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NEGOTIATION SERVICES CONTRACT SCOPE AND VALUE INCREASE TORONTO-YORK SPADINA SUBWAY EXTENSION PROJECT 90996, CITY OF VAUGHAN

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated October 10, 2012, from the Commissioner of Corporate Services.

1. RECOMMENDATIONS

It is recommended that:

1. Council approve an upset limit increase of \$50,000 from \$95,000 to \$145,000, excluding taxes, to the current contract with Johnston Donald Associates Inc. for negotiation services relating to the Toronto-York Spadina Subway Extension project.
2. Council approve an extension to the contract's expiry date of May 1, 2013 to May 1, 2015.

2. PURPOSE

This report seeks Council authorization to increase the upset limit of Contract B00012446-0000075728 for negotiation services.

3. BACKGROUND

In 2010, the Region awarded a contract for negotiation services using the co-operative purchasing provision of the purchasing bylaw

The City of Toronto (City) issued RFP 9130-07-7075 for three categories of real estate services: appraisal services, property acquisition negotiation services and business valuation services. Through the Request for Proposal, additional resources were single sourced by the City, including Johnston Donald Associates Inc., due to a lack of qualified responses to the Request for Proposal for property acquisition negotiation services. In the RFP, the City provided the Region an opportunity, and the Region agreed to use, the services for its property requirements within York Region (pursuant to Section 14.1 of the Region's purchasing bylaw).

Using hourly rates approved by Toronto, the Region's Corporate Services Department and YRRTC established an upset limit of \$95,000 for Johnston Donald Associates to negotiate with four property owners.

4. ANALYSIS AND OPTIONS

Negotiations have been more complicated and lengthy than originally anticipated

The following issues have created the need for additional negotiation services:

- Subway technology is new to York Region and the market value of land and compensation for land required for the subway has not been previously established. This has resulted in additional analysis and negotiations with the affected land owners.
- The Environmental Assessment provided a general layout of the subway facilities and as designs progressed, impacts to property owners have been created and mitigated. The negotiations with affected property owners have increased beyond the original anticipated design.
- The details of the construction methods used to build the subway have changed from the anticipated methods at the onset of the project. The discussions regarding business loss claims and interruptions have correspondingly become more complex and time consuming.

Negotiations are required with a property owner not originally impacted by the TYSSSE project

There are impacts to one additional property owner not originally identified in the negotiation assignment. Negotiation services are necessary to mitigate the impacts to this owner.

The increased upset limit will enable Johnston Donald Associates Inc. to complete negotiations with the original four property owners, as well as the additional property owner, uninterrupted and in a timely manner. All other terms and conditions of the contract will remain the same.

Link to Key Council - approved Plans

From Vision to Results: 2011 to 2015 Strategic Plan

Priority Area – Focus Growth along Regional Centres and Corridors

Optimize the transportation capacity and services in Regional Centres and Corridors

The acquisition of these lands will assist the Region in meeting its key strategic transportation needs.

5. FINANCIAL IMPLICATIONS

Funds for negotiation services are included in the \$2.6B TYSSE project budget, which the Region contributes up to \$351M. The costs for negotiation services are fully recoverable from the TYSSE budget.

6. LOCAL MUNICIPAL IMPACT

The construction of the Toronto-York Spadina Subway Extension project is critical to the achievement of the City of Vaughan vision for the corridor and its Vaughan Metropolitan Centre.

7. CONCLUSION

The upset limit for contract B00012446-0000075728 for negotiation services by Johnston Donald Associates Inc. should be increased by \$50,000, excluding taxes, and the scope of work amended to include one additional property. The contract's expiry date should also be extended by two years. This will enable existing negotiations to continue uninterrupted, enable the TYSSE project to acquire the necessary lands and compensate affected owners.

For more information on this report, please contact Barry Crowe, Director, Property Services Branch at Ext. 1684.

The Senior Management Group has reviewed this report.