

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: February 25, 2013

SUBJECT: PROCUREMENT AUTHORIZATION AMENDMENT - DESIGN & SUPPLY RADIO BASED AUTOMATIC TRAIN CONTROL FOR YUS SUBWAY – CONTRACT CHANGE NO. 16

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission authorize staff to award a total authorized expenditure of \$19,051,649.88 consisting of:

1. Amending the contract for the procurement of the design and supply of radio based automatic train control – communications based train control (ATC-CBTC) for the Yonge-University-Spadina (YUS) Subway by including the work for implementing ATC on the Toronto-York Spadina Subway Extension (TYSSE) in the amount of \$18,436,649.88 (including taxes and shipping); and
2. The expenditure of funds up to a total allowance of \$615,000.00 for currency exchange increase to the quoted price.

FUNDING

It is recognized that the TYSSE project does not have sufficient funds within the project budget to pay for the implementation of ATC on the TYSSE. Funding is being sought for this purpose from the funding partners, specifically the Province of Ontario, the City of Toronto and the Regional Municipality of York.

The contract change will not be exercised until such time as the funding has been confirmed.

BACKGROUND

In 2008 the TTC issued a publicly advertised request for proposals for supply of the detailed design, supply, installation and test support (to TTC forces) of a radio based CBTC system to provide ATC for the Yonge-University-Spadina subway line. The RFP included a specified option for implementing ATC on the TYSSE which was valid for two years from the date of notification of contract award.

On May 1, 2009, the Commission issued award of a contract for the design and supply of radio based ATC-CBTC for YUS Subway line to Alstom Transportation Information and Security Inc. (Alstom) in the amount of \$52,056,498.59. This initial award did not include acceptance of the specified option.

DISCUSSION

Due to a lack of funding, the specified option could not be exercised before its expiry in May 2011. Various funding options were explored including attempts to secure the necessary funds from the province of Ontario (in April 2010, April 2011 and April 2012). At its October 2012 meeting, the Executive Task Force instructed TYSSE staff to engage Alstom and negotiate a price and implementation strategy that would minimize the cost and schedule impact to the TYSSE.

Two options were discussed and negotiated with Alstom, who then submitted the following quotations in response to a request for quotation #16 issued by the Commission:

1. A Green Field Option: under which the ATC equipment and software will be installed, tested and commissioned on TYSSE before the start of revenue operation.

Alstom quoted \$14,320,168.37 for this option taking into account the updated scope of work to reflect the current design and construction on TYSSE as well as escalation costs from the 2009 TYSSE option price. It is adjudged by TYSSE staff that this option will have major cost and schedule impacts on the TYSSE project.

2. A Green/Brown Field Option: where the ATC equipment will be installed before the start of revenue operation and the software installation and testing and commissioning will be performed during revenue operation.

Alstom quoted \$18,436,649.88 for this option taking into account the updated scope of work to reflect the current design and construction on TYSSE (including testing and commissioning in brown field conditions) as well as escalation costs from the 2009 TYSSE option price. It was adjudged by TYSSE staff that this option will result in a cost premium and impact revenue operations on the existing YUS line. The schedule impact on the TYSSE project is considered negligible.

The quotes are valid until February 28, 2013. The quotation values are based on currency exchange rates of \$1 Canadian = 0.7565 EURO and \$1 Canadian = \$1.0063 US, as utilized on the January 18, 2013 RFQ#16 quotations. The actual value for the contract change will be calculated on the day the contract change is issued to the contractor based on the Bank of Canada noon spot rates for that day. A contingency allowance is included in

the authorization to cover increase due to currency exchange fluctuation.

At the January 28, 2013 ETF meeting, both options were presented to the ETF, as a result of which the Green/Brown option was selected at a total cost of \$48.2 million (which includes additional cost impacts to TTC associated with the Green/Brown approach). The work of this option is expected to continue from award through to Q4 2016.

The green field option in contrast was estimated to have a total cost of \$50.3 million when taking into account the financial cost of delaying the TYSSE project opening associated with the option.

Contract Details are as follows:

Original Contract Amount	\$52,056,498.59
Previously Approved Contract Changes	\$13,366,534.59
Amount of this Contract Change	\$19,051,649.88*
Revised Contract Amount	\$84,474,683.06

*includes an allowance of \$615,000 for currency exchange adjustment.

JUSTIFICATION

Implementing ATC on TYSSE will ensure a single train control solution throughout the YUS in line with the TTC's strategy to improve service reliability and increase train capacity on the YUS line.

February 20, 2013

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