



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

To Increase Sole Source Purchase Authorization for Construction of Front Street West Reconfiguration between Bay Street and York Street with Toronto Transit Commission

Date:	January 2, 2013
To:	Public Works and Infrastructure Committee
From:	Acting Executive Director, Technical Services General Manager, Transportation Services Director, Purchasing and Materials Management
Wards:	Ward 20 – Trinity – Spadina Ward 28 – Toronto Centre – Rosedale
Reason for Confidential Information:	This report involves the security of property belonging to the City or one of its agencies, boards, and commissions.
Reference Number:	P:\2013\ClusterB\TEC\PW13014 (AFS#16779)

SUMMARY

The purpose of this report is to request authority to increase the upset limit of the purchase order to be issued to Toronto Transit Commission (TTC) as set out in Confidential Attachment 1 with TTC for the construction of the Front Street West Reconfiguration between Bay Street and York Street to include within the previously authorized scope of work complete streetscape treatments and features as outlined in the Front Street West Reconfiguration Environmental Assessment Study, including the provision of contract administration services.

RECOMMENDATIONS

The Acting Executive Director of Technical Services, General Manager of Transportation Services, and the Director of Purchasing and Materials Management recommend that:

1. City Council grant authority to increase the amount of the sole source purchase order to be issued to the TTC as previously authorized by the adoption of Recommendation 3 of Executive Committee report EX23.24 in an increased amount not to exceed the prescribed upset limit as set out in Confidential Attachment 1 to this Report in order to include within the previously authorized scope of work complete streetscape treatments and features as outlined in the Front Street West Reconfiguration Environmental Assessment Study, including the provision of contract administration services.
2. City Council authorize the Acting Executive Director, Technical Services to negotiate and enter into any amending agreements that may be required to give effect to Recommendation 1, on terms and conditions satisfactory to the Acting Executive Director, Technical Services and in a form acceptable to the City Solicitor.
3. City Council authorize the public release of the confidential information in Attachment 1 when all cost negotiations have been finalized and any required agreements have been executed in respect of that work.

FINANCIAL IMPACT

The financial impacts arising from the recommendations of this report are outlined in Confidential Attachment 1.

DECISION HISTORY

At its meeting of October 30, 31 and November 1, 2012 City Council adopted Executive Committee Report EX23.24 entitled "Construction of Front Street West Reconfiguration and Replacement of a 600mm Diameter Watermain including authority to enter into Sole Source Agreements with Toronto Transit Commission – General Construction Administrative Services and with AECOM – Professional Engineering Services" which recommended a sole source purchase order to the Toronto Transit Commission (TTC) to construct the initial phase of the reconfiguration of Front Street West between Bay Street and York Street that would implement the basic functionality of the reconfigured road, with a later phase to follow after the 2015 Pan American (Pan Am) Games for the implementation of streetscape and public realm elements.

Following is the link to the Council decision and staff report:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX23.24>

ISSUE BACKGROUND

At its meeting on March 5, 6 & 7, 2012, City Council adopted Public Works and Infrastructure Report PW12.5, that recommended to file the Notice of Completion for the reconfiguration of Front Street West to meet the City's objective of improving this area for increased pedestrian volumes by narrowing of Front Street between Bay and York Streets and improved streetscaping and public realm elements to enhance pedestrian environment and safety. These works were recommended to be coordinated and incorporated with the TTC's existing construction project for a second subway platform at Union Station that is currently under construction and scheduled to be completed in advance of the 2015 Pan Am Games.

Executive Committee Report EX23.24, adopted by City Council at its meeting of October 30, 31 and November 1, 2012 recommended a phased approach to the implementation of the project. The initial phase would construct the basic functionality of the reconfigured road through a sole source purchase order to the TTC for construction as part of TTC's subway platform expansion contract. The implementation of a later phase would have followed after the 2015 Pan Am Games, that would have completed the streetscaping and public realm elements. The phased approach was considered necessary due to funding constraints at the time of the report. A purchase order is expected to be issued for initial work as approved in Report EX 23.34 by late January 2013, subject to successful negotiations with TTC and TTC's construction contractor.

