



Motion Memorandum

SUBJECT: Metrolinx Infrastructure Project – Burloak Grade Separation Contract Award

TO: Mayor and Members of Council

FROM: Mayor Marianne Meed Ward

Date to Committee: N/A

Date to Council: March 1, 2022

Motion for Council to Consider:

Whereas in July 2015 the Federal and Provincial Governments announced that they would be funding 100 per cent of the Burloak Grade Separation Project. This was retracted after the election; and

Whereas in October 2015 once the City of Burlington and Town of Oakville were advised that there would be no funding provided as was initially announced, they hired a consultant and obtained a cost estimate of \$30 million to construct the grade separation and advised Metrolinx that they were qualified and able to deliver the grade separation project; and

Whereas in April 2017 Metrolinx advised that the Burloak Grade Separation project would be included as part of an eight-project contract that was to be tendered for work along the Lakeshore West Corridor. This process was to ensure the grade separation was completed at a lower cost and improved timeline. Metrolinx provided three external estimates for costing; and

Whereas in October 2017 Metrolinx and the City of Burlington and Town of Oakville began working on an agreement regarding the construction of the Burloak Grade Separation; and

Whereas between 2015 and 2018 a Transit Project Assessment Process (TPAP) and preliminary designs were completed along with the tender package. In April 2018 a tender went out for the eight projects with a planned tender close of October 2018, financial close was to be March 1, 2019 with substantial completion in 2023; and

Whereas on October 12, 2018 all parties agreed on a capped cost share, of 50 per cent Metrolinx and 25 per cent each for Burlington and Oakville, for a total project cost of \$60 million; and

Whereas in April 2019 Metrolinx changed schedule 34 of the assignment around track blocks and rail operations, excluding municipalities from this process. These changes as well as the station removals pushed out the RFP closure; and

Whereas from May 2021 to now, Metrolinx reviewed tender submissions and began cost and scope negotiation with a preferred proponent. Municipalities were excluded from this process; and

Whereas since June 2021 the financial cost of the projects were known by Metrolinx as well as massive cost overrun compared to project budget. Municipalities were excluded from process; and

Whereas on February 18, 2022 Burlington and Oakville Mayors were advised by Metrolinx staff, separately and without city or town staff project leads, of the \$177 million project cost and to verbally request that the municipalities each must contribute an additional \$18.5 million on top of the agreed capped \$15 million cost share; and

Whereas on February 24, 2022 Metrolinx met with municipal staff from Burlington and Oakville to verbally advise them that each municipality would now be required to provide an additional \$29.25 million on top of agreed capped \$15 million cost share, for a total share of approximately \$45 million; and

Whereas on February 28, 2022 Metrolinx achieved Financial Close and Infrastructure Ontario made a formal announcement on the successful proponent; and

Whereas since this project started, seven years ago, City of Burlington, Town of Oakville and Metrolinx staff have been working collaboratively and diligently on the design costing and procurement of the Burloak Grade Separation. Staff from all three organizations were meeting regularly throughout this time; and

Whereas the Mayors of Burlington and Oakville wrote to Mr. Phil Verster, President and CEO of Metrolinx, copying the Premier of Ontario and the Minister of Transportation on February 25, 2022, requesting Metrolinx's immediate engagement in further substantive discussions with the two municipalities, with the hopes of resolving this matter to our mutual agreement;

Now therefore be it resolved that Burlington City Council formally support the above noted correspondence and request the intervention of Mr. Phil Verster, President and CEO of Metrolinx, the Premier of Ontario, the Minister of Transportation and the local MPPs in resolving this matter; and

Further that the Mayor and City Manager convey to Metrolinx:

that Burlington City Council does not believe that it is reasonable or fiscally responsible to ask that the municipalities cover the substantial cost escalations, and that Burlington City Council requests that Metrolinx adheres to the previously agreed upon capped costing arrangement for the Burloak Grade Separation Project;

And that it is Burlington City Council's expectation that the Government of Ontario will support the City of Burlington, including provision of additional capital funding if required, to ensure that the previously agreed upon capped costing arrangement is adhered to by Metrolinx.

Reason:

We are extremely concerned about the manner in which this procurement process has been handled by Metrolinx and, in particular, the complete lack of transparency regarding the capital cost escalation with the principal partners: the Town of Oakville and the City of Burlington. This treatment of municipal partners and our taxpayers is of great concern.

Outcome Sought:

That Metrolinx adheres to the previously agreed upon capped costing arrangement for the Burloak Grade Separation project and the City of Burlington's financial contribution to the project does not exceed \$15 million.

Vision to Focus Alignment:

(check those that apply)

- ☐ Increase economic prosperity and community responsive city growth
- ☒ Improve integrated city mobility
- ☒ Support sustainable infrastructure and a resilient environment
- ☐ Building more citizen engagement, community health and culture
- ☐ Deliver customer centric services with a focus on efficiency and technology transformation

Motion Seconded by: Councillor Paul Sharman, Ward 5
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Approved as per form by the City Clerk,

Reviewed by the City Manager - In accordance with the Code of Good Governance, Council-Staff Relations Policy and an assessment of the internal capacity within the City to complete the work based on a specific target date (quarter/year).

Comments:

City Clerk: none

City Manager: none