

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: JANUARY 31, 2012

SUBJECT: PURCHASE AUTHORIZATION
ASHBRIDGES BAY MAINTENANCE AND STORAGE FACILITY
CONTRACT WM1-1

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission authorize the award of Contract WM1-1, Ashbridges Bay Maintenance and Storage Facility (MSF) in the amount of \$237,389,600 (inclusive of taxes) to Pomerleau Inc.

FUNDING

Sufficient funds for this expenditure are included in the TTC's 2012 – 2016 Capital Program which was approved by the Commission on December 19, 2011 and by Council on January 17, 2012. Funding for the project is included under Project 3.9 LRT Replacement Maintenance & Storage Facility, as referenced in the 2011 - 2015 Capital program books noted on pages 765-768.

BACKGROUND

The Ashbridges Bay MSF is required to provide maintenance services to the entire fleet of up to 204 new low floor light rail vehicles (LFLRVs) and storage for 100 of the LFLRVs.

The recommendations of the Transit Project Assessment Study for the Ashbridges Bay MSF were approved by the Commission at its meeting on June 2, 2010 and by City Council at its meeting on June 8 and 9, 2010. The Minister of the Environment issued the Notice to Proceed with the undertaking on December 6, 2010.

The Ashbridges Bay MSF project includes the carhouse building and storage yard on a property located at the southeast corner of Leslie Street and Lake Shore Boulevard, and a connection track on Leslie Street from the facility to the existing streetcar network on Queen Street. Contract WM1-1 is for the construction of all elements on the facility property including but not limited to the carhouse, a traction power substation and the storage yard as shown in Figure 1.

The construction of the Leslie Street connection track and streetscaping, perimeter landscaping of the Ashbridges Bay site, and other elements of the project are being performed under separate contracts.

The general status of the Ashbridges Bay MSF project is as follows:

At its meeting on February 2, 2011, the Commission approved the award of Contract WM60-1, Ashbridges Bay Site Soil Removal and Capping. This contract, involving the removal of soil and the installation of rammed aggregate piers will be complete by March 2012, as scheduled.

The Leslie Street connection track from the MSF to the existing streetcar network at Queen Street, and the associated utility relocations is approaching the 60% design milestone. Staff are working with City of Toronto departments and private utilities to design solutions that will mitigate the cost and duration of construction and reduce the disruption to the community.

At its meeting on November 23, 2011, the Commission approved the issuance of a Purchase Order Amendment in an upset limit amount of \$15,000,000 to Hydro One Networks Inc. (HONI) for the relocation of a high voltage transmission cable to accommodate the construction of the Ashbridges Bay MSF and the Leslie Street connection track.

DISCUSSION

Requests for Pre-Qualification Statements (RFPO) for Contract WM1-1 were publicly advertised on April 4, 2011 on the Commission's website and MERX, the public sector electronic tendering system. The purpose of the RFPO was to obtain submissions from contractors who are suitably qualified to undertake the work for the Ashbridges Bay MSF. Following evaluation of the submissions, eleven companies and joint ventures demonstrated that they possess all the necessary qualifications and experience to be able to perform a contract of this size and complexity.

Specifications and drawings were prepared for Contract WM1-1 and a Request for Tender was issued to the eleven pre-qualified tenderers on September 16, 2011. Eight companies submitted a tender by the December 14, 2011 closing date and are summarized on the attached Appendix A.

Pomerleau Inc. submitted the lowest compliant priced tender and did not state any exceptions or qualifications. Their tender is considered commercially acceptable.

EllisDon Corporation submitted the second lowest compliant priced tender and also did not state any exceptions or qualifications and their tender is considered commercially acceptable.

Carillion Construction Inc. submitted the third lowest compliant priced tender and also did not state any exceptions or qualifications and their tender is considered commercially acceptable.

Pomerleau Inc. offered a credit of \$950,000 if the Commission was to supply certain insurance. This provision was reviewed by the TTC Finance Department and it is recommended that the TTC purchase the Builders Risk and Wrap-Up Liability insurance separately and accept the credit from Pomerleau Inc. This credit reduces the award value of the contract from \$238,339,600 to \$237,389,600 (including taxes).

The Agreement to Bond submitted by Pomerleau Inc. covers both a Bid Bond and a Performance Bond and was submitted by The Guarantee Company of North America, who has been verified as a Surety Company licensed to transact business under the Insurance Act of Ontario. As such Pomerleau Inc. are considered financially capable of performing the work.

Pomerleau Inc. will be required to execute a Performance Bond in the amount of 50% of the contract value.

JUSTIFICATION

The construction of the Ashbridges Bay MSF must proceed in order to accommodate the maintenance of the fleet of up to 204 new LFLRVs and storage of 100 of the LFLRVs. Approval of a contract award in the amount of \$237,389,600 (inclusive of taxes) to Pomerleau Inc. is required at this time in order to meet the delivery schedule of the LFLRVs.

