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PROGRESS REPORT
YORK RAPID TRANSIT PLAN

The Rapid Transit Public/Private Partnership Steering Committee recommends the following:

1. The presentation by Mary-Frances Turner, Vice President, be received; and

2. The recommendations contained in the following report, October 7, 2004, from the Vice President of the York Region Rapid Transit Corporation, be adopted:

1. RECOMMENDATIONS

It is recommended that:

1. The Progress Report for September 2004 be received for information.

2. The additional expenditure of $120,866 for Independent Cost Estimator Services for Marshall Macklin Monaghan be approved.

2. PURPOSE

This report provides a detailed description of the progress made in delivering the York Rapid Transit Plan during September 2004. This report also deals with additional costs incurred during the Cost Confidence Process and provides information on change orders currently being reviewed for the Design-Build contract.

3. BACKGROUND

The June 27, 2002 contract required York Consortium 2002 to file monthly progress reports with York Region.

4. ANALYSIS AND OPTIONS

4.1 Year One Work Plan

The original Stage One (Year One) agreement entered into between York Region and York Consortium 2002 in June 2002 is illustrated in Table 1. The majority of the Stage One work plan components are complete and the only outstanding work, which continues, relates to the Environmental Assessments (EA's), which have been impacted by the Ministry of the Environment (MOE) requirement for revised Terms of Reference. While work continued on the EA's during September, the status of deliverables and tasks is essentially as reported in last month's report and as summarized in Table 1.

Table 1
Summary Stage One - Major Tasks (as of September 30, 2004)

Task	Task Completion	Major Deliverable
Program Management	100%	Fully operational office with expansion underway
Communications Plan/Events	100%	Complete
Data Collection	100%	Complete
Network Configuration	100%	Network Configuration Report complete
Quick Start	100%	*Quick Start* Program definition complete
Transportation Planning	100%	Ridership analysis complete
Ridership Peer Review	100%	Peer Review complete
Environmental Assessments		
Revised ToR (MOE Revised Process)	95%	Approvals anticipated in August
- Yonge Street	97%	Draft revised Yonge Street EA nearly complete
- Highway 7 / Vaughan NS Link	92%	Final Alignment analysis complete. Revised EA report in progress
- Markham N/S Link	90%	Terms of Reference complete
Program Implementation Plan	100%	*Quick Start* / Network Plan complete
Construction Feasibility	100%	Yonge / Hwy. 7 complete and Markham N-S underway
Financial Planning and Analysis	100%	Financial modeling complete
Transition Plan	100%	Amended and Restated Agreement ready for execution
Overall Completion	99%	

ENVIRONMENTAL ASSESSMENTS STATUS

South Yonge Corridor and Highway 7 Corridor / Vaughan North-South Link

The final Public Consultation Centres were held at Promenade, Hillcrest and Markville Malls on September 9, 10 and 17 respectively. The draft EA Reports are to be completed by mid-October and submitted to MOE for initial circulation to review agencies.

Approval of the EA Studies can be expected in early summer 2005 if the regulated maximum 30-week period is required.

Markham North-South Link

Analysis of route and infrastructure options is continuing. The second Public Consultation Centre is scheduled for late October, with evaluation of route options, analysis of environmental effects, final public consultation and draft EA Report submission by early 2005. Consequently EA Study approval can be expected in the fall of 2005.

North Yonge Corridor
The draft Terms of Reference (ToR) has been completed and after review by the technical advisory committee, will be submitted to MOE and government review agencies in October 2004. In parallel with ToR approval, anticipated early in 2005, the EA Study itself will continue towards completion in fall 2005.

4.2 *QUICK START* DESIGN-BUILD CONTRACT

Quick Start Design-Build activities during September are described in Table 2.

