



Finance, Audit and Risk Management Committee – November 30, 2016
Item 8c - Port Lands Flood Protection and Enabling
Infrastructure - Project Cost, Schedule and Risk Reporting
David Kusturin

Pursuant to the Consolidated Cost Management Report (attached), the following represents the financial status of the **Port Lands Flood Protection and Enabling Infrastructure Project (Due Diligence and Project Planning Phase)** as at October 15, 2016.

- Port Lands Flood Protection and Enabling Infrastructure Project **Anticipated Final Cost** is forecast to be on budget at **\$7.0 million**;
- **Current commitments** equal **\$6.34 million**;
- Forecast of additional **future commitments** for unawarded contracts, changes to current contracts, and staff time and expenses (“forecast but uncommitted”) equals **\$0.66 million**;
- All of the \$750 thousand **contingency** has now been allocated to cover specific additional tasks.

The technical and financial due diligence program (which received Capital Approval from the Board in May 2015) has been completed and peer-reviewed. The final Due Diligence Report, which sets out a recommended scope of work and budget of \$1.25 billion (in year-of-expenditure dollars), has been submitted to the three orders of government for their consideration and publicly released on October 20, 2016.

On October 26, 2016, the City of Toronto’s Executive Committee unanimously adopted a City Staff Report regarding Port Lands Flood Protection, which recommended that City Council approve implementation of the overall Port Lands Flood Protection and Enabling Infrastructure Project, as described in the Due Diligence Report. The report recommends that funding sources be identified for the City’s one-third share of the Project cost, subject to securing the remaining two-thirds share through provincial and federal contributions. The report further recommends that funding commitments be confirmed by the second quarter of 2017. At its meeting on November 8, 2016, City Council ratified the Executive Committee recommendation.

Further critical work necessary to secure environmental and other regulatory approvals, such as the Community Based Risk Assessment (CBRA), and to maintain the necessary momentum to ramp up for commencing overall Project implementation in the second quarter of 2017, is on-going. A Request for Proposals to pilot test soil and groundwater remediation and treatment technologies potentially applicable to the Port Lands area closed on September 9, 2016. 16 firms submitted proposals covering 51 different technologies. Bench scale testing of selected technologies will be initiated within the next couple of months.

On September 14, 2016, the governments of Canada and Ontario announced a bilateral agreement that will fund infrastructure projects through a Clean Water and Wastewater Fund. Under this program, \$65 million in combined federal, provincial, and municipal funding has been allocated to Essroc Quay Lakefilling, a project to be completed by Waterfront Toronto. While the Essroc Quay Lakefilling forms part of the proposed scope of work and budget for the overall Port Lands Flood Protection and Enabling Infrastructure Project, it is a self-contained and stand-alone project that can be advanced independently of the larger scope of work. At its November 8, 2016 meeting, Toronto City Council also approved proceeding with the Essroc Quay Lakefilling capital project, including the authorization of \$16.25 million in City funding contributions. Given the tight time frames for completing this project, Waterfront Toronto’s Board of Directors at its October 25, 2016 meeting approved the commitment of up to \$2 million, pending contribution agreement execution.

**PFP01-00: Portlands Flood Protection and Enabling Infrastructure - Due Diligence and Project Planning
Cost Management Report as at 15-October-16**

Cost Category	Current Budget	Total Committed	Total Cost Incurred to Date	Forecast Add'l. Commitments	Anticipated Final Cost	Variance to Budget	% Complete to Date
Professional Services	4,025,000.00	3,914,439.86	2,603,949.91	350,000.00	4,264,439.86	-239,439.86	61.06%
Financial Due Diligence	250,000.00	216,775.00	175,229.50	33,225.00	250,000.00	0.00	70.09%
Peer Review	125,000.00	117,120.00	23,520.00	7,880.00	125,000.00	0.00	18.82%
Program Management, Project Planning & Implementation	1,850,000.00	2,018,702.10	1,729,169.54	262,698.82	2,281,400.92	-431,400.92	75.79%
Sub-total Soft Costs	6,250,000.00	6,267,036.96	4,531,868.95	653,803.82	6,920,840.78	-670,840.78	65.48%
NRHST	incl. above	72,275.77	48,909.02	6,883.45	79,159.22	-79,159.22	61.79%
Sub-total (excluding Contingency)	6,250,000.00	6,339,312.73	4,580,777.97	660,687.27	7,000,000.00	-750,000.00	65.44%
Contingency	750,000.00	incl. above	incl. above	incl. above	incl. above	750,000.00	N/A
GRAND TOTAL	7,000,000.00			660,687.27	7,000,000.00	0.00	65.44%

Key Project Statistics:	TODAY	31-Jul-16
Total Current Project Budget: \$	7,000,000	\$ 7,000,000
Total Committed: \$	6,339,313	\$ 6,179,892
Anticipated Final Project Cost: \$	7,000,000	\$ 7,000,000
Forecast Budget Overrun:		
Unallocated Contingency: \$	-	\$ 300,000
Allocated Contingency (incl. in Anticipated Final Project Cost): \$	750,000	\$ 450,000