



Finance, Audit & Risk Management Committee – November 30, 2017
Item 9 – PLFPEI Capital Approval
David Kusturin

Agenda Item	Item 9 Finance, Audit & Risk Management (FARM) Committee, November 30, 2017
Purpose	To obtain FARM Committee approval to invest a further \$24.4M in the continuation of project management, design and engineering, environmental approvals and pre-construction services beyond December 31, 2017 to March 31, 2018
Key Message	<ul style="list-style-type: none"> • Management recommends that the FARM Committee recommend to the Board of Directors additional Capital Investment in the amount of \$24.4M (total \$40M) for project management, design and engineering and preconstruction services related to the Portlands Flood Protection and Enabling Infrastructure Project.
Areas of note/ Key issues	<p><i>Funding and Agreements</i></p> <ul style="list-style-type: none"> • The Board of Directors has previously approved the investment of \$15.6M for the commencement of the services in March and September 2017 • The funding envelope of \$40M is being provided by the City of Toronto pending negotiation and execution of the Contribution Agreement between the three orders of Government and Waterfront Toronto • The funding forms a part of the City's 1/3 contribution to the project • Execution of the Contribution Agreement has been extended from December 31, 2017 to March 31, 2018 due to the recent determination that a single Contribution Agreement will be negotiated in lieu of three separate Contribution Agreements • Capital Approval is contingent on Toronto City Council approving Interim Budget allocations for Q1 2018 at its meeting on December 5th and 6th • Capital Approval is further contingent on negotiation and execution of an amendment to the existing Delivery Agreement in the amount of \$15.6M between the City and WT <p><i>Project Status</i></p> <ul style="list-style-type: none"> • All major consultants and the construction manager have been or will be procured by March 31, 2018 • The provision of project management, design and engineering and preconstruction services has commenced pursuant to the original Capital Approval of \$15.6M approved by the Board of Directors in September 2017
Expected Outcome	FARM Committee to recommend approval of the Supplementary Capital Investment to the Board of Directors at the meeting scheduled for December 7, 2017.
Key Takeaways/ Next Steps	<ul style="list-style-type: none"> • Submit Supplementary Capital Approval Request to the Board of Directors on December 7, 2017 • Negotiate and execute amendment to Delivery Agreement between City and WT subject to approval of Interim Q1 2018 Budget Allocations by Toronto City Council

Port Lands Flood Protection and Enabling Infrastructure

Project Management, Design and Construction Continuation

Request for Capital Approval Submission #3

FARM Committee Meeting

November 30, 2017



WATERFRONToronto

Objective



- To obtain FARM Committee approval to invest \$24.4M to allow for the continuation of project management, design and engineering, environmental approvals and pre-construction services from December 31, 2017 to March 31, 2018.
- Approval is required to ensure that the project schedule is maintained and that work continues uninterrupted pending execution of the overall project contribution agreement between Waterfront Toronto and the three orders of government in March 2018

Project Budget



Budget Item	Current Capital Approvals #1 & #2 (\$Millions)	Capital Approval Request #3 (\$Millions)	Total Capital Approval Amount (\$Millions)
A) Earthworks (River Valley and Flood Protection Landforms)	\$3.14	\$5.86	\$9.00
B) Roads, Services and Utilities	\$0.70	\$4.30	\$5.00
C) Bridges, Bridge Construction and Dock Wall Structures	\$5.20	\$1.80	\$7.00
D) Topographic Surveys	\$0.33	\$0.68	\$1.00
E) Parks and Public Realm	\$0.19	\$0.81	\$1.00
Sub-Total	\$9.56	\$13.45	\$23.00
Environmental, Construction Consulting & Project Management			
Project Management (Internal, Agency and Program Manager)	\$1.24	\$2.27	\$3.50
Environmental investigations, Approvals and Treatment Testing	\$2.52	\$2.48	\$5.00
Procurement Peer Review	\$0.25	\$0.25	\$0.50
Risk Management Consulting Services	\$0.00	\$0.50	\$0.50
Pre-Construction Consulting Services	\$0.54	\$2.96	\$3.50
Sub-Total	\$4.55	\$8.46	\$13.00
Total Design, Management and Consulting Services	\$14.10	\$21.90	\$36.00
Contingency	\$1.50	\$2.50	\$4.00
Total Initial Capital Investment	\$15.60	\$24.40	\$40.00

Recommendation



Management recommends the following:

That capital investment of \$24.4M be approved to allow for the uninterrupted continuation of project management, design and engineering and pre-construction services and limited construction activities related to the PLFPEI project. Approval is conditional upon execution of an amended delivery agreement between the City and Waterfront Toronto

Management advises that additional Capital Approvals will be necessary and will be obtained from the Board of Directors as required to implement the completion of design and engineering and construction of all components of the Port Lands Flood Protection and Enabling Infrastructure project. These additional Capital Approval requests will be made in compliance with the Capital Approval process adopted by the Board of Directors on September 10, 2014.

