

Valley Line West Contract Amendment

Recommendation

1. That an amendment to the agreement between the City of Edmonton and AECOM Canada Ltd., for Engineering Consulting Services for Preliminary Engineering for Edmonton's Southeast to West Light Rail Transit, for an additional amount not exceeding \$124,000,000.00 plus GST, as outlined in Attachment 1 of the April 26, 2021, Integrated Infrastructure Services report IIS00475, be approved, and that the amending agreement be in form and content acceptable to the City Manager.
2. That Attachment 1 of the April 26, 2021, Integrated Infrastructure Services report IIS00475, 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*.

Executive Summary

This report requests approval of a planned amendment to the agreement with AECOM Canada Ltd. for Owner's Engineer technical advisory services in support of the Design-Build phase on Valley Line Stage 1 (Southeast) and the Design-Build phase on Valley Line Stage 2 (West). These services are contemplated under the competitively procured engineering services agreement and funding for this amendment is available within existing approved capital budgets.

This amendment allows Administration to retain the existing Owner's Engineer team currently supporting the Valley Line Stage 1 (Southeast), and the design reviews for Valley Line Stage 2 (West), to undertake the construction monitoring, and contract administration of Valley Line Stage 2 (West) up to the end of 2027. Details of the amendment are found in Attachment 1.

It is recommended that Attachment 1 remain private as it contains commercially sensitive information about a third party that the City is obligated to keep confidential, legal advice and advice from officials, and the disclosure would be harmful to the City's economic interests pursuant to the *Freedom of Information and Protection of Privacy Act*.

Report

Background

The Valley Line is a 27-kilometre urban-style, low-floor LRT line that will operate between Mill Woods in southeast Edmonton and Lewis Farms in west Edmonton. The Valley Line was separated into two stages for project delivery: Valley Line Southeast (between 102 Street downtown and Mill Woods Town Centre) and Valley Line West (between 102 Street downtown and Lewis Farms Transit Centre).

In 2011, a competitive procurement process was held to engage engineering services for preliminary engineering of the entire Valley Line LRT from Mill Woods Town Centre to Lewis Farms (Southeast to West). This procurement included planned extensions based on the potential for the project to advance from preliminary design to construction. The successful proponent was ConnectEd Transit Partners, a consortium led by AECOM Canada Ltd. with several sub-consultants including Hatch, Dialog, ISL Engineering and Land Services, Mott MacDonald, and others.

The award of the initial engineering services agreement was approved by the 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 2013, the City received funding to proceed with public-private partnership (P3) procurement for the Valley Line Stage 1 (Southeast). The engineering services agreement was amended and approved by the former Council-appointed LRT Governance Board to reflect the additional scope and budget for the procurement phase.

Following funding approvals to proceed with design and construction on the Valley Line Stage 1 (Southeast), planned extensions to the engineering services agreement occurred in 2014 and 2016 for full P3 procurement, and to provide Owner's Engineer services such as design reviews and technical advisory services during the Design-Build phase of the Valley Line Stage 1 (Southeast). These amendments were within the approved project budget; therefore, the former 2013 LRT Governance Board approval provided Administration with the contracting authority for such amendments.

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 (West) 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 (West). On December 6, 2016, Executive Committee approved the planned extension to the engineering

services agreement to support this work with another two extensions to the agreement (Integrated Infrastructure Services report CR_4233, Valley Line LRT Extension of Engineering Contract for West Expansion). The first extension accommodated a schedule extension for PTIF projects and provided an engineering analysis of possible grade separations along the route as requested by City Council. The second extension provided procurement phase technical advisory services.

On December 2, 2019, Executive Committee approved the planned extension to the engineering services agreement to retain the existing Owner’s Engineer team to support ongoing monitoring and administration of the Design-Build phase of Valley Line Stage 1 (Southeast) (Integrated Infrastructure Services report CR_7636, Valley Line Southeast Contract Amendments). On May 11, 2020, City Council approved the planned extension to the engineering services agreement to retain the existing Owner’s Engineer team to support the full Design-Build-Finance procurement phase of Valley Line Stage 2 (West) (Integrated Infrastructure Services report CR_8031, Valley Line West Contract Amendments).

This report requests approval of the planned amendment to the agreement with AECOM Canada Ltd. for Owner's Engineer technical advisory services in support of the Design-Build phase on Valley Line Stage 1 (Southeast) and the Design-Build phase on Valley Line Stage 2 (West), contemplated under the competitively procured engineering services agreement. Administration evaluated the costs and risks of a competitive procurement and determined the planned amendment represented the best value for the City. Details of the amendment are found in Attachment 1.

Budget/Financial

The contract adjustment outlined in this report for Valley Line Stage 2 (West) was planned and will be funded within existing approved capital budgets from Valley Line LRT: Downtown to Lewis Farms (Capital Profile #16-66-7017). The contract adjustment outlined in this report for Valley Line Stage 1 (Southeast) will be funded within existing approved capital budgets from Valley Line LRT (Capital Profile #11-66-1673).

Public Engagement

Public engagement was not undertaken for this report. The recommendation to amend the agreement as set out in Attachment 1 is based on a business case and project management approach in line with the existing capital budgets.

Corporate Outcomes and Performance Management

Corporate Outcome: Goods and services move efficiently			
Outcome	Measure	Result(s)	Target(s)

Goods and services move efficiently	Travel time and reliability of goods and services movement (time in minutes and seconds to drive 10-km route)	10:09 - 50% of time 13:35 - 85% of time (2017)	12:30 - 50% of time 16:00 - 85% of time (2018)
Corporate Outcome: Edmontonians use public transit and active modes of transportation			
Outcome	Measure(s)	Result(s)	Target(s)
Edmontonians use public transit and active modes of transportation	Transit ridership (rides per capita)	91.6 (2017)	105.0 (2018)
	Journey to work mode (percent of survey respondents who select auto passenger, transit, walk, cycle, or other)	26.1% (2016)	25.9% (2018)
Corporate Outcome: The City of Edmonton has sustainable and accessible infrastructure			
Outcome	Measure	Result	Target
The City of Edmonton has sustainable and accessible infrastructure	Infrastructure Density (city's population divided by the total kilometres of infrastructure)	56.5 (2017)	Increase over previous year

Risk Assessment (if not approved)

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Financial	Contract amendment delayed or not approved. Outcome: insufficient funds to retain Owner's Engineer	3 - Possible	3 - Major	9 - Medium	Bring report to Council in a timely manner	Bring report to Council in a timely manner
Project Management	Contract amendment delayed or not approved. Outcome: disruption to ongoing administration of the P3 agreement and loss of	3 - Possible	3 - Major	9 - Medium	Bring report to Council in a timely manner	Prioritize project management and P3 administration tasks and review availability and allocation of resources

	experienced Owner's Engineer team members					
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Attachment

1. Valley Line Professional Services Agreement Amendment Approval (PRIVATE)

Others Reviewing this Report

- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- K. Fallis-Howell, Acting City Solicitor