

To: York Region Rapid Transit Corporation Board of Directors
From: Mary-Frances Turner, President
Subject: Extension of Owner's Engineer Services and Contract

Recommendations

It is recommended that:

1. The contract with McCormick Rankin Corporation for Owner's Engineer services be extended for one year as per the provisions in the initial contract for services procured under RFP P-06-63, for an incremental amount of \$3,700,000, exclusive of applicable taxes, to be paid on a fees and material basis.
2. The Chief Executive Officer and President of York Region Rapid Transit Corporation be authorized to enter into all necessary agreements to effect the contract extension to December 31, 2010.

Purpose

The purpose of this report is to:

- Obtain approval to extend the contract with McCormick Rankin Corporation (MRC) for one year to December 31, 2010, for an incremental amount not to exceed \$3,700,000, exclusive of applicable taxes.

Background

MRC was awarded a three year contract in 2006 for Owner's Engineer services, with provisions for two, one-year extensions

- MRC has been providing Owner's Engineer services to the Rapid Transit program since late 2006.
- A three-year contract was awarded to MRC in November 2006 for an estimated total, including taxes of \$3,916,000, through a competitive Request for Proposal

process. They obtained the highest technical score as well as the lowest blended rates for fees. The contract expires on December 31, 2009.

- The contract provided for the extension of the contract for two, one-year periods.

Analysis

MRC Services continue to be required for the project

The services MRC has provided support for work program development, procurement and management

- MRC provides an array of services for the Rapid Transit office such as:
 - General Program Management – participating in project oversight meetings; providing ongoing technical, management and administrative advice; providing detailed invoice review of York Consortium 2002 work programs and contingency tasks; performing schedule/progress review on all active work programs and advising schedule process improvements (critical path and milestone review); budget review; benchmarking, for example.
 - Work Program specific work – attending ongoing design and construction meetings; planning and design coordination and detailed review; utility relocation coordination; participation in the Guaranteed Maximum Price (GMP) process for preliminary engineering and construction, for example.
- Approximately 3.5 FTE have been providing services to the project, made up of a combination of full-time and part-time resources.

The services MRC provide will increase as the project moves into construction

- As the project enters the significant design-build phase, additional resources are required to provide project oversight, management and control during construction.
- The FTE will increase over the year to 11.5 by year end, based on the current projected work program and will be monitored by the Chief Engineer and Chief Finance and Strategy Officer.

The original contract provided for increases in fees for years two and three less than or equal to the year over year Consumer Price Index

- Over the three year period of the contract, MRC has held their fees constant.
- Fees have been adjusted for 2010 based on CPI as allowed in the contract.
- Fees for 2010 are projected at 6.7% over those in 2007, consistent with the actual Ontario annual CPI, all items, excluding fuel, for years 2008 and 2009 of 1.8% and 2.3% respectively, and a forecasted increase of 2% over the 2009 rate.

Metrolinx is interested in engaging YRRTC's Owner's Engineer for joint activities and project oversight

- The planned increase in fees includes provision of 0.5 FTE for Metrolinx reporting.

Finance

Owner's Engineer services allocated to capital projects under the umbrella of project management costs and are considered eligible costs for funding purposes

- Costs for Owner's Engineer services have been included in the cost build up preliminary engineering and design/build costs in the draft 2010 Capital Plan and Budget.

Conclusion

- MRC has been providing quality service as the Owner's Engineer for the project. The work to date is within budget and on schedule.
- As vivaNext proceeds to construction, additional OE resources are required to manage the multiple design-build contracts, engineering assignments, and strategic work on behalf of YRRTC.

For more information on this report, please contact Susan Tuckey, Chief Finance and Strategy Officer/Treasurer, York Region Rapid Transit Corporation at 905-886-6767, Ext. 1015.

Mary-Frances Turner
President

Date signed

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