Table 2
Quick Start Design-Build Contract (as of September 24, 2004)

Detail Design is over 85% complete for the intersections. 90 stops have been issued for construction and the remaining 25 are at the 90% design stage. All stops in Toronto are in the latter category.
The IBM stops have been eliminated from the Design Build contract arising from decision by IBM to have walking access to stops on Town Centre and Highway 7 and Enterprise rather than on site.
Detail Design at the terminals is continuing with issues still to be resolved at Finch Station, Markham-Stouffville hospital, Langstaff Terminal, Newmarket GO Station and York University. Markham-Stouffville Hospital – terminal location for both YRT and Quick Start agreed in principle with Hospital (northwest corner of Church and Country Glen) with details being finalized. York University – terminal location and on-campus routing agreed to in principle.
Work has commenced on 42 stop locations.
Assisting with the rapid transit vehicle procurement process.
ITCC – Metrus Architects preparing Interim Transit Control Centre design with submittal date to KED of Oct. 1st. Cost estimate from Metrus anticipated by mid October. Anticipated construction completion is mid December, 2004.
Langstaff Terminal – Progress made on foundation permit with approval anticipated week of Sept. 27th. Site plan approval process continuing. - Baseline survey completed week of September 20th. - Mobilization and construction anticipated early October, 2004.
Shelters – installation of prototype is continuing, design improvements currently being evaluated and will be implemented where appropriate into prototype.
Bell communication supply to shelters started and ongoing.
Design and shop drawings for Fare Collection equipment are being completed for review.
System Design Specifications for ITS components are being developed by Init and are under review by KED and the Region.
ITS evaluation system to be set up at the West Pearce Street office in October 2004.

4.3 *QUICK START* VEHICLE CONTRACT

A contract was entered into with Van Hool on March 24, 2004 for the purchase of 22 sixty-foot vehicles and 55 forty-foot vehicles. To date, options selected by YRTP staff in conjunction with YRT include more extensive use of stainless steel panelling, photoelectric passenger door controls, roof hatches, aluminum wheels and three-tone painting. The prototype vehicles are currently being manufactured. The articulated unit has had its side panels installed and is being readied for the paint shop. The 40 foot vehicle has its chassis constructed and is currently being outfitted with its mechanical components. Both vehicles remain on target for being completed in December, 2004.

4.4 *QUICK START* SUPPORT ACTIVITIES

The activities and accomplishments for September 2004 that relate to operations and maintenance, communications and interface planning support for the *Quick Start* project are described in Tables 3-5, respectively.

Table 3

Quick Start O&M Related Support

Procurement of Vehicle Operations and Maintenance Contractor – Ongoing development of the O & M contract documentation. – Revised O & M Procurement Schedule completed. – Issued O & M Request for Proposals (RFP). – Ongoing development of the RFP evaluation process criteria.
Off Board Fare Equipment – Ongoing development of Operations & Maintenance requirements. – Ongoing development of Proof of Payment Enforcement Policy outline. – Ongoing development of Revenue Management / Servicing approach.
Quick Start O & M Facilities Newmarket Maintenance Facility – Ongoing review with GO Transit of private road access co-owners agreement. – Overall planning completed and Regional Staff have procured architectural services to commence planned modifications. Satellite Maintenance Facility – Concluded site location for the Satellite Maintenance Facility. – Staff commenced negotiations for the property
Transit Agency Technical Meetings GO Transit Technical Meetings continued. – Finch, Langstaff, Newmarket, Unionville terminals - planning continued. – Concluded conceptual design of Finch canopy. YRT / YRTP Shared Stops Meetings continued. – Relocation of existing YRT advertising shelters. – Construction communications, schedule and temporary relocation of stops.
Transit Operations Centre: – Issued TOC requirements and contractor responsibilities for operation of the TOC in RFP.

Other: – GO MOU issues remain under consideration. – Commenced discussions with GO Transit to outline operational issues related to GO MOU.

Table 4

Quick Start Communications Support

Presentations: – Environmental Assessment presentation at PICs – September 9 – Designed YRTP generic presentation – September 17 – CCIM (Certified Commercial Investment Member) Presentation – September 29 – Infrastructure Presentation (with Sussex Group) – September 30
Environmental Assessment: – South Yonge & Highway 7 final round of PICs – September 9, 11 & 17.
Branding: – Ongoing development of vehicle interiors and exteriors, station design, route maps, tag line and one system “patch”.
Marketing Communication: – Ongoing design and development of rich internet applications for the new website – Development of brand launch strategy/deployment plan, brand story video concepts/storyboard, acquisition of imagery.
Communication Collaterals: – Designed and printed South Yonge & Highway 7 Fact Sheet – September 8. – Designed and printed South Yonge & Highway 7 EA Posters – September 3. – Designed South Yonge & Highway 7 newspaper notices – September 1. – Designed and distributed electronic notice of upcoming PICs to contact database of 650 – September 7.
Newspaper Articles: – “Region warns community about traffic” – King Weekly, September 8, 2004 “416ers go to war: 905ers shrug it off” – Toronto Star, September 13, 2004.
Pursuing coverage in the following media: – Toronto Star. – Era Banner. – The New VR. – CBC Radio. Sing Tao and Fairchild – Asian Media:
Upcoming Media: – considerable amount of time has been spent preparing for our next milestone event, brand launch.
Preparing to engage Provincial and Federal officials as we work towards an announcement.

