

# Finance, Audit & Risk Management Committee Meeting

# Agenda and Meeting Book

THURSDAY, SEPTEMBER 22, 2022 FROM 9:00 AM TO 12:00 PM MICROSOFT TEAMS MEETING



Meeting Book - Finance, Audit & Risk Management Committee Meeting

# Agenda - Thursday, September 22, 2022

# Public Session Agenda

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9:00 a.m.	1. Land Acknowledgement	Information	K. Sullivan
9:05 a.m.	2. Motion to Approve Meeting Agenda	Approval	K. Sullivan
9:05 a.m.	3. Declaration of Conflicts of Interest	Declaration	K. Sullivan
9:10 a.m.	4. Consent Agenda		
	a) Highlights of Key Messages - 5	Information	All
	b) DRAFT Minutes Open Session FARM May 26, 2022 Meeting - 7	Approval	All
	c) Q1 2022/23 Macro Dashboard (Corporate & Project Reporting):	Information	L. Taylor
	Cover - 14		
	Macro Dashboard - 15		
	i. Finance & Administration Dashboards:		
	a) Corporate Plan Performance Dashboard - 16	Information	L. Taylor
	b) Enterprise Risk Management	Information	L. Taylor / M. Santos
	Dashboard - 18		Camoo
	c) Audit	Information	L. Taylor / M. Santos
	Dashboard - 19		<b>5</b> 45
	d) Liquidity and Cash Flow Forecast - 22	Information	L. Taylor
	e) Q1 Interim Financial Statements June 30, 2022	Information	L. Taylor / S. Chandane
	Coversheet - 24		Onandano
	FS & Notes June 30, 2022 - 25		
	ii. Capital Projects:		
	a) Port Lands Flood Protection (PLFP) Dashboard	Information	D. Kusturin
	Executive Summary Q1 2022-2023 - 38		
	PLFP Dashboard - June 2022 - 40		
	b) Lake Shore Blvd East (LSBE) Dashboard	Information	D. Kusturin

Executive Summary Q1 2022-2023 - 49

Lake Shore Blvd E Bridge Public Realm - June 2022 - 50

	50		
	d) Quarterly Procurement Report - 53	Information	M. Boboc
	e) Regulatory and Operational Compliance Report - 55	Information	D. Kusturin / I. Ness / L.
	f) Fundraising Dashboard - 59	Information	Taylor I. McMullan
	g) Environmental Social Governance (ESG) Update - 61	Information	L. Taylor
9:40 a.m.	5. Supplementary Capital Approval   East Bayfront Precinct - In-Water Pipes and Infrastructure	Approval	N. Tolkunow / I. Coito
	Coversheet - 63		
	Presentation - 64		
9:55 a.m.	6. Port Lands Flood Protection (PLFP) Update		
	a) PLFP Program Update - 84	Information	D. Kusturin
	b) Report of the Independent Capital Monitor	Information	BTY Consulting Group Inc.
	Coversheet - 107		G. 6 ap6.
	CPMAS Report #16 - 108		
10:15 a.m.	7. Internal Audit Update	Information	V. Bila MNP LLP
	Coversheet - 136		
	Appendix 1 MNP - WT Internal Audit Plan Status Update - 137		
	Appendix 2 ERP Lessons Learned Planning Memo July 27, 2022 - 140		
10:25 a.m.	8. Independent Insurance Program Review	Information	L. Taylor / I. Ness
	WT Insurance Program Independent Review - 148		
10:30 a.m.	9. Motion to go into Closed Session	Approval	All
	Closed Session Agenda The Committee will discuss items 10, 11, 12, 13, 14 and 15 being consideration of the draft minutes of the Closed Session of the May 26, 2022 FARM meeting, Cyber Security Risk Profile, Fundraising Strategy Review, Credit Strategy & Liquidity Review, Port Lands Flood Protection (PLFP) Interim Cost Estimate Update, and the Committee Chair Discussion, respectively, in a Closed Session as permitted by By-Law No.2 of the Corporation. The exception relied upon for the discussion for item 10 is provided in the minutes of the Open Session May 26, 2022 FARM Committee meeting under item 4(b) of this agenda, for item 11 is Section 6.1.1(a), for item 12 is Section 6.1.1(k), for item 13 is Section 6.1.1(b) of By-Law No. 2. The Committee will continue in Open Session at the end of the Closed Session to vote on any resolutions pertaining to the Closed Session.		
	Closed Session - 149		
11:50 a.m.	16. Motion to go into Open Session	Approval	All
	Public Session Agenda		
11:55 a.m.	17. Resolution(s) Arising from the Closed Session	Approval	All
	Form - 150		

