
- Relocation costs for Hydro One plant required for Phase 1 are not included in the contract award value. Estimated costs have been included in the project budget requirements, but

these may be revised following completion of Hydro One's competitive tender process that is currently underway.

- Detailed design for Phase 2 of the project will be completed in 2013, and construction is planned to begin in early 2014. Phase 2 works will include extension of the tunnel from Front Street to Wellington Street.
- The expected yearly budget requirements, based on current known costs and estimated future costs, are provided in the table below. These costs are in addition to the \$4.5 Million expended prior to 2012.

Proposed North West PATH Budget Plan

(all figures in \$ millions)

2012	2013	2014	2015	Total
15.0	50.0	35.0	0.5	100.5

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