Subsequent to the approval of Report EX23.24, additional funding has been recently identified to allow inclusion of the proposed streetscape and public realm elements with TTC's existing construction contract and deliver the project in a single phase rather than two separate phases. The feasibility of inclusion of work into TTC's contract is still subject to successful negotiations with TTC's contractor including impacts to the construction schedule and ability to complete the work prior to the 2015 Pan Am Games. Inclusion of the streetscape work in a single phase provides the City with an opportunity to prevent additional disruption to Front Street West users and immediate stakeholders subsequent to the 2015 Pan Am Games and make the most efficient use of public funds. The proposed single phase implementation is estimated to save approximately \$1.5 million in interim restoration costs which would be necessary in the two phased implementation.

COMMENTS

The current construction activity on Front Street West and in its vicinity is congested with complex workzone coordination requirements. Due to the size and duration of the TTC work, the only opportunity the City would have to complete the road reconfiguration work in advance of the 2015 Pan Am Games is through a sole source to the TTC to amend their existing contract. Inclusion of this work with the TTC construction work helps mitigate critical occupational health and safety liability issues that could only otherwise be addressed by delaying the City works until TTC

construction is complete, which would result in further construction disruption to implement the City work on Front Street after TTC construction has completed.

At this time, additional funds have been identified that provide an opportunity for the City to include the streetscape and public realm elements into TTC's contract, that are in addition to the basic road reconfiguration work contemplated in report EX23.24. Completion of the streetscape and public realm elements will enable the City the opportunity to complete the implementation of the Front Street West Reconfiguration Environmental Assessment Study recommendations in one stage, as part of TTC's construction contract, thereby eliminating the need for further construction disruption after the 2015 Pan Am Games.

The inclusion of the City's road reconfiguration and streetscape work into TTC's construction contract is subject to successful negotiations with TTC's contractor in receipt of both fair pricing and acceptable schedule impacts. The design is currently being finalized for submission to TTC's contractor for pricing. Subsequent negotiations with TTC's contractor will confirm the viability of inclusion of the City's work into TTC's construction contract to enable the work to be completed prior to 2015 Pan Am Games. However, due to the size, scale and complexity of TTC's current construction contract, the risk of significant delay impact costs to the City may restrict the City's ability to include the scope of the road reconfiguration work in full, or in part, into TTC's construction contract. In this case, the City will be required to defer the work for implementation after the completion of TTC construction work, after the 2015 Pan Am Games. The design work is currently being expedited for pricing by the contractor. It is expected that contract change orders will be issued early 2013 subject to successful negotiations which initiates the construction of the City's works. This schedule will provide the necessary lead time for delivery of granite paving stones.

Detailed costing information is not available at the time of this report as timelines for the necessary authorities and approval parallel the design and pricing of the work. Therefore, implementation of the road reconfiguration actual costs for construction will be based on the negotiated cost for contract change orders the sum of which will not exceed the cost limit as outlined in Confidential Attachment 1.

A purchase order is expected to be issued for initial work as approved in Report EX 23.34 by late January 2013, subject to successful negotiations and execution of an agreement with TTC and TTC's construction contractor. If adopted, this report will authorize either an amendment to this purchase order and agreement to reflect the revised amount up to the limit set out in Confidential Attachment 1, or, if no purchase order has been issued, the issuance of a purchase order in an amount up to the limit set out in Confidential Attachment 1 with an agreement that includes the additional scope of work of streetscaping and contract administration.

The scope of work to be delivered for the construction of the City work by TTC includes TTC's cost for project management, construction administration and site inspection services.

Transportation Services and City Planning have been consulted and concurs with the recommendations in this report.

The City's Legal Services and Insurance and Risk Management Divisions have been consulted in the preparation of this report.

CONTACT

Michael Popik, P.Eng
Manager, Planning and programming
Portfolio Management and Support
Technical Services
Telephone: (416) 397-4401
e-mail: mpopik@toronto.ca

Jacquie Breen
Manager, Corporate Purchasing,
Policy & Quality Assurance
Purchasing and Materials Management
Telephone: (416) 392-0387
e-mail: jbreen@toronto.ca

SIGNATURE

Anthony Pagnanelli, P.Eng.
Acting, Executive Director
Technical Services

Stephen Buckley
General Manager
Transportation Services

Michael Pacholok
Director
Purchasing & Materials
Management

ATTACHMENTS

Attachment 1 – Confidential Attachment