

March 31, 2015 Toronto Council Meeting [video](#)

Mayor's key items:

[EX:17 Request for report on options to improve TTC Commission project delivery](#)

[CC 5.1 TYSSE Schedule and Budget Change](#)

1:07:10 Cllr. Minnan Wong tables a motion to consider the above two agenda items together as one:

"What happened with the TYSSE was the straw that broke the camel's back and therefore we need to look at other delivery models. And so it is entirely appropriate to put these two items together."

Perks: "TYSSE requires its own specific debate. Two very distinct proposals."

Fletcher: "Did you have a conversation with the mayor about this?" (late Cllr. Rob Ford heckles her)

Davis: "Your intent is to reduce our opportunity to ask questions from ten minutes to five? Are you aware we just received this report? Are you aware that regular councillors are not able to attend in camera TTC meetings?"

Perks: "[MFP enquiry](#) came from limiting councillor's ability to ask questions."

Davis: "This is one of the most egregious examples of a lack of due process. We got this report at 5:30 p.m. last night. It did not allow for the opportunity to ask questions at a standing committee. Does not contain the confidential report. It is wrong we can't have the time to ask questions. We are making a decision to spend \$150 million and we should have the opportunity to ask all the questions we need to."

Fletcher: "Substantial financial issues."

1:28:53 Palazzo loses motion that the question be called 25 - 18.

Mihevc: "Very distinct items. Why this haste? What's the play here? Who's orchestrating? Back down. Call of the dogs and allow the debate to happen."

Fillion: "will vote against procedural motion."

Tory: "It isn't about stifling anything. It is simply asking for a report here. People are in the habit of taking as much time as they can to talk and have a debate for show rather than later when the report comes out. And it is the reason why it is held in disrespect toward this room."

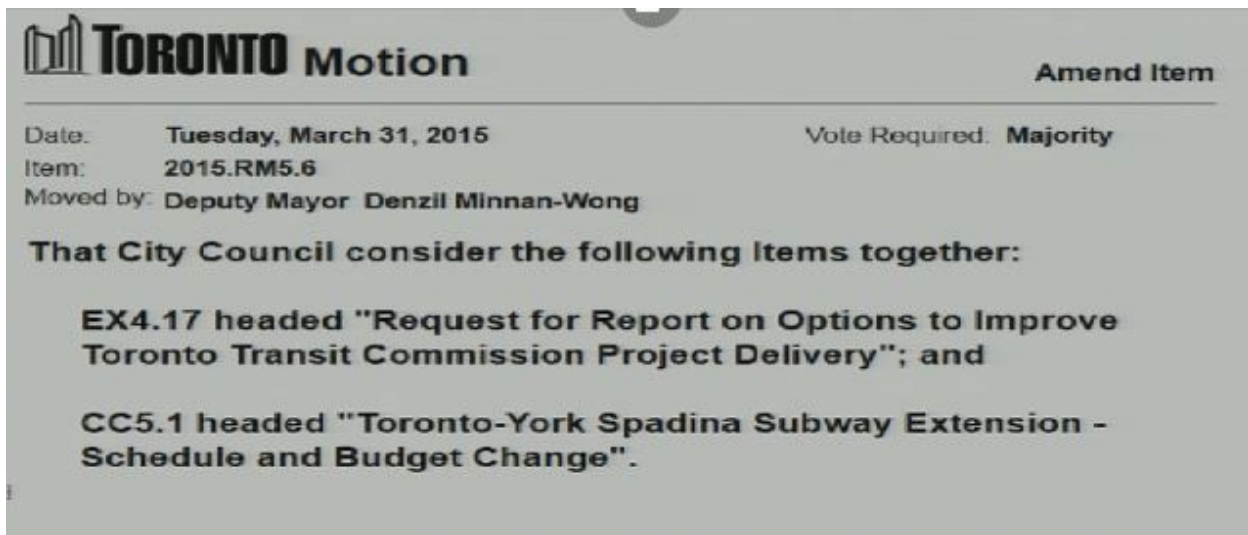
Davis: "To say that asking for the rules to be upheld is a cause for disrespect by the public is unacceptable and I would ask that the Mayor to apologize to council."

Perruzza: "Cleaning up. Taking control. Mayor cleans up the mess. I get it."

Pasternak: "Transit is the #1 crisis."

Carroll: "will vote against the procedural motion."