Proposed Motion



ON MOTION duly made, seconded, and carried, be it **RESOLVED** that the Committee approves, for recommendation to the Board:

That capital investment of \$24.4M be approved to allow for the uninterrupted continuation of project management, design and engineering and pre-construction services and limited construction activities related to the PLFPEI project. Approval is granted subject to execution of an amended delivery agreement between the City and Waterfront Toronto

Background



Background (PLFPEI Project Components)

Earthworks

Roads and Services

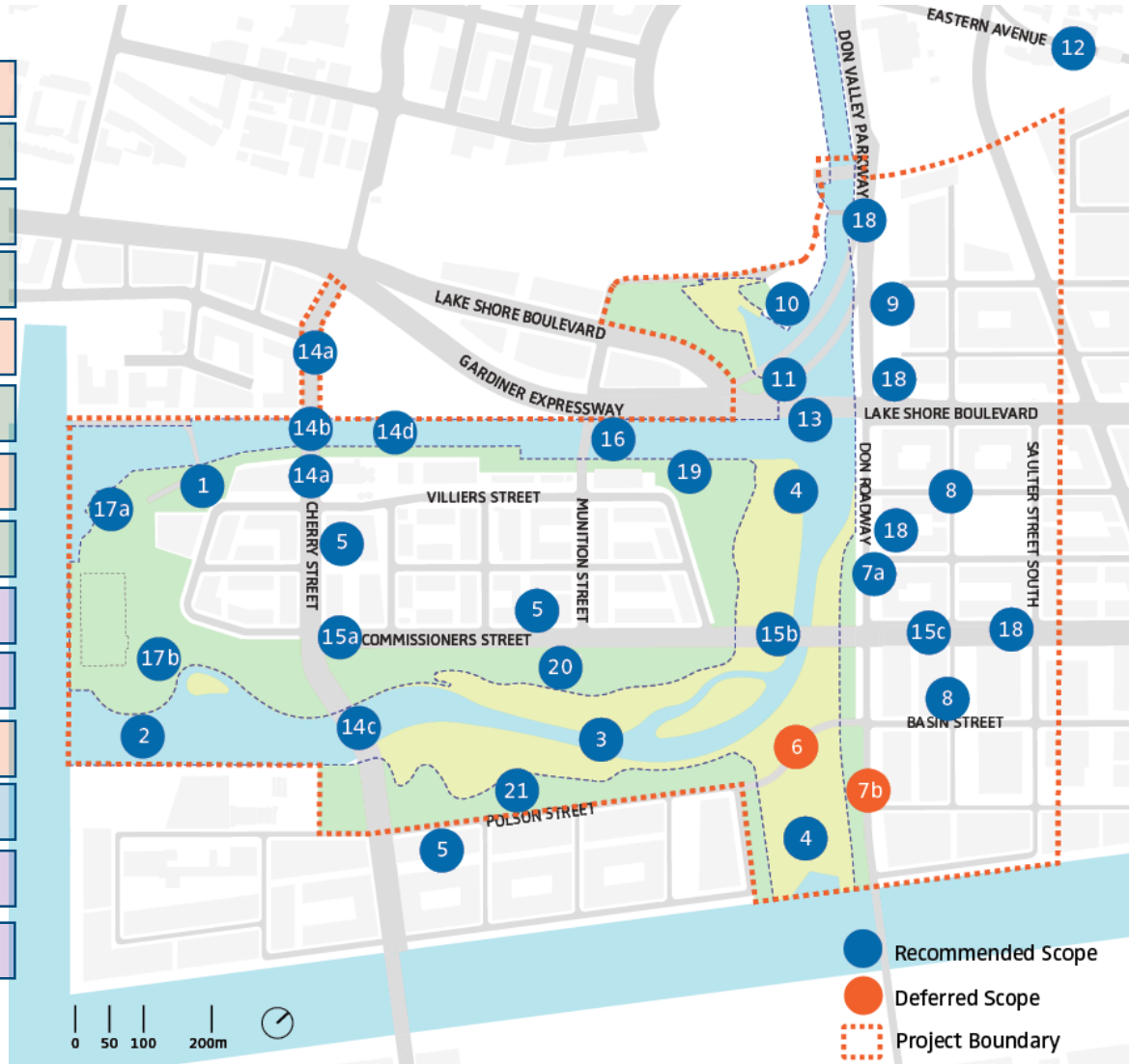
Bridges & Structures

Parks & Public Realm

Legend

- 1 Essroc Quay Lakefilling
- 2 Polson Slip Naturalization
- 3 River Valley System
- 4 Don Greenway (Spillway & Wetland)
- 5 Site Wide Municipal Infrastructure
- 6 Basin Street Bridge
- 7a Don Roadway North
- 7b Don Roadway South
- 8 Don Roadway Valley Wall Feature
- 9 First Gulf/Unilever Site Flood Protection Land Form
- 10 Sediment and Debris Management Area
- 11 Flow Control Weirs
- 12 Eastern Ave. Flood Protection
- 13 Lake Shore Bridge Modifications (Vehicular Only)