12:00 p.m.

	18. Motion to terminate the Meeting	Approval	All
FYI	Next Meeting: Thursday, November 24, 2022	Information	All
FYI	Upcoming Board and Committee Meetings	Information	All
	Schedule - 151		



# Finance, Audit and Risk Management Committee – September 22, 2022 Item 4 (a) Meeting Materials - Highlights of Key Messages

Agenda Item	Key Message
4 c Macro Dashboard (FI)	Macro dashboard provides the Q1 2022/23 status summary of three core areas of FARM Committee mandate, namely Corporate Plan Performance, Finance and Administration (including enterprise risk, audit and liquidity) and capital projects, all of which are supported by individual dashboards under Items 4 c) i-ii.
4 c i a) 2022/23 Corporate Plan Performance (FI)	As of this report WT is on track to achieve the following for 2022/23:  • 85% of annual capital investment plan (\$342M of \$400M)  • 74% of annual revenues (\$345M of \$465M)  • 65% of key deliverables (24 out of 37)  • 84% of Performance Measure KPI Targets (16 out of 10)  Four key deliverables are deferred to a future year due to external influence and nine key deliverables may not be met due to funding, budget and/or schedule
4 c i b) Enterprise Risk Management (ERM) (FI)	uncertainties.  One new high residual enterprise risk this quarter for Port Lands Flood Protection project delivery due to realized budget and schedule risks (mitigation options to address these are proceeding). Remaining enterprise risk portfolio is stable with top risk areas under management being enterprise resource planning system risk, cyber security, financial self-sustainability and climate risk.
4 c i c) Audit Environment (FI)	Infrastructure Canada Program Review of Port Lands Flood Protection (PLFP) project completed April 2022 (final report anticipated next meeting). PLFP contribution agreement compliance government audit and Ontario Auditor General follow up audits continue. WT Internal Audit on Enterprise Resource Management (ERP) Implementation Lessons Learned initiated.
4 c i d) Liquidity / Cash Flow Forecast (FI)	Positive cash balance > \$50M with no requirement to drawdown line of credit. Continued requirement for notional external borrowing from unspent project funds for certain projects. Increase in borrowing term to 2028 and limit to \$90M fully approved by all three governments effective May 2, 2022. Refer Item 13 for Line of Credit Strategy.
4 c i e) June 30, 2022 Unaudited Financial Statements (FI)	The financial activities for the three months ended June 30, 2022 are consistent with investment (\$67M compared to \$69M) and revenue levels (\$47M compared to \$50M) for the same period last year, largely due to the PLFP project.
4 c ii) Capital Projects (FI)	Waterfront Toronto projects are proceeding in accordance with the Board Approved Rolling Five Year Strategic Plan (2022/23—2026/27) except as otherwise noted. Several schedule and budget risks have been realized for the In-water pipe and PLFP projects. Management will quantify the range of budget risks on PLFP for the next reporting cycle and are providing an interim update in Agenda Item 14. The Lake Shore Blvd East — Bridge & Public Realm project (budget \$163.2M fully funded by City of Toronto) is progressing as planned.
4 d) Quarterly Procurement Report (FI)	Two exceptions to the Procurement Policy for single source goods and services contracts over \$25,000 (both less than \$50K). One construction contract over \$5 million awarded this quarter, for Quayside infrastructure (\$163M total value, initial release \$1.9M).
4 e) Regulatory and Operational Compliance Report (FI)	All required actions by the Corporation for regulatory compliance obligations have been performed as of June 30, 2022.
4 f) Fundraising Action Plan Update (FI)	Implementation of the Fundraising Action Plan is proceeding in accordance with the approved Rolling Five-Year Strategic Plan 2022/23-2026/27 and the revised Fundraising Action Plan approved December 2021.



