



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

**40 College Street – Fuel Tank Construction Litigation
against SNC-Lavalin and Cannington Construction**

Date:	August 18, 2016
To:	Government Management Committee
From:	City Solicitor
Wards:	Ward 27
Reason for Confidential Information:	This report contains advice or communications that are subject to solicitor-client privilege and pertain to litigation or potential litigation
Reference Number:	

SUMMARY

The City has incurred substantial extra expenses for a fuel tank replacement project at Toronto Police Service Headquarters at 40 College Street. The City Solicitor seeks authority ratifying his action in commencing legal proceedings.

RECOMMENDATIONS

The City Solicitor recommends that:

1. City Council ratify the actions of the City Solicitor in commencing proceedings against SNC-Lavalin Inc., LKM Division of SNC-Lavalin Inc., and Cannington Construction Limited;
2. City Council authorize the City Solicitor to continue the said legal proceedings, to settle such proceedings, to appeal any orders with respect thereto and take any other steps with respect to the conduct of such litigation, as the City Solicitor may determine is appropriate in consultation with the Chief Corporate Officer, and;
3. City Council direct that Confidential Attachment 1 attached to the report (dated August 18, 2016) remain confidential as it contains advice that is subject to solicitor-client privilege and pertains to litigation affecting the City.

Financial Impact

The financial impacts resulting from the recommendations made in this report are disclosed in Confidential Attachment 1.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information disclosed in Confidential Attachment 1.

DECISION HISTORY

On April 2, 2014, Bid Committee adopted BD173.5, to grant authority to award Tender Call No. 104-2013 to Cannington Construction Limited to install new fuel tanks at 40 College Street.

ISSUE BACKGROUND

The City owns the police headquarters at 40 College Street. This is a mission-critical site for the Toronto Police Service, which requires emergency generators and associated fuel tanks. For the fuel tank replacement project at 40 College, the City retained SNC-Lavalin as an engineering consultant and Cannington as a general contractor.

As a result of design and construction issues, the City incurred substantial additional expenses. These were for additional work, delay costs for Cannington, repairing damage to an exhaust line, investigating damage, and using additional contractors, amongst other things.

COMMENTS

Further legal advice is contained within Confidential Attachment 1.

CONTACT

Nicholas Rolfe, Solicitor, Legal Services, Tel: (416) 392-7246, Fax: (416) 397-5624
Email: nrolfe@toronto.ca

SIGNATURE

Brian Haley, Interim City Solicitor

ATTACHMENTS

Confidential Attachment 1 – Confidential Information