

Railway Warning System Sole Source Agreement

Recommendation

That a sole source procurement agreement between the City of Edmonton and the Canadian National Railway Company, for the design and installation of a crossing warning system, for an amount not to exceed \$597,553 (excluding GST), as outlined in Attachment 1 of the August 23, 2021, City Operations report CO00755, be approved, and that the agreement be in form and content acceptable to the City Manager.

Executive Summary

In 2017, City Council directed Administration to apply for whistle cessation at 15 priority at-grade rail crossing locations in Edmonton.

In order to meet the requirements for whistle cessation at the rail crossing along 162 Avenue east of 142 Street (rail identifier - Westlock 2.90), the City must enter into an agreement with the Canadian National Railway Company (CN) for the installation of a crossing warning system including flashing lights, bells and gate arms.

Administration is seeking approval for CN to provide and install a crossing warning system through a sole source procurement agreement, as it exceeds the authority provided to the City Manager pursuant to City Administration Bylaw 16620.

Report

Background

On March 21, 2017, City Council approved the recommendation from City Operations report CR_3963, Whistle Cessation Update, to allocate capital funding to apply for whistle cessation at 15 priority rail crossing locations in Edmonton. Since that time, Administration has been progressing through these locations, including work with CN towards whistle cessation at the rail crossing along 162 Avenue east of 142 Street (Rail Identifier - Westlock 2.90).

Federal legislation requires a crossing warning system for any crossing where whistle cessation is in place and traffic volumes meet a minimum threshold.

The City completed a road widening and upgrade of 162 Avenue on either side of this rail crossing in 2020. As local development in the area continues it is anticipated that traffic volumes in the area will also increase.

In order to meet the requirements for whistle cessation at this location, a railway warning system including flashing lights, bells and gate arms must be installed by CN to meet Transport Canada's guidelines for the crossing, as legislated in the Railway Safety Act.

Next Steps

Administration has received a draft warning system agreement along with a materials and construction cost estimate of \$597,553 (excluding GST) from CN, which includes a 10 percent contingency to complete the work. The warning system is anticipated to be installed in late 2021 or in 2022 along with CN's completion of the roadway widening through the rail crossing, though timelines are determined by CN availability.

Budget/Financial

The requested approval is for the design and installation of a crossing warning system, including flashing lights, bell and gates, for an amount not to exceed \$597,553 (excluding GST). This amount is currently allocated within the existing 2019 to 2022 approved Capital Profile CM-66-2194 - Regulated Rail Safety Upgrades.

Legal Implications

As per the City Administration Bylaw 16620, agreements over \$500,000 that do not arise from a competitive procurement process must be approved by the appropriate Committee of Council.

The City is subject to trade agreements that require an open competitive process for procurements of this value, unless a trade agreement exemption applies. For this procurement, the sole source exemption in each trade agreement applies.

Public Engagement

Administration completed public engagement in 2019 and 2020 regarding the 162 Avenue road widening and upgrade project, and received positive feedback related to the installation of the warning system.

Administration also completed stakeholder engagement with representatives of CN and railway union regarding the whistle cessation project, as required by Transport Canada.

Further public notification will be provided, as required by Transport Canada, prior to the request for City Council to pass a resolution for whistle cessation at the 162

Avenue east of 142 Street railway crossing. This is anticipated to occur after the installation of the warning device, if approved, in 2022.

Corporate Outcomes and Performance Management

| Corporate Outcome(s): Goods and services move efficiently throughout the city. | | | |
|--|------------------|--|-----------|
| Outcome(s) | Measure(s) | Result(s) | Target(s) |
| Effective accessibility to major routes and to rail, airports, and highways. Traffic congestion is managed | To Be Determined | Adherence to timeline and cost based on confirmed construction schedule. Time: +/- # Days From Confirmed Completion Date Cost: <= \$ Approved Budget | |

Risk Assessment

| Risk Element | Risk Description | Likelihood | Impact | Risk Score (with current mitigations) | Current Mitigations | Potential Future Mitigations |
|--------------|--------------------------|--------------|--------------|---------------------------------------|--|------------------------------|
| Financial | Sole Source pricing risk | 3 - Possible | 2 - Moderate | 6 - Medium | Agreement language in place to mitigate pricing risks. | N/A |

Attachments

1. Terms of the Sole Source Procurement Agreement Between the City of Edmonton and Canadian National Railway Company

Others Reviewing this Report

- D. Croft, Acting Deputy City Manager, Financial and Corporate Services
- H. Rai, Acting Chief Financial Officer, Financial and Corporate Services
- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- K. Fallis-Howell, Acting City Solicitor