# Finance, Audit and Risk Management Committee – September 22, 2022 Item 4 (a) Meeting Materials - Highlights of Key Messages

4 g) ESG Update (FI)	Quarterly report on Environmental, Social & Governance (ESG) and Waterfront Toronto's current initiatives in these areas.
5) Supplementary Capital Approval –East Bayfront Precinct In-Water Pipes and Infrastructure For Approval	Management is seeking a capital approval amendment to increase the budget for the East Bayfront In-water Pipe by \$5 M to \$28.75 M due to unforeseen budget and schedule challenges, and to amend the Corporation's Rolling Five Year Strategic Plan (2022/23-2026/27) accordingly.
6a) PLFP Update (FI)	Visual Progress Report from Chief Project Officer regarding the PLFP project.
6b) PLFP Independent Capital Monitor Report (FI)	Report #16 of the Independent Capital Monitor (BTY) notes: 1) that the PLFP project has no material scope changes; 2) that realized schedule risks have delayed the Substantial Performance of flood protection to June 2024 (from March 2024) and project completion including parks planting to December 2024, and; 3) that the approved budget remains \$1.185B however due to the extension in the Schedule, global supply issues, escalation and inflation, there is a potential of the Project being overbudget.
7) Internal Audit Plan Update (FI)	MNP LLP will provide an update on the status of the Corporation's Internal Audit Plan.
8a) Insurance Program Review (FI)	Report from independent insurance risk advisor, Intech Risk Management Inc. regarding the adequacy of WTs corporate insurance program.
11) Cyber Security Risk Profile (FI)	Bi-annual review of the Corporation's cybersecurity risk profile and mitigation strategies.
12) Fundraising Strategy Review (FI)	Mid-point progress review of WTs 24 month Fundraising Strategy approved by Board in December 2021.
13) Line of Credit Strategy & Liquidity Review For Approval	Review of proposed line of credit strategy for approval based on updated liquidity review and approved government consent.
14) Port Lands Flood Protection Interim Cost Estimate (FI)	Interim Cost Estimate Update from management regarding budget risks associated with the Port Lands Flood Protection project.

# MINUTES of the Open Session of the Finance Audit and Risk Management Committee Meeting of the Toronto Waterfront Revitalization Corporation Via Microsoft Teams Teleconference Thursday, May 26, 2022 at 9:00 a.m.

PRESENT: Kevin Sullivan (Chair)

Drew Fagan Michael Galego Jeanhy Shim

**REGRETS:** 

ATTENDANCE: WATERFRONT TORONTO

George Zegarac (Chief Executive Officer)

Lisa Taylor (Chief Financial Officer)
David Kusturin (Chief Project Officer)

Chris Glaisek (Chief Planning & Design Officer)

Julius Gombos (SVP, Project Delivery)

Rose Desrochers (VP, Human Resources and Administration) Cameron MacKay (VP, Communications and Engagement)

Pina Mallozzi (VP, Design)

lain McMullan (Executive Director, Philanthropy)
Alma Pjetra (Director, Program & Cost Management)
Marsiana Bahas (Asting Director, Programant)

Marciana Boboc (Acting Director, Procurement) Chris Shiers (Director, Information Technology)

Sampada Chandane (Director, Financial Management)

Mary Anne Santos (Director, Financial Planning)

Mira Shenker (Sr. Manager, Communications & Public Engagement)

Liv Bautista (Legal Counsel)

Ken Dion (Project Director, Port Lands Integration)
Ella Liu (Sr Analyst, Corporate & ESG Reporting)

Ian Ness (General Counsel)

Charmaine Miller (Executive Assistant to the CEO & Board Admin)

