

BOARD OF DIRECTORS

- DATE OF MEETING:** January 23, 2020
- TIME OF MEETING:** 3:00 p.m.
- PLACE OF MEETING:** Union Station West Wing
97 Front Street West
Toronto, Ontario M5J 1E6
- J. Robert S. Prichard, 4th Floor
- CHAIR:** Don Wright
- PRESIDENT & CEO:** Phil Verster
- MEETING SECRETARY:** Alba Taylor, Corporate Secretary and Senior Legal Counsel
- MEMBERS PRESENT:** Kathy Bardswick (via teleconference)
Rick Byers
Bryan Davies
Janet Ecker
Luigi Ferrara
Anne Golden (until 4:30 p.m.)
Michael Kraljevic
Tony Marquis
Emily Moore (via teleconference)
Reg Pearson
Robert Poirier
Clio Straram
Paul Tsaparis
- REGRETS:** None
- OTHERS PRESENT:** Mark Childs, Chief Marketing Officer
Matt Clark, Chief Capital Officer
Mathieu Goetzke, Chief Planning Officer
Jennifer Gray, Chief Financial Officer
Heather Platt, Executive Vice President and General Counsel
Leslie Woo, Chief Development Officer
Ann Marie Chung, Manager, Planning Analytics
Mark Ciavarro, Program Sponsor, Line 2 East Extension

Stephen Collins, Program Sponsor, Subways-YNSE
Joshua Engel-Yan, Program Sponsor, Eglinton West Extension
Trevor Geach, Legal Counsel
Rob Granatstein, Director, Corporate Communications
Becca Nagorsky, Director, Project Planning
David Panici, Senior Manager Sponsor, Eglinton West Extension
Matt Routley, Director, Research & Planning Analytics
Richard Tucker, Commercial Operations Management
Mark Waters, Technical Director, Subways, CPG
Charles Wheeler, Project Director-SSE and Technical Director-YNSE, Subways
Steven Robins, Infrastructure Ontario

1. Call to Order and Remarks by Chair

Chair Donald Wright called the meeting to order at 3:00 p.m. The Chair confirmed there was quorum and that the required notice of the meeting as stipulated under the By-Law of the Corporation had been sent.

No conflicts of interest were declared.

2. Publishing Business Cases

Matt Routley, Director, Research & Planning Analytics, Mathieu Goetzke, Chief Planning Officer, and Matt Clark, Chief Capital Officer, presented a report on the publication of business cases for transit projects, describing the basis for Metrolinx's current practices, and the desire to continue publication to support decision-making and transparency. However, staff identified the need for current practices to evolve to keep pace with related Provincial governance expectations and procurement processes including Treasury Board approvals. The protocol will also be clarified to apply to transit projects.

The Board asked what criticisms Metrolinx might face for changing its practices, and how Metrolinx will respond. Staff described how Metrolinx's business case framework has matured, with multiple business cases developed over the project lifecycle, and each iteration presenting more mature benefits, options and cost analysis as project information similarly matures. The revised protocol is a reflection of this evolution. Staff further noted that business cases are focused on transit benefits and do not take into account wider economic benefits.

The Board discussed the role business case publication plays in informing the public about Metrolinx initiatives and decision-making, and the other public forums through

which individuals and communities may engage in project planning and decision making processes. Staff confirmed that the obligation to publish business cases in support of corporate decision-making will be maintained under the proposed updates to the protocol.

The Board considered Metrolinx's role and how Metrolinx's business case methodology and decision making processes can support Provincial decision making, even where project choices and priorities are made at the Provincial level. The Board asked staff to think about other opportunities to communicate early project analysis.

RESOLVED:

THAT, as described in the Chief Planning Officer's January 23, 2020 report, the Board direct staff to ensure all business cases, over the lifecycle of Metrolinx transit projects with infrastructure costs over \$50 million, be publicly released as part of the Board decision-making process;

AND THAT the previous Board direction relating to the publication of business cases approved on December 7, 2017 be repealed and replaced with the foregoing direction.

Carried

3. Eglinton Crosstown West Extension

Mathieu Goetzke, Matt Clark, Richard Tucker, Commercial Operations Management, Joshua Engel-Yan, Program Sponsor, Eglinton West Extension, Becca Nagorsky, Director, Project Planning, and Steven Robins, Infrastructure Ontario, provided an update on the Eglinton Crosstown West Extension Project including proposed alignment, stations and construction options, and the unique challenges and opportunities posed by the mainline project currently under construction. Subject to Treasury Board approval, staff confirmed they will return to the Board for contract authority prior to the issuance of any RFP.

