



# SPADINA SUBWAY EXTENSION

**TTC Board Meeting – March 26, 2015**

**Andy Byford, CEO  
Toronto Transit Commission**





## Headlines

- **Open in 2017**
- **70% complete**
- **\$150 million (\$90 million to the City)**
- **Fully-funded to end of 2016**





## Funding

- **Budget - \$2.6 billion**
  - \$697 million – Government of Canada
  - \$1.059 billion – Government of Ontario
  - \$526 million – City of Toronto
  - \$352 million – Regional Municipality of York
  
- **Spent to-date - \$1.6 billion**



# DOWNSVIEW PARK STATION



# DOWNSVIEW PARK STATION



# FINCH WEST STATION



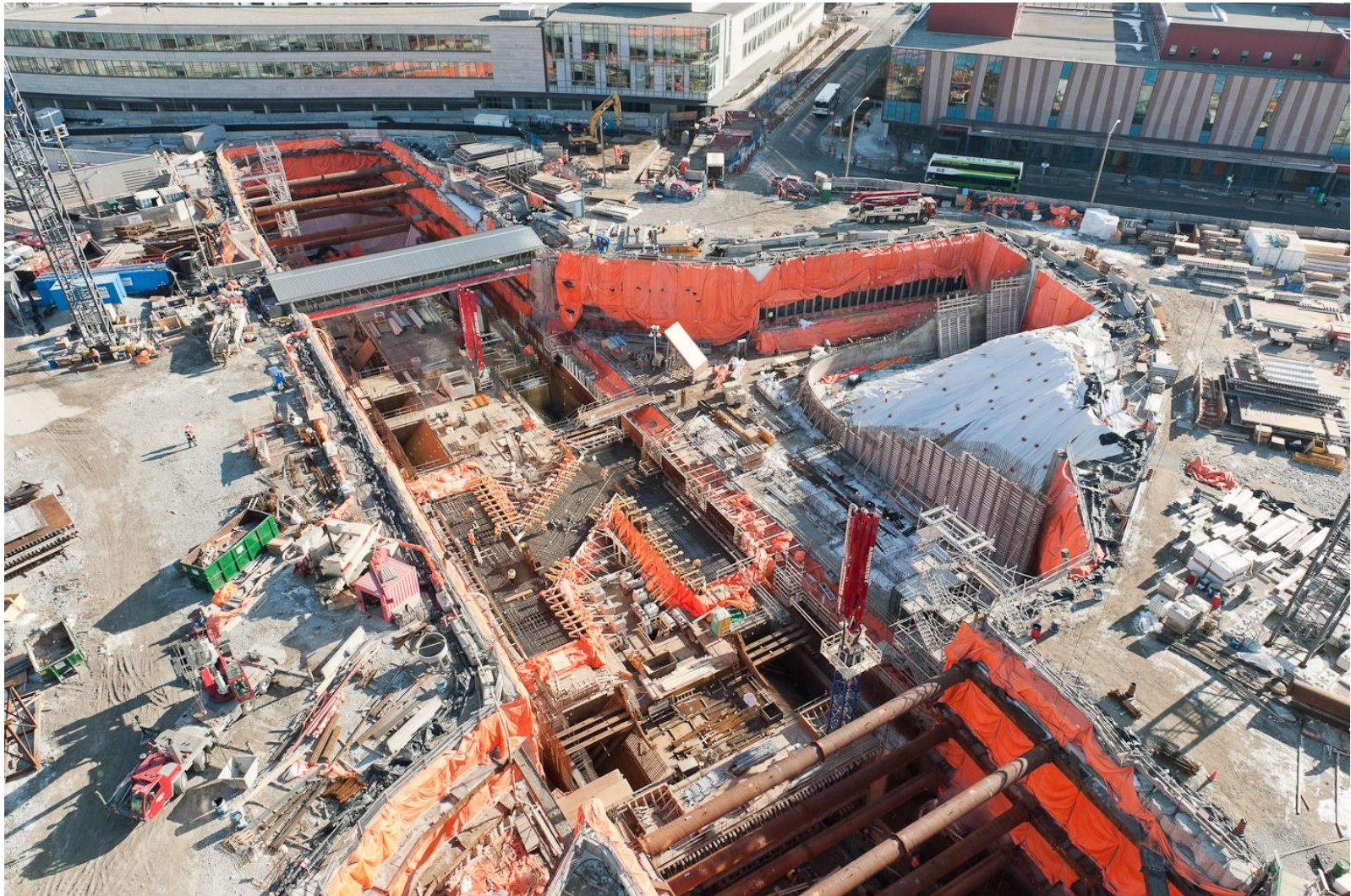
# FINCH WEST STATION



# YORK UNIVERSITY STATION



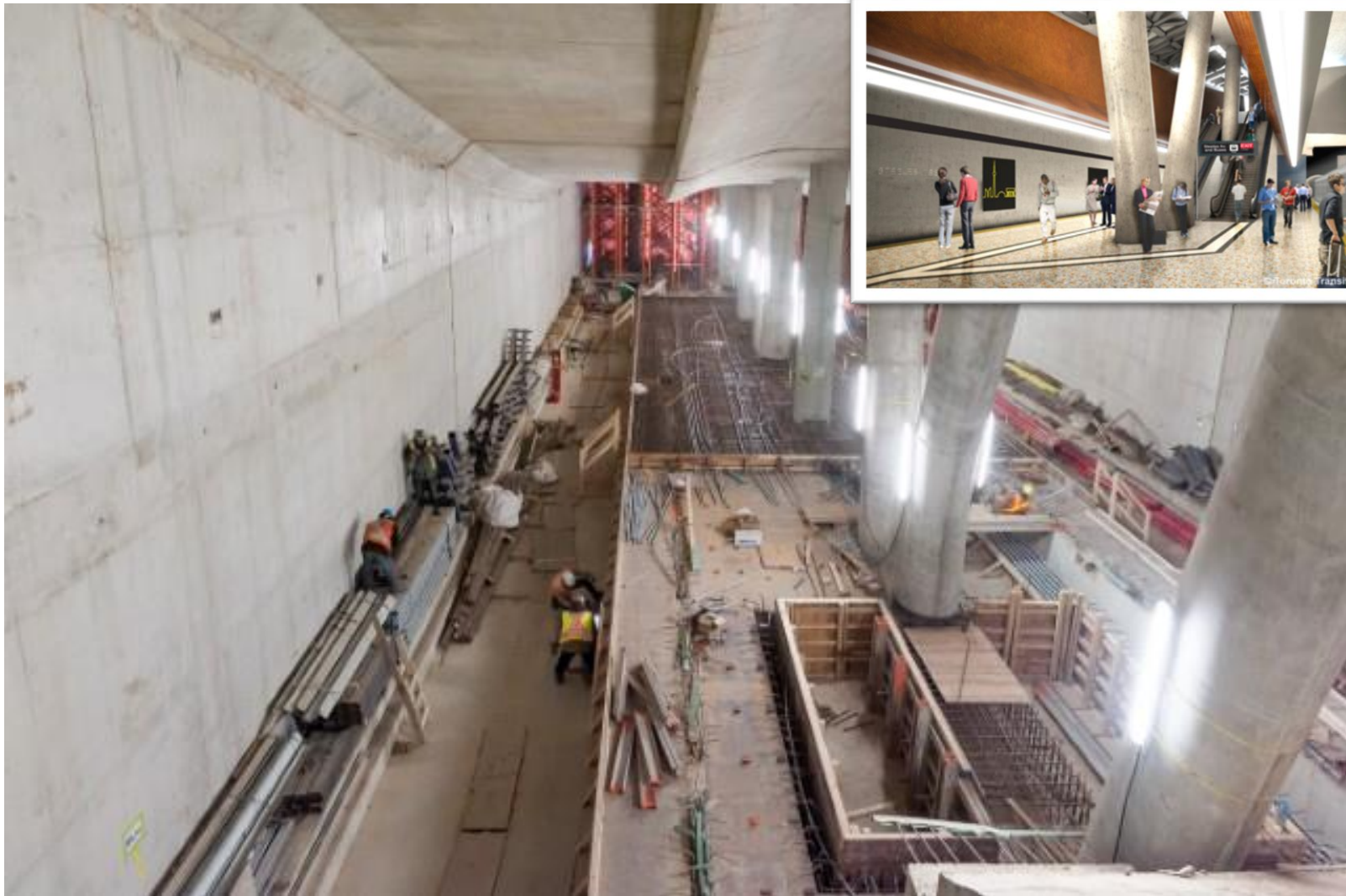
# YORK UNIVERSITY STATION



# PIONEER VILLAGE STATION (STEELES WEST)



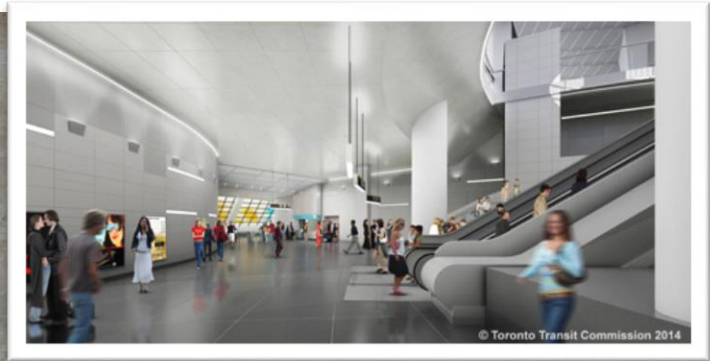
# PIONEER VILLAGE STATION



# HIGHWAY 407 STATION



# HIGHWAY 407 STATION



# VAUGHAN METROPOLITAN CENTRE STATION



# VAUGHAN METROPOLITAN CENTRE STATION





## Key Report Recommendations:

- **Open by the end of 2017**
- **Retain third party to project manage and incentivize contractors**
- **Increase funding by \$150 million – shared by City (\$90M) and York Region (\$60M)**
- **Consider funding City portion through any TTC operating surplus, surplus land sales, project deferrals**
- **Report on estimated final costs, including claims, by end of 2015**





## Options

### 1. Retain third party to project manage – sole source

- \$150 million
- open Q4 2017
- full “reset” of project and contractor relationships
- manage and resolve claims
- sole source saves 6 months
- staff recommendation





## Options

### 2. Retain third party to project manage – RFP

- \$180 million
- open Q2 2018
- full “reset” of project and contractor relationships