# Also, in attendance for part or all of the meeting were:

- Leslie Woo, Director, Waterfront Toronto
- Iswariya Tirunagaru, Analyst, Sarah Khan, Analyst, Investment, Partnerships and Innovation Branch, Jasmine Haghighi, Program Analyst, Laura Robbins, Program Analyst, Program Operations, Infrastructure Canada
- Chris Monahan, Director, Agency Policy and Accountability Branch, Hannah Verrips, Policy Advisor, Louis Bitonti, Senior Policy Advisor, Bill Raymond, Senior Policy Advisor, Andre James, A/Manager, Jonathon Vita, A/Manager, Agency Governance and Accountability Unit, Ontario Ministry of Infrastructure
- Louis Castillo, BTY Consulting

- Jeff Barratt, Rob Clause, Sanjana Bhalla, BDO Canada LLP
- Veronica Bila, Partner, Enterprise Risk Services, MNP LLP

The Chair, Kevin Sullivan, appointed Ian Ness to act as secretary of the meeting. The Chair welcomed everyone to the meeting of the Finance Audit and Risk Management (FARM) Committee (the "Committee") of the Toronto Waterfront Revitalization Corporation ("Waterfront Toronto" or the "Corporation").

With notice of the meeting having been sent to all members of the Committee in accordance with the Corporation's By-laws and a quorum being present, the Chair called the meeting to order at 9:01 a.m. and declared the meeting duly constituted for the transaction of business.

## 1. Land Acknowledgement

Kevin Sullivan acknowledged Indigenous Peoples' presence and connections to lands under revitalization by Waterfront Toronto.

### 2. Meeting Agenda

**ON MOTION** duly made by Jeanhy Shim, seconded by Drew Fagan, and carried, it was **RESOLVED** that the Meeting Agenda be approved as presented.

#### 3. Declaration of Conflicts of Interest

There were no conflicts declared.

# 4. Consent Agenda:

Highlights of the Key Messages were taken as read.

Draft Minutes of Open Session February 24, 2022 FARM Committee Meeting

**ON MOTION** duly made by Jeanhy Shim, seconded by Drew Fagan and carried, it was **RESOLVED** that the Minutes of the February 24, 2022 FARM Committee meeting be approved as presented.

Due to the heavy agenda, the FARM Committee took most of the dashboards as read.

The Committee reviewed the enterprise risk dashboard with management. It was noted that two risks have reduced in likelihood and/or impact this quarter, namely liquidity risk (due to the Corporation securing a \$50M increase, to \$90M in its trigovernment consent to borrow) and business continuity risk (due to the recent refresh/update to the Corporation's business continuity plan and investments in hybrid work environment).

Management also highlighted the new Environmental Social Governance (ESG) report included in the materials for review and comment, which outlines various ESG related initiatives the Corporation is currently involved in.

# 5. Year-End Audited Financial Statements March 31, 2022

The FARM Committee reviewed the Corporation's financial statements for the year ended March 31, 2022 with management and the Corporation's external auditors from BDO Canada LLP (BDO).

**ON MOTION** duly made by Drew Fagan and seconded by Jeanhy Shim and carried, it was **RESOLVED** that the Finance, Audit and Risk Management Committee recommends the audited financial statements for the year ended March 31, 2022 be approved by the Board of Directors on June 23, 2022.

## 6. 2021/22 External Auditor's Results Report

Jeff Barratt, Partner from BDO LLP presented to the Committee and notified that they would be issuing an unqualified audit opinion and that there were no material matters of concern regarding internal controls.

#### 7. Internal Audit Plan Refresh

Veronica Bila, Partner from MNP LLP (MNP) outlined a revised internal audit plan for the Corporation to FY 2023/24 which was developed in collaboration with management based on current enterprise risks and opportunities facing the Corporation.

Key upcoming audits will focus on the Corporation's ERP system, including lessons learned from implementation, streamlining procurement processes and robotic process automation opportunities, as well as cyber security and accessibility.

**ON MOTION** duly made by Jeanhy Shim and seconded by Drew Fagan and carried, it was **RESOLVED** that the Finance, Audit and Risk Management Committee approves the updated Four-Year Internal Audit Plan (2020/21 – 2023/24).