Staff described efforts underway to advance the project as quickly as possible, including pursuing planning, design, procurement and construction streams concurrently (through, for example, early contractor involvement), and the timing of related Treasury Board approvals. Staff described how the current proposal to advance the tunnelling contract as part of a partial Stage 2 approval is aligned with this approach, and confirmed that interface risks with the balance of the project and subsequent procurements are being evaluated. The Board considered the procurement options and approaches proposed by staff against cost, scope,

scheduling, and risk transfer preferences and priorities.

The Board discussed the overall value of the project, the current benefit cost ratios for each alignment option, and the impact of costs on that ratio.

Finally, the Board discussed opportunities for network optimization (including number and location of stops, impacts on costs, and integration with other service offerings such as the Mississauga bus rapid transitway), risks of service area overlap and customer cannibalization, preferred station locations and urban development opportunities, and impacts on the business case of the development of the airport transit hub.

RESOLVED, as described in the report prepared by the Chief Planning Officer, Chief Capital Officer, and Head Sponsor, Subway Program, entitled "Subways Program - Eglinton Crosstown West Extension - Project Update" and any further amendments directed by the Board at its meeting on January 23, 2020;

THAT, the Board endorses the results of the Eglinton Crosstown West Extension Initial Business Case (IBC);

AND THAT, Metrolinx staff, in collaboration with the Ministry of Transportation and Infrastructure Ontario, seek Treasury Board approval for the overall scope of the ECWE project and Stage 1 (Project Planning) and partial Stage 2 (Construction) approval, which will include contract authority to enter into a Design-Build-Finance (DBF) contract for the advance tunnel works, and budget authority to commence early works including property acquisition and utility relocations;

AND THAT, subject to Treasury Board approval, staff return to the Board for procurement and contract approvals for the DBF and early works contract in accordance with Metrolinx's policies.

Carried

4. Scarborough Subway Extension

Mathieu Goetzke, Matt Clark, Richard Tucker, Steve Robins, Becca Nagorsky, and Mark Ciavarro, Program Sponsor, Line 2 East Extension, provided an update on the Scarborough Subway Extension Project.

Staff provided an overview of the proposed alignment, work phasing, scheduling, and approval timings for the project. Staff described the benefits to be gained through the project, and the impact of costs on the benefit cost ratio. Staff explained why the base case, used for the purposes of calculating the benefit cost ratio, could

not rely on the existing Scarborough SRT service since it is at end of life and must be replaced. Staff described some of the reasons for the proposed work phasing and contracting, such as advancing the tunnelling contract and including Kennedy station work as part of the early works package.

The Board discussed maintenance strategies for both the Yonge North and Scarborough extensions (including the role of the TTC), maintenance yard requirements, and opportunities for improving efficiencies, mitigating interface risks and realizing cost savings by collaborating with the TTC and leveraging prior work. Current market conditions (including capacity to bid on concurrent subways work streams), risk transfer considerations and other mitigation measures (such as work packaging) were also considered.

RESOLVED, as described in the report prepared by the Chief Planning Officer, Chief Capital Officer and Head Sponsor, Subway Program, entitled "Subway Program - Scarborough Subway Extension Update", and any further amendments directed by the Board at its meeting on January 23, 2020:

THAT the Board endorses the results of the Scarborough Subway Extension (SSE) Preliminary Design Business Case (PDBC);

AND THAT, Metrolinx staff, in collaboration with the Ministry of Transportation and Infrastructure Ontario, seek Treasury Board approval for the overall scope of the project and Stage 1 (Planning) and partial Stage 2 (Construction) approval, which will include contract authority to enter into a Design-Build-Finance (DBF) contract for the advance tunnel works and budget authority to commence early works including upgrades at Kennedy Station, property acquisition and utility relocations;

AND THAT, subject to Treasury Board approval, staff return to the Board for procurement and contract approvals for the DBF and early works contracts in accordance with Metrolinx's policies.

Carried

5. Other Business

CEO Phil Verster thanked the Board for attending the meeting and supporting the advancement of these projects.

The Board briefly discussed leadership changes at Infrastructure Ontario (IO), the achievements Metrolinx and IO have accomplished together, and the importance of continuing a collaborative relationship with any successor.

There was no other business to discuss.

6. Adjournment

There being no further business before the Board of Directors, the meeting was adjourned at 4:40 p.m.

Carried

Donald A. Wright, Chair

Alba Taylor, Secretary

c/s