2:04:13 Minnan-Wong's motion carries 30 - 13



The image is a screenshot of a document titled "TORONTO Motion" with a sub-header "Amend Item". The document details a motion made on Tuesday, March 31, 2015, by Deputy Mayor Denzil Minnan-Wong. The motion requires a majority vote and asks the City Council to consider two items together: EX4.17 (Request for Report on Options to Improve Toronto Transit Commission Project Delivery) and CC5.1 (Toronto-York Spadina Subway Extension - Schedule and Budget Change).

TORONTO Motion Amend Item

Date: **Tuesday, March 31, 2015** Vote Required: **Majority**
Item: **2015.RM5.6**
Moved by: **Deputy Mayor Denzil Minnan-Wong**

That City Council consider the following items together:

EX4.17 headed "Request for Report on Options to Improve Toronto Transit Commission Project Delivery"; and

CC5.1 headed "Toronto-York Spadina Subway Extension - Schedule and Budget Change".

2:14:30 Pennachetti-City Manager: "City staff fully support the TTC."

2:17:11 TTC CEO Andy Byford begins presentation.

2:34:58 Byford: "APTA says they can open at the end of 2017."

2:45:32 Fragedakis: "What projects are you deferring to pay the \$90 million? "

Byford: "None that the board is considering but if we did it would only put them back two years."

Just before adjourning for lunch councillor Davis asks for the confidential documents.

4:49:53 Speaker Nunziata's response:

“Confidential documents considered by the TTC commission are not the possession of Council. Only the TTC Commission can approve the release of the confidential documents. Any city councillor may attend any closed session of the TTC board as a right, unless the matter is related to solicitor client privilege or potential litigation. In those cases councillors are permitted to attend with the consent of the TTC Commission. I would hope that the board would exercise great care when deciding when to include and exclude other members of council.”

Thompson: “Could you release a copy of your ruling for distribution because it is news to me. As a former member of the TTC Commission we were told by TTC solicitors that members of council could not attend in camera sessions of the TTC Commission.”

Fletcher: “Could you check with the TTC to see if any other members of council have copies of the confidential documents because if they do then others should be able to?”

5:17:55 Mihevc: “I understand we need to buy outside services... Two pieces that concern me, one is there is a certain number of employees that the contracted firm will be taking on and we’re paying a very, very hefty premium for those employees. Is it possible to hire some of them elsewhere and get that number down to a much lower number and pay a regular amount or a premium but not the exorbitant premium we are paying here so that number goes down from 33. A lot of us find that \$80 million dollars a very troublesome number.”

Byford: “Expertise comes at a cost. We want defined outputs. We want that railway open by at the latest December 31, 2017. The third party will have to be comfortable in signing up to that deal. They have the right people/calibre and in terms of the cost per person that is something we negotiate to get the cost down.”

5:21:43 Mihevc: “The other thing that is troubling me is the sole source of this particular agreement . At the end of the day we don’t do sole source contracts at the city of Toronto. The only reason we’re doing it is a time pressure. We might gain six months in the time table. Given the fact that you knew, others knew, well before this date that the project was in trouble, it seems to me to be cornering us.”

Pennachetti: “It is the expertise. This is the best firm to deal with this type of situation. The cost to me is the biggest piece, although it is rare, it actually makes sense to sole source because of the cost saving.”

Fletcher: “When were you advised that the subway project [TYSSE]was in crisis?”

Byford: “As early as the middle of 2013 it became obvious that the contractors were still struggling....mid 2014.”

5:57:04 Perks: "Five multi-billion dollar projects that are sitting there. In your report [EX4:17] will you be looking at whether we can develop a unit within the TTC so that we won't have to go through this again, as one of the options?"

Pennachetti: "No doubt about it councillor."

6:08:56 Perruzza: "\$2.63 billion was the cost of extending the subway project to Vaughn. With the \$150 million contract the cost would be \$2.8 billion, correct?"

Byford: "Correct. That \$2.8 billion is net of claims and I will be issuing a report on claims at the end of this year."

Perruzza: "Where does the \$400 million in estimated cost overruns come from?"

Byford: "That figure did not come from the TTC. We did not confirm it. Could be intentions to claim. We need to do the math and commercial negotiation."

Perruzza: "Given that the TTC was able to deliver other subway projects on budget {Sheppard, Wilson to Downsview] and given your experience with contractors having disputes with each other, why would you have used so many different contractors on this project?"

Byford: "At the time the desire of council was that each station should be different - designed by different architects and to spread the work out among the contractors and that is what led to today."

6:13:20 Di Giorgio, "...you believe that this infusion of new management will in fact act as a catalyst to getting rid of these outstanding claims that may or may not be legitimate?"