## 8. Project Related Approvals

a) Parliament Slip Lakefill 60% Design Approval Amendment

Pina Mallozzi, VP, Design presented an approval request for a minor amendment to the Board's June 2021 Parliament Slip Lakefill 60% design approval based on the updated funding status of the project.

**ON MOTION** duly made by Jeanhy Shim, and seconded by Drew Fagan, and carried, it was **RESOLVED** that the Finance, Audit and Risk Management Committee approves, for recommendation to the Board of Directors for approval the amendment of the following June 24, 2021 Board resolution related to Parliament Slip by removing (c) below to allow the fully funded lakefill portion of the project to advance to 60% design:

- a) The Parliament Slip Project be added to the Corporation's Rolling Five-Year Strategic Plan (2021/22 2025/26).
- b) a capital expenditure of \$4.67 Million for the Project to be completed between June 2021 and May 2022.
- c) spending not to exceed \$2.86M until the full Project funding has been secured.
- d) the engagement of a construction manager for pre-construction services once full Project funding has been secured.

# b) Broadview Eastern Flood Protection Project Capital Approval

Ken Dion, Project Director, Port Lands Integration, presented a request for a \$7.585M capital approval for a new project to be fully funded by the City of Toronto, not currently in the Corporation's Rolling Five Year Strategic Plan. It relates to the first phase of work for the Broadview Eastern Flood Protection project.

**ON MOTION** duly made by Jeanhy Shim, seconded by Drew Fagan, and carried, it was RESOLVED that the Finance, Audit and Risk Management Committee approves, for recommendation to the Board of Directors for approval, a capital expenditure of \$7.585 Million divided as follows, to undertake the Broadview Eastern Flood Protection Project:

- Pre-Design Data Collection Works proceeding currently under an \$1.885M amendment to the existing BEFP EA Delivery Agreement, and
- Phase 1 60% Design Works, subject to the execution of a funding Delivery Agreement valued at \$5.7M with the City of Toronto.

**The motion also resolved** that the Finance, Audit and Risk Management Committee approves, for recommendation to the Board of Directors for approval, the addition of the Broadview Eastern Flood Protection Project to the Rolling Five Year Strategic Plan 2022/23-2026/27.

# 9. Port Land Flood Protection (PLFP) Update

# a) PLFP Program Update

David Kusturin, Chief Project Officer provided a visual progress report for the PLFP project.

## b) Q1/2022 Construction Cost Forecast and Risk Update and Quantification

Management presented the Q1/2022 Construction Cost Forecast & Risk Update and Quantification for the PLFP project to the Committee. The semi-annual update, which is a key part of the Corporation's project risk management framework, involves the reassessment of construction risk to ensure that the likelihood of achieving the program budget remains high as risks are realized and retired throughout the life of the project.

The Q1/2022 results indicate that the schedule risk from utilities relocation has been realized shifting the forecast flood protection completion date from March 2024 to June 2024. While the project remains on budget the forecast probability of delivering on budget has decreased from 53% (November 2021) to 4% primarily due to the schedule extension and dewatering costs.

The forecast contingency to be remaining at the end of the project has reduced from \$29.9M to \$5.7M. Additional contingency in the amount of \$23.0M (current contingency balance is \$29M) would increase the probability of completing the project on budget to 75%.

Management will continue to identify opportunities to increase the contingency through design optimizations, however these opportunities become less available as construction continues. Management will provide a further update to the Committee in the fall regarding the budget, including recommended additional funding request of governments (if required).

# c) Report of the Independent Capital Monitor

Luis Castillo, BTY Consulting LLP (BTY) presented their **fifteenth report** as Independent Capital Monitor for the PLFP project and noted that:

- While budget remains at \$1.185 billion there is a potential for the budget to increase due to schedule extensions and cost increases in some activities.
- The remaining contingency of \$29M is 2.45% of the total project budget and 5.2% of the total project cost-to-complete.

