

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON NOVEMBER 29, 2016
FROM:	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER
SUBJECT:	SHIFT RAPID TRANSIT IMPLEMENTATION OFFICE

RECOMMENDATION

That on the recommendation of the Managing Director, Environmental & Engineering Services and City Engineer, this report **BE RECIEVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

The relevant reports that can be found at www.london.ca under City Hall (Meetings) are:

- Civic Works Committee - June 19, 2012 - London 2030 Transportation Master Plan
- Civic Works Committee - October 7, 2013 – Bus Rapid Transit Strategy
- Civic Works Committee – July 21, 2014 – Rapid Transit Corridors Environmental Assessment Study Appointment of Consulting Engineer
- Civic Works Committee – June 2, 2015 – Rapid Transit Funding Opportunities
- Civic Works Committee – August 24, 2015 – Shift Rapid Transit Initiative Appointment of Survey Consultants
- Strategic Priorities and Policy Committee – January 28, 2016 – Downtown Infrastructure Planning and Coordination
- Strategic Priorities and Policy Committee – November 9, 2015 - Shift Rapid Transit Update
- Strategic Priorities and Policy Committee – May 5, 2016 – Shift Raid Transit Business Case
- Civic Works Committee – August 22, 2016 – Rapid Transit Environmental Assessment Study Consulting Fees Amendment
- Civic Works Committee – October 4, 2016 – Infrastructure Canada – Phase One Investments – Public Transit Infrastructure Fund

2015-19 STRATEGIC PLAN

Municipal Council has recognized the importance of rapid transit and improved mobility in its 2015-2019 - Strategic Plan for the City of London ([2015 – 2019 Strategic Plan](#)) as follows:

Strengthening Our Community

- Healthy, safe, and accessible City

Building a Sustainable City

- Robust infrastructure
- Convenient and connected mobility choices
- Strong and healthy environment
- Beautiful places and spaces
- Responsible growth

Growing our Economy

- Local, regional, and global innovation
- Strategic, collaborative partnerships

Leading in Public Service

- Collaborative, engaged leadership
- Excellent service delivery

BACKGROUND

On May 31st 2016, Council approved the Business Case for the Full Bus Rapid Transit alternative. The Shift Rapid Transit initiative is progressing forward and the Environmental Assessment approvals are targeted for completion in 2017. The review of the Business Case by the Province is being completed and funding requests have been submitted with the objective of securing a funding commitment for this project in the near term.

The implementation of a project of this scale requires dedicated resources focused on its successful delivery. The Rapid Transit project is similar in scale and magnitude to entire divisional capital programs. The unique nature of the project and its limited implementation timeline requires a project management structure that minimizes undue risk of project delivery failure.

At its meeting on May 31st 2016, Municipal Council resolved that:

“the Civic Administration BE DIRECTED to provide a future report detailing the needs and approach to establishment of a Rapid Transit Implementation Office.”

This report provides Committee and Council with an outline planned approach to the organizational framework for the establishment of a Rapid Transit Implementation Office (RTIO).

Context

The Shift Rapid Transit project will transform 24 kms of roadway into integrated transportation mobility corridors with enhanced streetscapes and stations. The project will be the largest single infrastructure initiative that the City has undertaken that will not only shape the future transportation system but will be a catalyst for development and city building.

The creation of dedicated project implementation offices for large undertakings is common. Dedicated rapid transit offices have recently been established in the Region of Waterloo, City of Mississauga, City of Hamilton, York Region and City of Ottawa. The provincial funding agreements associated with many of these projects require the provision of dedicated staff resources to expedite the delivery of the projects and as an assurance of project delivery.

The delivery of large scale transportation projects via the establishment of dedicated

teams is a proven model. Large scale projects cannot be added incrementally to the responsibilities of in-place organizational structure without introducing undue risk to the achievement of project goals. Potential consequences include cost overruns, schedule delays and contravening funding agreement commitments.

DISCUSSION

The rapid transit project delivery is similar in scale to other entire capital programs in the Environmental and Engineering Services Divisions. The project is unique in nature, with respect to the complexity, risks and required skill sets. The capital project has a fixed implementation timeline of approximately a decade and therefore will utilize consultants to deliver the majority of services.

