

GO RER Package 3 surprises, concerns stakeholders

Don Wall April 19, 2018



ANTHONY EASTON/FLICKR C.C. 2.0 — Metrolinx’s original timeline called for the electrification of seven GO corridors by 2025. Infrastructure Ontario president and CEO Ehren Cory said Package 3 bidders would be asked to have service improvements in place starting in 2023 but admitted, “The schedule is going to be a challenge.”

Construction stakeholders expressed surprise and concern as they contemplated the unprecedented scope and size of the Metrolinx GO Regional Express Rail (RER) Package 3 project that was officially unveiled recently.

Andy Manahan, executive director of the Residential and Civil Construction Alliance of Ontario, spent a couple of days consulting with executives in the construction sector after the Package 3 request for qualifications (RFQ) was released April 3.

“The more I dig into this, the more complicated it gets,” said Manahan.

Clive Thurston, president of the Ontario General Contractors Association (OGCA), said he had concerns over how many teams would be able to bid on the project as well as whether Ontario had enough skilled workers to handle the extensive electrification and other components of the project. Foreign firms might dominate the bids with their different work cultures and health and safety practices, he suggested.

“There are huge implications to this,” said Thurston.

“There are always concerns about the industry’s capacity. The industry is busy right now, you know the stories about shortages of workers. Something like this is going to put stress on not just the workers but the management to co-ordinate and organize this. That’s huge because of the variety of things included here. You’re buying rolling stock, come on.”

The scope of work in Package 3 as described in the statement announcing the RFQ includes operation of train services including train driving; timetable planning, train control and dispatch for all operators across the GO-owned network; design, build, finance, integration and maintenance of the railway corridor including civil infrastructure, tracks, electrification and signalling; maintenance of all rolling stock and procurement of new fleets; construction of new maintenance and train storage facilities; and reconstruction of Union Station track and platforms.

Infrastructure Ontario (IO) is managing the procurement for Metrolinx. In a statement, IO president and CEO Ehren Cory called the project a “once in a generation project.”

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— Ehren Cory

Infrastructure Ontario

Cory said in an interview IO is confident the Canadian construction industry supplemented by international expertise can successfully pull the build off.

“We have spent a lot of time talking to our domestic industry,” he said. “First, this program will get done, but the heart of the program will come from local industry. Construction projects require on-the-ground skills and expertise that there is no substitute for, that will come from local suppliers big and small, trades, subcontractors and subs to them. There will be a huge ecosystem of local firms who will be at the heart of getting this work done.”

The participation of foreign firms will introduce innovations to the domestic market, he said, such as new tunnelling and bridge-building techniques. Canada will gain expertise on the rail operations and the design side.

With Ontario having invested heavily in infrastructure over the past 15 years, he said, there are already many foreign companies who have set up Canadian branches staffed by Canadians, and the process will continue.

Manahan said he had heard the value of the project was \$18 billion dollars, \$9 billion for civil infrastructure and \$9 billion for train procurement and operations. Cory said IO’s working estimate for all of the capital associated with Package 3 is in the \$8- to \$9-billion range, including vehicles, civil works and electrification, and then decades of operations will be costed in the billions beyond that.

Thurston said the logical move would be for IO to split the project into two parts — civil construction works, and then train procurement and operations. Cory responded Package 3 is being procured as one project to enable optimum integration of the components of the project.

“There is integration between rolling stock and the signalling system, which have to talk to each other, it is integration between platforms and vehicles that have to come to them, what is called the wheel rail interface,” he said.

“When you have separate contracts for things like vehicles, and rail and signalling, and electrification, all of the problems that occur at the intersection of these things...those revert back to the owner, who sits in the middle. Doing it as one project creates and values the industry to step up and find ways to integrate those pieces and make them work as a unit.”

Also, having one contract allows the winning team to more easily take into account evolving innovations on electrification technology over the next few years, said Cory — there could be traditional overhead electrification structures built, or perhaps new hydrogen technology with power packs will be ready for use.

Metrolinx is currently working with Alstom and Siemens on the hydrogen technology.

On the specialty skills point raised by both Thurston and Manahan, Cory said IO is confident Canadian workers and project managers are highly skilled and able to deliver the electrification component.

“I think there are great Canadian firms with skilled trades including in the electrification realm who will be able to deliver the work,” he said.

Thurston said he was concerned there might not be many bidders.

Cory said, “I won’t speculate how many bids we are going to get, but I think we are going to get a really competitive set of applicants to quality. And that will lead into a good and competitive RFP.”

He said market soundings earlier this year attracted more than 60 firms and they are now in the process of forming teams.

Another concern Manahan relayed from stakeholders was the cost of bids — he had been told teams of 80 staffers would have to work over a year at a cost of \$40- to \$60 million just to get a bid in, although IO has indicated it would subsidize bids.

Cory acknowledged the bids would require a lot of work and would cost “tens and tens” of millions of dollars, and that IO typically defrays a quarter to half the cost.

“We pay a design bid fee to reflect the price of the effort, and also because we are buying designs from the unsuccessful bidders,” he said.