- Project schedule substantial completion date has been re-baselined from March 31, 2024 to June 20, 2024 excluding parks, and October 31, 2024 including parks completion.
- No scope changes have been made to the project this quarter.
- The risk management process implemented by WT is in line with industry best practices.

# 10. Annual Insurance Program Review

As part of Waterfront Toronto's Enterprise Risk Management Framework, management shared information related to the Corporation's annual insurance program renewals, including coverages for Directors & Officers insurance.

# 11. Motion to go into Closed Session

In accordance with By-Law No. 2 of the Corporation and **ON MOTION** duly made by Jeanhy Shim, seconded by Drew Fagan and carried, the Committee **RESOLVED** to go into Closed Session to discuss items 12, 13, 14, 15, 17 and 18 of the agenda. The exception relied upon for the discussion on item 12 is Section 6.1.1(a), for item 13 is provided in the minutes of the Open Session February 24, 2022 FARM Committee meeting under item 4(b) of this agenda, for item 13(b) is Section 6.1.1(j), for item 14 is Section 6.1.1(k), for item 15 is Section 6.1.1(k), for item 16 is Section 6.1.1(a), for item 17 is Section 6.1.1(l) and for item 18 is Section 6.1.1(b) of By-Law No. 2.

The meeting continued in closed session.

## 12. Annual Insurance Program Review (Continuation)

## 13. Consent Agenda

- a) Draft Minutes of the Closed Session February 24, 2022 FARM Committee Meeting
- b) Updated Internal Auditor Fees
- 14. 2021/22 Integrated Annual Report (IAR)
- 15. Art Trail Gift
- 16. Third-party Cybersecurity Report Penetration Testing
- 17. Port Lands Risk Update
- 18. Committee Chair Discussion

# 19. Motion to go into Open Session

**ON MOTION** duly made Jeanhy Shim by and seconded by Drew Fagan and carried, the committee **RESOLVED** to go into Open Session.

The meeting continued in Open Session.

# 20. Resolution(s) Arising from the Closed Session

1) Item 13a Draft Minutes of the Closed Session – February 24, 2022 FARM Committee Meeting

**ON MOTION** duly made by Jeanhy Shim and seconded by Michael Galego and carried, it was **RESOLVED** that the Minutes of the Closed Session of the Finance, Audit and Risk Management Committee held on February 24, 2022 be approved as tabled.

2) Item 13b Updated Internal Auditor Fees

**ON MOTION** duly made by Drew Fagan and seconded by Jeanhy Shim and carried, it was **RESOLVED** that the Finance, Audit and Risk Management Committee approves the Updated Internal Auditor Fees for fiscal years 2020/21 – 2023/24.

3) Item 14 2021/22 Integrated Annual Report (IAR)

**ON MOTION** duly made by Michael Galego and seconded by Drew Fagan and carried, it was **RESOLVED** that the FARM Committee recommends that the Board of Directors approve the 2021/22 Integrated Annual Report substantially in the form presented, with such changes thereto as the Board may approve.

# 21. Termination of the Meeting

There being no further business, **ON MOTION** duly made by Drew Fagan, seconded by Jeanhy Shim and carried, it was **RESOLVED** that the meeting be terminated at 11:57 a.m. local time.

Committee Chair	Secretary



# Finance, Audit and Risk Management Committee – September 22, 202; Item 4c) – Q1 2022/23 Macro Dashboard (Corporate & Project Reporting) Lisa Taylor