Table 5
Quick Start Interface Planning

Discussions continue with GO Transit and TTC regarding the detail of the interfaces of respective services.
Further discussions held with property owners of land adjacent to the corridor where outstanding issues remain.

Fare Policy
A fare policy for *Quick Start,* including a comprehensive strategy to fully integrate YRTP fares, fare media and fare collection procedures with the rest of the YRT network, has been developed jointly by YRTP and YRT staff and was presented to the Steering Committee and Council in June, 2004. The Policy is now being revised to reflect the new YRT fare levels and fare structure revisions that were approved in September and which would affect both *Quick Start* Rapid Transit and YRT services. Operational policies and procedures (such as proof-of-payment and enforcement) also continue to be developed in collaboration with YRT. A final fare policy report for *Quick Start* including operational considerations will be presented later this fall.

Service Planning
The detailed service plan for *Quick Start* has been developed in close consultation with YRT staff and is the subject of a separate report on this agenda.

Transit Oriented Development / Joint Development
- Reviewed all referred development applications (Official Plan, Subdivision, Site Plan) for transit compatibility.
- Reviewed City of Vaughan's Steeles Corridor Land Use Review /Draft OPA for Transit-Oriented Development (TOD) / Joint Development compatibility. Supported Region in discussions with York University Development Corporation with respect to same corridor.
- Prepared preliminary analysis of joint development opportunity at Bayview / 407.

Passenger Facility Plans
- Integration of passenger information into *Quick Start* facilities design; coordination with YRT.
- Concept development of YRT/YRTP joint signage program.
- Ongoing coordination with GO Transit on passenger facility improvements at Finch Terminal.

4.5 *QUICK START* CHANGE ORDERS
The structure of the Design-Build (D-B) contract contemplates a process to deal with change orders. The nature of the D-B process requires change orders since the D-B contract is awarded prior to the detailed design being finalized. Some change orders result in cost savings while others result in additional costs. To date 24 potential change orders are being processed and are described in Table 6.

Table 6
Change Orders – Estimates

Number	Description	Estimate ($)
CRN1	Markville, McCowan & Bullock stops	314,919
CRN2	Relocate S/B Eagle St. stop to Nearside	-125,000
CRN3	Move Old Colony stops to King Road.	-195,876
CRN4	Add Micro-mini stops at E/B East Beaver Creek and W/B West Beaver Creek	301,864
CRN5	Warden & Denison N/B – Relocate YRT stop & pad. Provide new slim shelter	100,000
CRN6	Warden & Denison S/B – Regrade, replace sidewalk + add new slim shelter	100,000
CRN7	Yonge St at Wellington St. – Convert minis to Micro Minis	-35,871
CRN8	Yonge St at Steeles Ave. N/B - Abandon Slim and install YRT “heritage” shelter	0
CRN9	Hwy 7 and Kipling W/B – Construct landing strip	4,000
CRN10	Hwy 7 & Ansley Grove - E/B Extend sidewalk to Intersection	12,890
CRN11	Hwy 7 & West Beaver Ck E/B – regrade and replace sidewalk. Move YRT shelter	27,252
CRN12	Hwy 7 & East Beaver Ck W/B – regrade and replace sidewalk. Move YRT shelter & Bench	28,000
CRN13	Hwy 7 & Fairburn E/B – regrade & provide new platform. Move YRT shelter	54,613
CRN14	Hwy 7 & Fairburn W/B –regrade and replace sidewalk. Move YRT shelter	Included Above
CRN15	Hwy 7 & Wooten Way E/B - Construct concrete landing strip	4,000
CRN16	Warden at 14th S/B – Relocate to farside to avoid future road widening	14,906
CRN17	Langstaff Terminal – prepare site plan revisions	80,000
CRN18	Langstaff Terminal – include washroom facility	25,000
CRN19	Layovers for GO Transit at Eagle St Terminal in Newmarket	150,000
CD1	Abandon KED’s proposed layout for ITCC	-500,000
CD3	Move Hwy 48 E/B stop slightly to the east (for widening of Hwy 48)	20,000
CD4	Move N/B Town Centre Blvd Stop slightly to south (Liberty Developments)	20,000

