

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: February 24, 2014

SUBJECT: Design and Supply of Low Floor Light Rail Vehicles by Bombardier
– Contract Amendments

INFORMATION ITEM

RECOMMENDATION

It is recommended that the Board receive for information, the summary of contract amendments with a value higher than \$2.5 million issued against the Low Floor Light Rail Vehicle (LFLRV) Contract with Bombardier Transportation Canada Inc.(Bombardier).

FUNDING

In April 2009, the Board approved award of a Contract to Bombardier in the amount of \$993,008,116.00, subject to escalation, for design and supply of 204 LFLRVs.

The Board also approved a total amount of \$293,100,000.00 for the following:

- Escalation Adjustment: \$145,250,000.00
- Spare Parts: \$13,500,000.00
- Specified Options and Potential Contract Changes: \$117,015,000.00
- Foreign Currency Exchange Rate Variance Adjustment: \$17,335,000.00

BACKGROUND

Although the funds were pre-approved by the Board at the April 2009 meeting, between the award of the contract and the June 2011 Board meeting, staff issued all contract amendments in accordance with the Authorization and Expenditures and Other Commitments policy that required that any amendment with a value higher than \$2.5 million receives approval from the Board.

Prior to June 2011, several contract amendments were issued in a total amount of \$22,607,587.00 drawing down from the pre-approved allowance. These amendments consisted of, but were not limited to, exercising several specified options priced at the time of the bid such as: wheel flange lubrication system for wheel-rail noise mitigation, training cab simulator, pantograph current collector for part of the fleet, as well as technical options or design changes for matters such as accessibility improvements.

However, in June 2011, the Board authorized delegation of authority for the approval of contract amendments with a value higher than \$2.5 million to the Chief Executive Officer from the remaining pre-approved allowance.

To ensure the integrity of the process, staff was to report these amendments approved by the CEO through the monthly report titled "Summary of Authorized Expenditures." Its primary function was to report all awards approved by staff between the values of \$1 million and \$5 million.

In March 2012, the Board approved the discontinuation of this report as all the awards over \$100,000 are publicly posted on the TTC website. However, this report was the mechanism used for reporting on amendments awarded to Bombardier and, therefore, the subject report is being submitted to the Board in absence of the previous “Summary of Authorized Expenditures” to fulfill the intent of the disclosure indicated in the June 2011 Board report.

DISCUSSION

Since the last “Summary of Authorized Expenditures” report was presented to the Board, the following amendments were issued to Bombardier with a value higher than \$2.5 million:

1. Presto: contract amendment in the amount of \$5,926,044.64 to implement the Presto fare collection system;
2. Ramp controller: contract amendment in the amount of \$2,525,100.19 to include an external ramp electrical controller and an external light for the accessibility doorway to allow the operator to control the ramp from the exterior of the vehicle while assisting the customer’s entry or exit;
3. Pantograph: contract amendment in the amount of \$4,492,048.32 issued to exercise the specified option for the addition of the pantograph current collector to the remaining 144 vehicles at the price submitted by Bombardier at the time of their bid in 2009.

To date, a total amount of \$43,535,592.32 has been committed through various contract amendments from the allowance of \$117,015,000 for specified options and potential contract changes.

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Summary of TTC website links for Board meeting minutes:

- April 2009 Board meeting minutes:
http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2009/May_28_2009/Minutes/index.jsp
- June 2011 Board meeting minutes:
http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2011/July_6_2011/Other_Minutes/June_8_Minutes.jsp
- March 2012 Board meeting minutes:
http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2012/May_1/Minutes/index.jsp