- 14a Cherry Street Re-alignment (Incl. BRT)
- 14b Cherry Street Bridge North (Vehicular + Transit)
- 14c Cherry Street Bridge South (Vehicular Only)
- 14d Old Cherry Street Bridge Demolition
- 15a Commissioners Street West (Incl. BRT)
- 15b Commissioners Street Bridge (Vehicular Only)
- 15c Commissioners Street East
- 16 Keating Channel Modifications
- 17a Promontory Park North (Interim Finish)
- 17b Promontory Park South (Full Vision)
- 18 Hydro One Integration
- 19 Villiers Island Grading
- 20 River Park North (Full Vision)
- 21 River Park South (Full Vision)



- Recommended Scope
- Deferred Scope
- Project Boundary

Background



- Full funding approval for the Portlands Flood Protection and Enabling Infrastructure (PLFPEI) project was announced by the three orders of government on June 28, 2017
- Toronto City Council has approved the City of Toronto's 1/3 share of the funding for the PLFPEI project through its 2017 Capital Budget and 10-Year Capital Plan
- The Board of Directors has approved the investment of \$15.6M for schematic design and preconstruction services pursuant to Capital Approval Requests #1 and #2 on March 27 and September 14, 2017 respectively
- A Delivery Agreement between the City of Toronto and Waterfront Toronto governing the investment of the \$15.6M was executed on September 14, 2017 and the work has commenced
- This Capital Approval #3 and an Amendment to the Delivery Agreement (both in the amount of \$24.4M) is required to allow design and engineering, project management and preconstruction services to continue past December 31, 2017 to March 31, 2018.

Project Scope



- Complete project consultant team structuring and hold initial partnering meeting
- Mobilize bridge design, roads & site servicing consultants
- Continue design development to advance design to between 25% and 30% completion
- Continue environmental testing and approvals work
- Expand construction manager's services in providing provide constructability evaluation, estimating, value engineering, scheduling, site logistics, project sequencing and health and safety consulting services
- Tender and construct select bridge foundation works related to the new Cherry Street Bridge planned to cross the Keating Channel
- Waterfront Toronto and partner public agency (TRCA and TPLC) will continue provide project management and supporting services

Project Risks

Risk Description	Potential Impact	Mitigation Strategy
Fees proposed by proponents exceed budget	Available funding exceeded	<ul style="list-style-type: none"> • Maintain sufficient contingency (20% allocated) • Scope services for flexible addition/deletion, if required • Prioritize Consulting services and defer if necessary
Additional services identified during project	Available funding exceeded	<ul style="list-style-type: none"> • Maintain sufficient contingency (20% allocated) • Scope services for flexible addition/deletion, if required • Prioritize Consulting services and defer if necessary
Additional consultant services identified and required	Available funding exceeded	<ul style="list-style-type: none"> • Maintain sufficient contingency (20% allocated) • Scope services for flexible addition/deletion, if required • Prioritize Consulting services and defer if necessary
Failed procurement (no suitable consultants identified)	Re-procurement and delay	<ul style="list-style-type: none"> • Conduct industry briefing & market sounding • Prequalify consultants prior to request for proposal stage
Currency Risk	Available funding exceeded due to foreign exchange volatility	<ul style="list-style-type: none"> • Maintain sufficient contingency (20% allocated) • Pursue hedging strategies such as forward contracts to mitigate risk

Schedule



- Subject to Board of Directors approval, and subject to the execution of the revised Delivery Agreement submitted to the City of Toronto, all remaining project design work packages will be underway by the end of March 2018
- Selected schematic design work is scheduled to be completed by the end of Q1 2018, with remaining schematic design continuing as currently scheduled
- Schedule and work sequencing plan, developed jointly by the project consultant team, the Construction Manager and our partners at TRCA and TPLC continues to be refined, with major milestones being set
- Limited bridge construction work will take place in parallel with Cherry Street Stormwater & Lakefilling (CSLF) Project construction works

Funding



- Funding for this Capital Approval will be secured thorough an amendment to the existing \$15.6M Delivery Agreement between the City and Waterfront Toronto
- This funding forms a part of the City's one-third funding contribution to the PLFPEI project
- The \$24.4M in funding will be advanced by the City in Q1/2018 (WT FY Q4 2017/18)