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TO: Mayor and Members of Council

DESTINATAIRES : Maire et membres du Conseil

FROM: Steve Kanellakos
City Manager

EXPÉDITEUR : Steve Kanellakos
Directeur municipal

DATE: March 2, 2020

2 mars 2020

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SUBJECT: Release of the Stage 2 Light Rail Transit Trillium Line Project Procurement documents, as directed by City Council Motion 27/6 of February 12, 2020

OBJET : Publication des documents du processus d'approvisionnement de l'Étape 2 du projet de train léger sur rail de la Ligne Trillium, conformément à la motion du Conseil municipal 27/6 du 12 février 2020

On February 12, 2020, City Council approved the Mayor's Motion 27/6, seconded by Councillor Menard, which directed the City Manager to: "release the Stage 2 Light Rail Transit Trillium Line Project Procurement documents, including the technical compliance scores, the technical evaluations and the specific bid amendments made to

the contract to ensure that Council's criteria for the project are going to be met, to City Council and the public as soon as possible and in advance of the March 3, 2020 Finance and Economic Development Committee meeting."

The documents are now ready and have been uploaded to two shared drives – one for Members of Council and one for public access. The suite of documents released covers the full spectrum of the Stage 2 Trillium Line Procurement, from the Request for Qualification phase to the completion of the Project Agreement.

A review of the documents, in their entirety, demonstrates that the results of the Trillium Line procurement and the contract award recommendation for TransitNEXT were presented in the "[Contract Award of Ottawa's Stage 2 Light Rail Transit Projects and Related Matters](#)" report (ACS2019-TSD-OTP-0001) considered and approved by City Council on March 6, 2019, and that TransitNEXT is required to design, build, finance, maintain and deliver to Council and the City an expanded and upgraded Trillium Line system on a fixed-price basis that will, among other things:

- Upgrade the existing Trillium Line systems and assets, and assume responsibility for maintenance of entire alignment (new and existing) to 2048;
- Provide a four-kilometre Airport Link with an improved Airport Station location;
- Add a 3.4-kilometre extension from Bowesville Station to Limebank Road;
- Add a new Maintenance and Storage Facility at the Walkley Yard;
- Add seven Stadler FLIRT vehicles and overhaul the existing fleet;
- Complete \$67 million in bundled projects, including the Ellwood Diamond grade separation; and,
- Undertake project enhancements that will improve customer experience, mitigate construction impacts, and support growth and development, including:
 - Adding approximately eight kilometres of new cycling and pedestrian facilities to the network;
 - Building a 60-metre pedestrian/cycling bridge crossing the Rideau River;
 - Building a connection over the Airport Parkway to the EY Centre;

- Building a raised 80-metre pedestrian/cycling bridge over Hunt Club Road connecting to the existing MUP system (north-south);
- Adding a 60-metre connection to Bayview Station at the Trinity development (Albert Street); and,
- Adding a crossing at the closed High Road and railway intersection, to connect the natural areas that would be otherwise divided by the alignment.

Appreciating that the public and Council have, to date, seen only small and select pieces of a complex, lengthy and fully documented procurement process, a review of the documents in their entirety will also show Council and the public that they can have the same confidence in the Stage 2 Trillium Line Extension Project procurement process that was confirmed by the two independent reviews to date. Specifically, that the procurement was “conducted in a fair, open and transparent manner... [and] that the City has followed the procedures in accordance with the applicable RFQ, RFP and City of Ottawa policy documentation and that the participants followed the procedures and fairly applied the evaluation criteria,” as stated in the Fairness Commissioner’s [report](#), and that, “[t]he procurement of the Stage 2 Trillium Line was undertaken in such a way that it was compliant with the process described in the RFP documents which were provided directly to the bidders. Roles and responsibilities were clearly articulated, and oversight was commensurate with each Committee’s role and authority,” as confirmed by the City’s Auditor General in his [“Audit of Stage 2 Light Rail Transit \(LRT\) Project Procurement”](#) report.

The documents provided will also confirm answers previously provided to some of the most common questions raised about the procurement related to the Technical Evaluation scores and how they relate both to the bid process, and then to the final, negotiated Project Agreement. Specifically, they demonstrate to Council and the public that:

- The Technical Conformance Review established that the Technical Submissions by all three (3) Proponents, including TransitNext, contained no Material Deviations—meaning they all passed the ‘go/no go’ technical threshold for consideration that was expressly set out in the RFP;
- Any individual poor quality responses for specific elements of the Project Agreement from all of the Proponents in the Technical Evaluation phase do not reduce each of the Proponent’s obligations to meet the project design, construction, maintenance, operations and financing of the Project Agreement

should they be selected as the Preferred Proponent – as these are expressly addressed as part of the negotiations phase;

- The discretion exercised by the Executive Steering Committee with respect to the technical scoring was blind, was based on advice from Legal Counsel and the Fairness Commissioner, and was exercised without any knowledge of the Financial Submission;
- TransitNEXT was the only bid that met the City’s affordability threshold – the other two bids were approximately \$100 million and several hundred million dollars more – money that would have to come exclusively from the City of Ottawa taxpayer;
- **Contract negotiations addressed all of the deficiencies in TransitNext’s RFP Submission before they were recommended as the Preferred Proponent to City Council** in the report that was considered and approved on March 6, 2019; and
- The executed Project Agreements require TransitNEXT to meet Council’s criteria for the project design, construction, maintenance, operations and financing for the Stage 2 LRT Trillium Extension.

Once Council and the public have had a chance to look at these documents, they may identify best practices in Public-Private Partnership (P3) procurement processes that were not used in Stage 2 but that could be used for Stage 3, particularly in the area of communications during and after a commercially confidential procurement process. As part of Motion 27/6, Council directed staff to prepare a scope of work for an independent “Lessons Learned” exercise, which will be on the March 9, 2020 special meeting of the Finance and Economic Development Committee, where the public can provide input. The results of the “Lessons Learned” review are expected to be before Committee and Council by November 2020 and the public can also have input at that time.

The City has a performance-based contract with TransitNEXT to deliver the Trillium Line Extension Project. Construction, including early works and preliminary site preparations, began in early 2019. When completed in August 2022, this project will provide new light rail transit connections for communities in Riverside South while bringing rail closer to Manotick, Findlay Creek, Greely, Osgoode; provide connections to bus service in Barrhaven via the Vimy Memorial Bridge; remove approximately 110,000 bus trips annually from operating between Leitrim Road and Limebank Road; remove approximately 60,000 bus trips annually on the Airport Parkway; improve service for the growing demand along the existing route with new stations at Walkley and Gladstone; and enhance the pathway network by providing a parallel multi-use pathway along the

length of the extension, integrating into the new stations and connecting to adjacent communities and destinations.

In closing, it should be noted that the working documents are being presented as they were provided to those working on the procurement. For ease of reference, staff has produced an index to the documents that includes a high-level summary of what the documents are and any context staff believe might be helpful, identifies any corrections (understanding that these are working documents), and provides the rationale for the required redactions. The index is attached to this report as Document 1.

Steve Kanellakos

CC: Senior Leadership Team
Michael Morgan, Director Rail Construction Program
Isabelle Jasmin, Deputy City Treasurer, Corporate Finance
David White, City Solicitor

Attachment: Document 1 – Stage 2 Light-Rail Transit Trillium Line Extensions
Procurement Process – DOCUMENT RELEASE INDEX