Byford: I do and that was a clear recommendation from APTA and then confirmed by Bechtel and it was a major factor in my making a decision, which I stand by, in changing some personnel at the TTC."

Byford's statement about APTA recommendation is patently false. Only Bechtel's assessment recommended changing personnel. Yet APTA's reputation as a respected peer review organization was used to justify firing two managers .

6:20:46 Mihevc speaks to his amendment to approve the project reset pending an expedited tendering process:

"The cost overruns and delays for this project have been understood since 2012/13. If there wasn't a rush then, why the big rush now? We clearly need new project management. I don't feel the sense of panic. To spend \$80 million for project management is not good value for money. Tendering is how you establish value, prices. Let's say at the outset it does take six

months but we will have done this project right. We will have signalled to the marketplace that we are a tendering city. That we don't allow people who had a role and I think people will be surprised when they find out who the sole source company is and their role in the evaluation process, and whether that's a conflict of interest or not. Timelines are not good reasons for not tendering out. We have a sacred tendering process which was founded on the Bellamy [MFP] inquiry."

6:22:34 Perks introduces an amendment to include: "option for improved in house capital project management and delivery" in the report EX:17. Speaking to CC: 5.1 : "Do I have any assurance that this is the best contractor at the best price? No because I can't see the terms of the contract."

6:40:45 Kelly, "I don't know if **Bechtel** will be good, fast and cheap but I do know that Mr. Byford has the talent and the interest and the dynamism to make sure that we realize as many of those categories as possible. That's why I voted [read: fired TTC Chief Manager Gary Webster because he disagreed with Ford's subway plan for Scarborough] for him when I sat on the TTC Commission and we all know that he has imbued the transit commission with a zest and a direction that was regrettably lacking at that time. I trust him to deliver the goods. I know he will and I thank him in advance."

Campbell: point of order, "The name of the contractor has been alluded to or mentioned twice and I urge caution. That is not what is before us today."

7:05:03 Tory, " I am supportive of Option 1 put forward by the TTC. What breaks my heart is the time. Every day that goes by is a day that people don't have transit to get to work. We have two assignments from the public to get this done quickly and take lessons to get much closer to on time and on budget. I support the TTC's option because. Andy Byford , Commission Chair Colle and TTC Commission members have endorsed it. It is going to bring new management. If you have a problem with ghosts, who do you call? I don't like sole sourcing but in this case a few months is too long for people to go without transit. We're on the clock. These are reasons to me to get this transit done and get people riding on it. I'll be supporting Cllr Perks amendment to look at in-house management."

Mihevcc amendment to CC5.1: does not carry 15 - 28

TORONTO Motion 1

Amend Item

Date: Tuesday, March 31, 2015

Vote Required: Majority

Item: 2015.CC5.1

Moved by: Councillor Joe Mihevc

That:

1. City Council direct that approval of additional funding for the 2015 Capital Budget and 2016-2024 Capital Plan for the Toronto-York Spadina Subway Extension project be conditional on an expedited tender process for project management.

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Item CC5.1 carries 40 - 3

Perks amendment to EX4:17 carries 34 - 9

TORONTO Motion 2

Amend Item

Date: Tuesday, March 31, 2015

Vote Required: Majority

Item: 2015.EX4.17

Moved by: Councillor Gord Perks

That City Council amend Executive Committee Recommendation 1 by adding the words "and on an option for improved in-house capital project management and delivery" so that Recommendation 1 now reads:

1. As the City has a duty to its citizens to deliver major capital infrastructure projects efficiently and on schedule, and as a consequence of the contract management challenges experienced with the Toronto York Spadina Subway Extension (TYSSE) project that have resulted in significant delays and cost over runs, City Council direct the City Manager to report to the Executive Committee on April 22, 2015, on options for improved project delivery, including procurement and project management, for the Scarborough Subway Extension, such options to include the spectrum of procurement strategies known as Alternative Financing and Procurement and/or Public-Private-Partnerships and the role that Infrastructure Ontario can play in the delivery of such projects and on an option for improved in-house capital project management and delivery.

According to [TYSSE Schedule and Budget Reset, January 21, 2016](#) (page 3) cost overruns are actually \$550 million.

Table 1 – Total Project Funding

	\$ Millions
Original Budget	\$2,634
Budget increase approved March 2015	\$150
Total additional budget requested	\$400
Revised Budget	\$3,184

[TTC Capital Program Review - September 21, 2016](#)