January 10, 2012
55-98/7

Attachments: Appendix A
 Figure 1

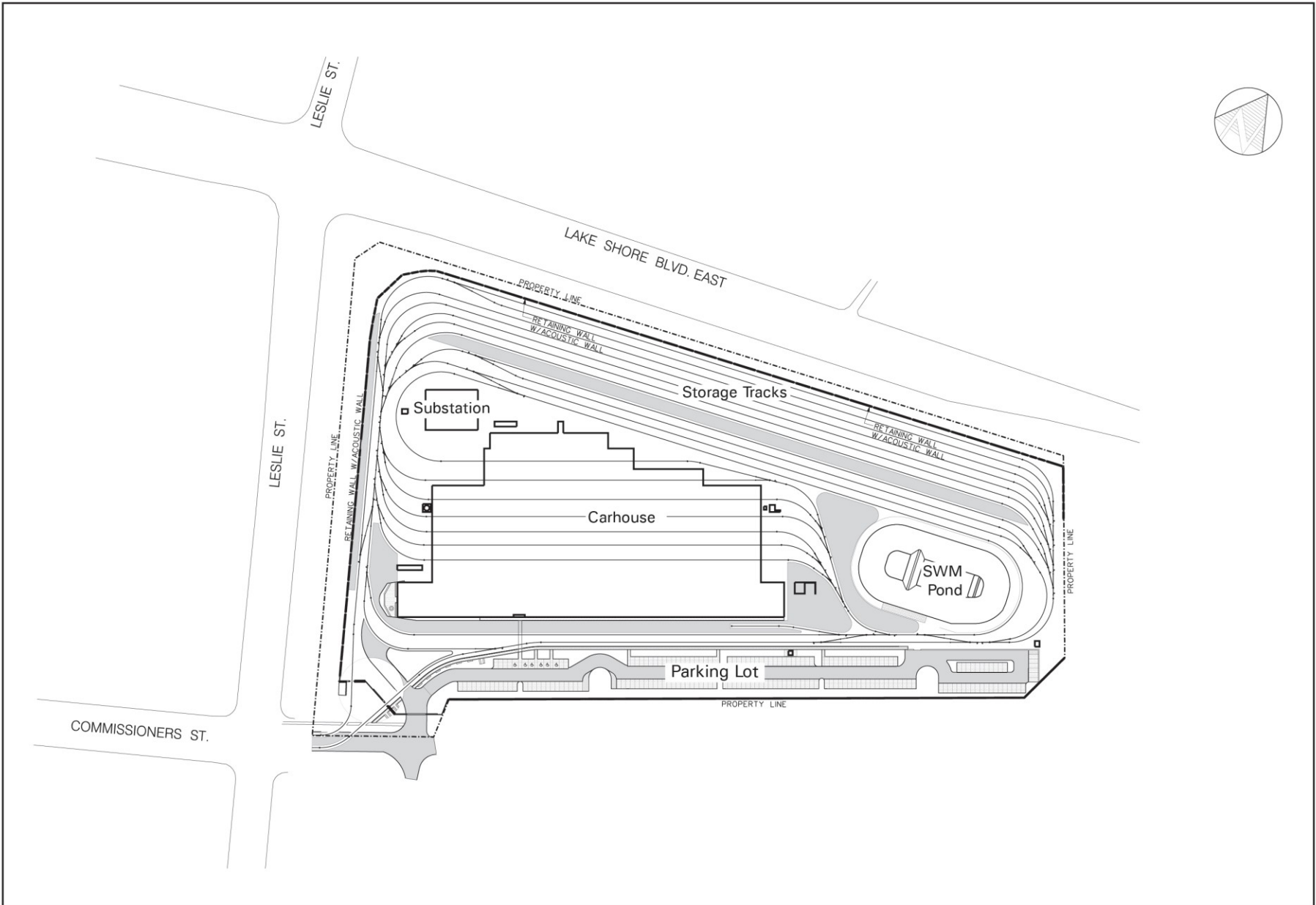
APPENDIX A

Contract WM1-1 Ashbridges Bay Maintenance and Storage Facility Tenders Received

| Company | Bid |
|------------------------------------------------------------|---------------------|
| Pomerleau Inc. | \$238,339,600.00 * |
| EllisDon Corporation | \$238,678,600.00 |
| Carillion Construction Inc. | \$241,955,944.65 |
| Walsh Construction Company Canada | \$254,085,213.23 |
| PCL Constructors Canada Inc. | \$256,291,285.11 ** |
| OHL Construction Canada Inc. & Elite Construction Inc. | \$271,307,240.39 |
| Aecon Construction and Materials Limited | \$282,515,613.21 |
| Black and McDonald Limited & Aquicon Construction Co. Ltd. | \$287,088,963.44 |
| Engineer's Estimate | \$274,748,704.00 |

Notes:

- * Pomerleau Inc. offered a credit for \$950,000 for the specified option of Commission supplied Builders Risk and Wrap-Up Liability insurance. With this credit the adjusted price of Pomerleau's bid (including taxes) reduces from \$238,339,600 to \$237,389,600.
- ** PCL's tender took exception to the Commission's Indemnification Clause and the Termination for Default Clause, and as such is considered commercially non-compliant.



Transit Expansion Department
January 31, 2012

Figure 1: Ashbridges Bay Maintenance and Storage Facility

