

VALLEY LINE CONTRACT AMENDMENTS

Recommendations

1. That the recommendations outlined in Attachment 1 of the April 2, 2025, Integrated Infrastructure Services report IIS02957, be approved.
2. That Attachments 1, 2, 3 and 4 of the April 2, 2025, Integrated Infrastructure Services report IIS02957 remain private pursuant to sections 16 (disclosure harmful to business interest of a third party), 24 (advice from officials), 25 (disclosure harmful to economic and other interests of a public body) and 27 (privileged information) of the *Freedom of Information and Protection of Privacy Act*.

Requested Action	Decision required		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve our strategic goals.	Urban Places		
City Plan Values	ACCESS		
City Plan Big City Move(s)	A community of communities	Relationship to Council's Strategic Priorities	Mobility network
Corporate Business Plan	Transforming the future		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> • The City Plan • Mass Transit Network • Valley Line LRT 		
Related Council Discussions	<ul style="list-style-type: none"> • June 28, 2011, Corporate Services 2011COP007, Open Tenders - \$20,000,000 or Greater (Inclusive of GST) as at June 14, 2011 • April 14, 2016, Integrated Infrastructure Services report CR_3514, LRT Valley Line Procurement Final Report • April 14, 2016, Integrated Infrastructure Services report CR_3521, LRT Valley Line Value for Money Update • December 6, 2016, Integrated Infrastructure Services report CR_4233, Valley Line LRT • February 21, 2017, Financial and Corporate Services CR_4395, Update on 		

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the Public Transit Infrastructure Fund - Application Amendments

- August 22, 2017, Integrated Infrastructure Services report CR_5081, Valley Line West Procurement Update (Private)
- January 29, 2018, Integrated Infrastructure Services report CR_5455, Valley Line West Procurement Update (Private)
- June 18, 2018, Integrated Infrastructure Services report CR_5869, Valley Line West Procurement Update (Private)
- October 23, 2018, Integrated Infrastructure Services report CR_6376, Valley Line West Procurement Update (Private)
- February 11, 2019, Integrated Infrastructure Services report CR_6677, Valley Line West Procurement Update and Approvals (Private)
- November 18, 2019, Integrated Infrastructure Services report CR_7711, Valley Line West Procurement Update
- December 2, 2019, Integrated Infrastructure Services report CR_7636, Valley Line Southeast Contract Amendment
- May 11, 2020, Integrated Infrastructure Services report CR_8031, Valley Line West Contract Amendments
- April 26, 2021, Integrated Infrastructure Services report IIS00475, Valley Line West Contract Amendment
- June 14, 2021, Integrated Infrastructure Services report IIS00564, Valley Line West Contract Amendment
- March 23, 2022, Integrated Infrastructure Services report IIS00918, Valley Line West Contract Amendment
- April 14, 2023, Integrated Infrastructure Services report IIS01739, Valley Line Southeast Contract Amendment
- October 22, 2024, Integrated Infrastructure Services report IIS02728, Contractual Update (Private)
- March 18, 2025, Integrated Infrastructure Services report IIS02951, Procurement Update (Private)

Executive Summary

- This report requests approval of amendments to agreements for the Valley Line LRT project.
- The agreements are with AECOM Canada Ltd., Ernst & Young Orenda Corporate Finance Inc. and an external law firm and are for engineering, financial and legal services.
- Funding for the amendments is within the existing approved capital budgets.
- Attachments 1, 2, 3 and 4 contain details of the amendments and are recommended to remain private as they contain commercially sensitive information, legal advice and advice from officials. Disclosure of the attachments would be harmful to the City's economic interests.

REPORT

This report requests approval of amendments to the agreements with AECOM Canada Ltd. for Owner's Engineer technical advisory services, Ernst & Young Orenda Corporate Finance Inc. for financial, commercial and process advisory consulting services and an external law firm for legal services in support of the ongoing work to complete the Valley Line LRT project. Funding for these amendments is available within existing approved capital budgets. An outline of the services provided by these firms is provided below with details of the amendments in Attachments 1, 2, 3 and 4.

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It is recommended that Attachments 1, 2, 3 and 4 remain private as they contain commercially sensitive information about a third party that the City is obligated to keep confidential and also contain legal advice and advice from officials. Disclosure would be harmful to the City's economic interests pursuant to the *Freedom of Information and Protection of Privacy Act*.