- manage and resolve claims
- requires 6 months to conduct





## Options

### 3. TTC continues to manage with outside expertise

- \$155 million
- open Q4 2018
- significantly later opening
- manage and resolve some claims, but risk an increase in others





## Options

### 4. No change – TTC project team continues

- \$185 million
- open Q2 2019
- significantly later opening and ongoing project team costs
- increased risk of higher claims





## Financial Impact

- **\$995 million remains available to end of 2016:**
  - \$705 million for station contracts, system contracts, staffing management, track, etc.
  - \$95 million for contingency
  - \$52 million for external project management
  - \$45 million for property
  - \$98 million for future contracts
- **\$150 million – funding agreement requires City and York Region share overruns**
  - City share = \$90 million (59.96%)
  - York Region share = \$60 million (40.04%)





## History

- **Aggressive schedule**
  - construction ready to start in March 2007
  - funds not released until September 2008
  - not factored into original schedule based on March 2007 start
- **Utilities**
  - more complex and extensive than scheduled
  - power, water and sewer relocations
  - delays between 2-11 months
  - workarounds found for those with long durations
- **York University Station fatality**
  - October 11, 2011
  - Kyle Knox, working for a sub-contractor, was tragically killed
  - impact to schedule of approx. 4 months



# TRACK INSTALLATION – SOUTHERN TUNNELS



Between Sheppard and Downsview Park Stations



# TRACK INSTALLATION – FINCH CROSSOVER



# TRACK INSTALLATION – STEELES CROSSOVER



# SPADINA SUBWAY EXTENSION





## Today

- **70 per cent complete**
- **Contractor challenges pervade**
