



## MEMO / NOTE DE SERVICE

**To/ Destinataire** Mayor and Members of Council File/No de fichier:  
**From / Expéditeur** Steve Kanellakos, City Manager  
**Subject / Objet** Notice of Default and Rectification Notice Date: March 12, 2020

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As you are aware, a motion was passed by Council unanimously on March 9, 2020. This motion provided direction to issue a Notice of Default to Rideau Transit Group in accordance with the Project Agreement and to ask Rideau Transit Group to provide a remedial plan and schedule for remediation of its defaults and rectification by March 31, 2020. Further, the motion delegated the authority to the City Manager to take any other actions required under the Project Agreement to give effect to Council's decision, and report back to City Council on the results of these actions at its meeting of April 8, 2020.

On March 10, 2020, the City issued a Notice of Default to Rideau Transit Group, a general partnership comprised of ACS RTG Partner Inc., SNC RTG Partner Inc. and Ellis Don RTG Partner Inc. The Notice provided RTG with an opportunity to cure its defaults by providing a plan and schedule for diligently remedying its defaults by March 31, 2020 and then implementing that plan and schedule so as to achieve all elements of it.

Further to the Notice, the City wrote to RTG on March 11, 2020 to assist RTG by advising what the City expects RTG to include in its remedial plan and schedule in order to rectify the serious issues that are necessary to provide a fully compliant system. This letter provides further detail about the issues and problems with the system that staff and RTG have discussed at various Transit Commission meetings in the past. This letter states that the City requires a detailed, realistic, and achievable plan and schedule from RTG by March 31, 2020.

There is a compelling public interest in the disclosure of the information associated with RTG's failures to perform and the reasons for the delivery of the Notice of Default in relation to this large infrastructure project. Ottawa transit riders are well aware of, and are directly affected by, the service interruptions and problems with the LRT system. Therefore, in keeping with the City's transparency and accountability principles, City staff have determined that these recent letters to RTG will be released to the public.

Upon receipt of the plan and schedule City staff will perform an evaluation of it and determine whether to accept it or not and then will report back to Council on April 8, 2020 on next steps.

Should any questions arise out of the distribution of these letters, please direct them to Michael Morgan, Director, Rail Construction Program, [REDACTED].

cc: Senior Leadership Team  
Director, Public Information and Media Relations