The internal RTIO would manage the project, provide guidance to the consulting teams, undertake technical review, coordinate consultation/communication, coordinate with Infrastructure Ontario/Ministry of Transportation and lead the implementation.

The planned approach for the capital implementation of the Shift Rapid Transit Initiative follows the proven model described above for project delivery. The office will involve dedicated multi-disciplinary resources under the direction and management of the RTIO. The following core supports are planned for the delivery of the rapid transit project will include the following:

- Engineering and expertise in the areas of Transportation, Wastewater/Stormwater Engineering, Water Engineering, Planning/Urban Design, and Transit Planning specialties (LTC) to review, assess and manage the consulting assignments and implementation of construction;
- Realty expertise for the acquisition of property required for the project
- Legal expertise to support realty processes, contractual and construction issues;
- Communications expertise leading both engagement and communications functions; and,
Financial expertise for project monitoring and compliance

The RTIO will be supported by corporate and operational services as required. Depending on project pressures in the various project phases, it is possible that temporary resources may need to be arranged for these supporting services.

Implementation

The total number of projected temporary work hours required throughout the different phases of the project typically ranges from 20 to 30 FTEs per year. The positions are on an as needed and temporary basis, some of which will only be utilized for a specific portion of the project.

The engagement of 3 key planned positions is required at this time to keep the project progressing. The recruitment of the RTIO Project Director is the top priority followed by the Engineering (Transportation) and Communications supports.

While funding from the provincial and federal levels of government has not been secured, these recruitments are required to support the completion of the Environmental Assessment and the first phases of the engineering design. It will also allow for a

quicker transition, continuity for future phases and help meet our targets in terms of meeting funding eligibility requirements associated with the Public Transit Infrastructure Fund.

Funding

The capital funding of the rapid transit project is anticipated to be shared by the senior governments with the City contributing \$129 million. The funding for the consultant services as well as the RTIO operating costs (including office costs) will be allocated against the capital project, within the parameters set out in the funding agreements.

An estimate of the costs of the office has been developed and is attached in Appendix A. Funding is available in the current year to begin the recruitment for initial key positions.

CONCLUSION

The Shift Rapid Transit Initiative has been managed with existing resources to date. As the project grows and accelerates, additional resources are required to support the completion of the Environmental Assessment, first phases of the engineering design and to prepare for the commencement of construction subject to funding approval from the provincial and federal government.

The establishment of an implementation office is a common practice in the delivery of large scale infrastructure projects and has worked well in other cities that are implementing rapid transit as it helps expedite the process and provides a greater assurance in mitigating risks during project delivery.

The business case has been submitted to the provincial and federal government. Ongoing dialogue with the Ministry of Transportation on the technical approval of the business case has been positive. The discussion with senior government funding partners are underway and indications of the project becoming a reality are promising.

The establishment of a dedicated RTIO at this time allows for the resources required to support the completion of the Environmental Assessment, the first phases of the engineering design and will prepare for a quick transition to implementation and construction of the rapid transit network once funding commitments have been obtained.

Acknowledgements

This report was prepared with the assistance of Doug MacRae of Engineering and Environmental Services, Sue Miller of Human Resources and with input from the individual managers of many of the service areas.

SUBMITTED BY:	REVIEWED AND CONCURRED BY:
EDWARD SOLDI, P.ENG. DIRECTOR, ROADS & TRANSPORTATION	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
REVIEWED AND CONCURRED BY:	RECOMMENDED BY:
VERONICA MCALEA MAJOR MANAGING DIRECTOR, CORPORATE SERVICES AND CHIEF HUMAN RESOURCES OFFICER	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER

Appendix A: Preliminary Estimate of Costs

**Appendix A
Rapid Transit Implementation Office
Preliminary Estimate of Costs**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
FTE	3	21	24	24	24	24	23	23	18	15
Estimated Cost \$	554,691	2,612,631	2,982,565	3,039,234	3,096,980	3,155,822	3,022,607	3,080,037	2,555,085	2,279,731
Outfitting Cost\$	0	110,000	125,000	125,000	125,000	125,000	115,000	115,000	90,000	75,000
Total \$	554,691	2,722,631	3,107,565	3,164,234	3,221,980	3,280,822	3,137,607	3,195,037	2,645,085	2,354,731