CD5	Delete two IBM Stops	-250,000
	TOTAL	**150,697**

The estimates presented are approximate and will be reviewed in detail by the Region's Oversight Engineer, Marshall Macklin Monaghan and approved by both the Vice President of the York Region Rapid Transit Corporation (Rapidco) and the Commissioner of Transportation and Works. The net increase is approximately $170,000 and the budget for *Quick Start* as presented in June includes a contingency of $4,685,000 to deal with these items.

4.6 INDEPENDENT COST ESTIMATOR

After a competitive process, Marshall Macklin Monaghan was retained in 2003 to provide services as the Region's Independent Cost Estimator (ICE) during the Cost Confidence Process for *Quick Start*. The work of the ICE was to follow the completion of the preliminary engineering for *Quick Start* and lead to the agreed Guaranteed Maximum Price (GMP) for the Design Build contract. As this process was new and unique to the Rapid Transit Public Private Partnership, it was difficult for both Regional staff and the consultant to forecast the exact level of effort that would be required throughout the Cost Confidence Process. Therefore, the level of effort required exceeded the original estimate.

In particular, there were a number of specific areas that resulted in the increased level of effort by the ICE:

- The original scope estimated five iterations for the cost estimate. A total of eight were required.
- The process was originally anticipated to be complete by September 2003 but was extended to February 2004.
- Due to the extended schedule, a number of additional meetings were required.
- As the Preliminary Engineering for *Quick Start* was ongoing during the Cost Confidence Process, the designs sometimes changed resulting in additional level of effort for cost estimating.
- Changes occurred to some of the quantity estimates, resulting in additional work during the cost estimating process.
- Calculating the indirect costs related to the design build contract required a more intensive effort than was originally anticipated.

The additional costs for the ICE was $120,886 for a new total cost of $267,588.

The work required by the ICE is included within the total $150 million *Quick Start* budget. A total of $4.5 million within the *Quick Start* budget has been allocated to Regional oversight costs. The increased costs for the ICE can be accommodated within this budget.

It should also be noted that the efforts of the ICE resulted in significant overall project savings. The final cost savings on the Design Build contract were in excess of $6 million compared to the estimate provided by the contractor during the Cost Confidence Process.

It is recommended that the additional expenditure for the ICE be authorized for the following reasons:

- The additional funds reflect the additional work required to complete the Cost Confidence Process.
- The work of the ICE resulted in significant savings in the final Guaranteed Maximum Price for the *Quick Start* Design Build contract.
- In order to maintain the *Quick Start* schedule, it was impractical to halt the Cost Confidence Process to seek the authorization for the additional funding required.

4.7 *QUICK START* CONTINGENCY FUNDING

A small amount of contingency is required to deal with change orders; therefore, it appears possible to deal with some or all, potential project enhancements. Table 7 presents a list of the potential project enhancements that are being contemplated with a total value of approximately $3.3 million. It also indicates the timing in which approval is required to initiate the enhancements. Staff will report further for Committee and Council approval prior to proceeding with these enhancements.

Table 7
YRTP Contingency Funding – Potential Project Enhancements

	Description	Cost	Decision Timing (Quarter)
1	Garbage bins for all new shelter locations.	$100,000	Q1 2005
2	Spare shelter components (primarily glass elements).	$200,000	Q1 2005
3	Cost to move YRT bus shelters through Viacom contract.	$81,000	Ongoing
4	4 Spare buses.	$2,200,000	Q4 2004
5	On-line ISDN connectivity for TVMs at bus stops to enable on-line debit approvals.	Feasibility to be reviewed	
6	Newspaper stands for all new shelter locations.	$100,000	Q1 2005
7	Traffic Signals at Yonge & Finch GO Terminal.	$25,000	Q2 2005
8	Enhanced coloured asphalt at far side stops.	$250,000	Q2 2005
9	Jane & Shoreham S/B advanced green.	$10,000	Q2 2005
10	Transit Control Centre modifications (ITCC).	$50,000	Q1 2005
12	Markham Stouffville Hospital Terminal.	$125,000 + Engineering	Q4 2004
13	Enhanced signing and bike racks at stops.	$75,000	Q1 2005
Total		**$3,321,000**	