  - skilled trades availability
  - strained contractor/project staff relationships
  - no financial incentives





## Action Taken in 2014

- **Three independent schedule reviews**
  - Parsons Brinkerhoff - Summer
    - at current rate, won't open until 2019
  - American Public Transit Association - Fall
    - needs project reset
    - incentivize contractors
    - can open end of 2017
  - Bechtel Construction - Winter
    - agrees with APTA findings
    - needs renewed project management





## **Phased Opening - York University Station**

- **APTA considered as part of overall review**
- **will only achieve a 2-3 month schedule benefit**
- **delay to opening the rest of line by min. 6 months**
- **cost premium of \$12 million**
- **considerable operational challenges**
- **unacceptable to funding partners**
- **not recommended as a means to advance operations**





## **Solution – Project Reset**

- **Overall**
  - new schedule – open end of 2017
  - immediately retain third party to project manage
  - advance payment to contractors to settle some claims - incentivize
  - repair deteriorating and strained relationships between project staff and contractors
  - financial incentive to third party to finish Q4 2017





## Solution – Project Reset

- **Claims**
  - claims are a normal part of large contracts
  - not unique to the TTC
  - complicated legal and dispute resolution process
  - third party/project manager will assist with estimated, reasonable value of claims by end of 2015
  - third party/project manager to resolve and pay some claims now to get projects back on track
  - report back by end of 2015





## To repeat...

- **Open in 2017**
- **70% complete**
- **\$150 million (\$90 million for the City)**
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