Background

AECOM Canada Ltd. Agreement

In 2011, a competitive procurement was held to engage services for preliminary engineering of the entire Valley Line LRT from Mill Woods Town Centre to Lewis Farms (southeast to west). The successful proponent was ConnectEd Transit Partners, a consortium led by AECOM Canada Ltd. with sub-consultants including Hatch-Mott-MacDonald, Dialog, ISL Engineering and Land Services and others.

The award of the initial engineering services agreement was approved by Transportation and Infrastructure Committee on June 28, 2011. The emphasis at this phase was on preliminary engineering and construction preparations for the Valley Line Stage 1 (southeast). The scope of work for the Valley Line Stage 2 (west) included extensive public consultation, but with limited preliminary engineering effort.

In September 2016, the City received Public Transit Infrastructure Fund (PTIF) dollars to initiate a number of transit projects, including the Valley Line Stage 2 expansion from downtown to Lewis Farms. This project included completion of preliminary engineering, evaluation of project delivery options, public consultation and development of a project agreement for Valley Line Stage 2. In December 2016, Executive Committee approved the extension to the engineering services agreement to support this work.

In December 2019, Executive Committee approved an amendment to the agreement with AECOM Canada Ltd. to retain the existing Owner's Engineer team to support ongoing monitoring and administration of Valley Line Stage 1 through to the end of the two-year warranty phase and into the first three years of construction of Valley Line Stage 2.

With the first three years of construction of the Valley Line Stage 2 now complete, the contract with AECOM Canada Ltd. will need to be extended to 2030 to carry through the end of construction and to support the subsequent two-year warranty period of Stage 2. Furthermore, an additional scope of work has been identified to support the City with experts for the development of technical specifications for a future operator for the fully integrated 27-kilometre Valley Line. Resources are also required to support ongoing implementation of the Project Management Plan and dealing with Project complexities as they arise, Light Rail Vehicle (LRV) design review and assembly, enhanced warranty services and a number of other minor scope adjustments. Finally, amending the agreements is required to address current and anticipated adjustments to industry rates in accordance with the contract terms.

Ernst & Young Orenda Corporate Finance Inc.

In 2019, a contract with Ernst & Young Orenda Corporate Finance Inc. (EY) was executed through a sole source process. EY was contracted to provide commercial and process advisory services to support the Valley Line Stage 2 procurement. A series of five contract amendments were

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executed between 2020 and 2025 to extend the term of the agreement and add scopes of work. The additional scopes included support for the LRV procurement, procurement of an Independent Certifier and development of a strategy to retain an operations and maintenance service provider.

As the City is now arranging to execute its operations and maintenance strategy, the agreement with EY needs to be extended to provide continued commercial advisory support to the City as it proceeds with developing a business case to evaluate long-term operations and maintenance options, and to execute the preferred option. This support will be required until such time that an agreement with the full Valley Line operator is in place.

Budget/Financial Implications

The contract adjustments outlined in this report can be funded within existing approved capital budget Valley Line LRT Stage 2 (Capital Profile #16-66-1717).

Legal Implications

See Attachments 2 and 4 for legal implications.

Community Insight

Public engagement was not undertaken for this report. The recommendation to amend the agreements as set out in the attachments is based on a business case and project management approach in line with the existing approved capital budgets.

GBA+

Valley Line LRT will provide better access to more efficient, sustainable and affordable transit options that connect communities to economic opportunities, education, social services and an overall improved quality of life. Transit ridership consists of diverse riders who hold a range of identity factors and lived experiences. Travel behaviours in recent years have shown there are more transit riders who identify as women than other genders. Newcomers, essential workers, seniors, people with disabilities, students and families rely on transit to connect with their community, employment, education and medical needs. Service-related decisions for Valley Line will take into consideration the impacts on transit riders, ensuring equitable access and integration with the broader transit system as riders move throughout the city.

Environment and Climate Review

This report has been reviewed for environmental and climate risks and none have been identified. Continued specialized services to support Valley Line will lead to environmental and climate benefits by shifting travel away from vehicles resulting in greenhouse gas emissions reductions.

Attachments

1. PRIVATE - Contract Amendments - Recommendations
2. PRIVATE - AECOM Canada Limited Professional Services Agreement Amendment
3. PRIVATE - Amended Retainer Agreement

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4. PRIVATE - Ernst and Young Professional Services Agreement Amendment