4.8 *QUICK START* PERFORMANCE MEASURES

Subsequent to the execution of the Provincial Funding Agreement, staff requested an addendum to extend the funding period beyond the date originally set out in the agreement. The Ministry of Transportation (MTO) agreed to this extension, which was presented in accordance with the terms and conditions of the Funding Agreement. At that time, the Province indicated that they desired to initiate the concept of performance-based funding. The province proposes that, at their discretion, if *Quick Start* ridership targets and travel time-savings are not achieved that they may deduct 0% - 5% of the Province's $150 million contribution to the *Quick Start* project from provincial contributions to a future project. During funding negotiations, the province did not indicate their intent to apply performance-based funding to the agreement.

Although the concept of performance-based funding is practiced in some other jurisdictions, the application to the *Quick Start* project needs to be reflective of two things. Firstly, the ridership and travel time forecasts provided by the Region to the province as part of the funding agreement assumed favourable operating conditions; however, many factors, such as the health of the economy, unexpected growth in traffic levels, weather, manufacturer's auto incentives, fuel prices, accidents and construction disruption, labour disputes, ramp-up of the new service, etc. are beyond the control of the operator. A combination of such factors could present a less than favourable operating environment that would have a negative impact on ridership and travel time forecasts. GO Transit will continue to operate its Yonge Street services and it will be necessary for them to collect the required ridership information on their routes.

Staff continue to discuss the application of performance-based funding to the *Quick Start* project with the Province. A critical part of these discussions will be how performance is to be measured. Staff will report back to Council in November regarding developments on this aspect of provincial funding.

4.9 FEDERAL PROVINCIAL BUSINESS PLAN UPDATE

Now that the updated Business Plan has been distributed to key politicians and civil servants at Queen's Park and Parliament Hill, our government relations' plan is being implemented. Rapidco staff have also been working with Sussex to develop a proposal for a high profile Rapid Transit Advisory Board, which is the subject of a separate report on this agenda.

Over the summer months the Region continued to brief federal and provincial ministers, MPs and MPPs on the updated Business Plan. The response to date has been very favourable. Although there has been no specific pledge of phase two funding, we are identifying a number of political champions who are prepared to forward our case at Queen's Park and Parliament Hill. Meetings and briefings with politicians of all political stripes and senior staff will continue to be scheduled on an ongoing basis in both Toronto and Ottawa.

On September 10, 2004 Rapidco and York Consortium 2002 Finance officials met with senior staff from the Ministry of Public Infrastructure Renewal (MPIR) and MTO and York Region staff to discuss innovative financing options. Four innovative finance and value-capture strategies were identified: project finance model, tax increment financing, development charge reform, and joint development. In order to implement these financial strategies York Region will need provincial legislation drafted, regulations changed and possibly municipal by-law amendments. But these changes could have a profound impact on the way infrastructure projects are financed in the future. During the meeting the rapid transit project was positioned as a model (financial or otherwise) that could be used by other jurisdictions throughout Ontario and Canada.

On September 23, 2004 Council approved the Region's response to the Provincial Government discussion paper, "Places to Grow". Staff at Rapidco provided significant input in order to highlight the importance of moving forward with phase two of the rapid transit project.

5. FINANCIAL IMPLICATIONS

A work program and budget for remaining *Quick Start* work and continuance of full system development is the subject of a separate report on this agenda.

The work required by the Independent Cost Estimator is included within the total $150 million *Quick Start* budget. A total of $4.5 million within the *Quick Start* budget has been allocated to Regional oversight costs. The increased costs for the ICE can be accommodated within this budget.

6. LOCAL MUNICIPAL IMPACT

There are no local municipal implications associated with this report.

7. CONCLUSION

York Consortium 2002 and York Region staff made significant advancements during September 2004, particularly in advancing elements critical to the success of the *Quick Start* program and related communications.

The level of effort required by the Independent Cost Estimator (ICE) during the Cost Confidence Process (CCP) exceeded the original estimate. There are a number of reasons for the increased cost, many of which relate to the fact that the CCP was new to the Region and it was therefore difficult to anticipate the level of effort required at the outset. The efforts of the ICE resulted in cost savings on the Design Build contract in excess of $6 million compared to the estimate provided by the contractor during the CCP. It is recommended that the additional costs for the ICE of $120,886 be approved.