Purpose	For Committee Information.					
Areas of note/ Key issues	The following three areas are reported on in the attached Macro dashboard which is supported by several attached streamlined reports:					
	2022/23 Corporate Plan Performance (caution areas noted (50-69% of plan may be achieved) for key deliverables largely driven by changes in schedule into FY 2023/24 together with funding and/or budget uncertainties)					
	2. Finance & Administration:					
	<ul> <li>Enterprise Risk Management: (two residual risk areas in the red zone this quarter related to ERP system and Port Lands Flood Protection project delivery).</li> </ul>					
	<ul> <li>Internal audit (no significant concerns; ERP System Implementation Lessons Learned Review underway pursuant to WT internal audit plan refresh approved by FARM in May/22).</li> <li>Liquidity/ Cash Flow Management (no immediate concerns, continued notional external borrowing requirement from unspent project funds in short term; increase in WT borrowing term/limit approvals (to \$90M and May 2028) formally secured from governments in May 2022). Refer agenda item 13 for credit strategy and liquidity review.</li> </ul>					
	<ul> <li>Financial reporting compliance (no concerns, in line with plan)</li> </ul>					
	3. Capital Projects (concern areas noted for in water pipe and PLFP projects related to realized budget and schedule risks. Refer agenda item 6 and 14 for further details. Individual project dashboard attached for PLFP.					
Resolution or Next Steps	The next macro level dashboard will be provided at the next FARM Committee meeting in November 2022.					



# Finance, Audit & Risk Management Committee – September 22, 2022 Item 4 (c) - Q1 2022/23 Macro Dashboard Lisa Taylor

### 2022/23 Corporate Plan Performance



As of Q1 2022/23, on track to achieve the following for 2022/23:

- 65% of key deliverables (24 out of 37)
- 85% of annual capital investment plan (\$342M of \$400M)
- 74% of annual revenues (\$345M of \$465M)
- 84% of performance measure KPI targets (16 out of 19)

Concern areas relate to 13 key deliverables, four of which will not be met until 2023/24 due to changes in project requirements and/or delayed predecessor activities, and nine which may not be met mainly due to project scope/funding revisions and/or changes in partner requirements.

None of these deferrals place the Corporation at risk of non-compliance with key contracts.

#### Finance & Administration



- Positive cash balance > \$50M, no current requirement to borrow; internal cash flow management being utilized for some projects. Tri-government consent formally secured in May/22 to increase WTs borrowing limit to \$90M and term extension to May/28 to enhance liquidity tools. Refer Item 13 re: credit strategy and liquidity review.
- ERM: Overall risk portfolio continues to be relatively stable (one continued high risk related to the ERP system and one elevated to high risk for Port Lands project delivery).
- Internal Audit: No concerns. ERP System Implementation Lessons Learned Review underway pursuant to WT internal audit plan refresh approved by FARM in May/22. No action items due this quarter (Q4: 75%).
- Government Audit: 100% implementation rate of 2021 action items from Standing Committee on Public Accounts- subject to audit by OAGO and will be concluded/reported on in Dec/22.
- Currently tracking to deliver all projects in the capital portfolio in accordance with contractual budget/ schedule obligations except for two projects - in water pipe and PLFP projects - refer below.
- Concern relates largely to the Port Lands Flood Protection project due to realized budget and schedule (including utility approvals and installations) risks that were beyond WTs control, which have deferred substantial completion of flood protection from March 2024 to mid 2024 and placed budget pressures beyond available contingency, as well as in water pipe project. Refer Items 6 and 14 for further details.

# Flood **Places Protection** Complete

**Communities** 

**Public** 

**Port Lands** 

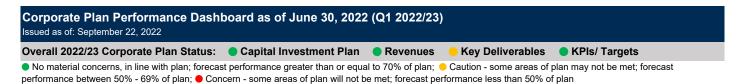
**Capital Projects** 

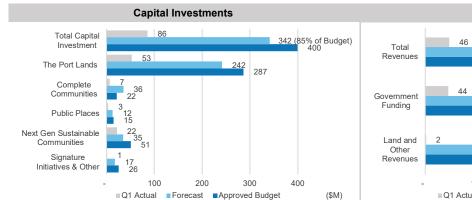
Refer to the Program Portfolio Dashboards.

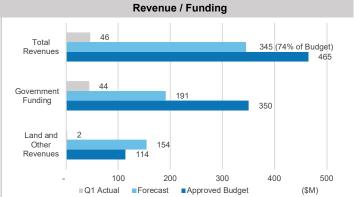
Legend: ● No concerns: greater than or equal to 70% of plan ● Caution: some areas

of plan may not be met (between 50% and 69% of plan) Concern: some aspects (<50%) of plan will be not met.

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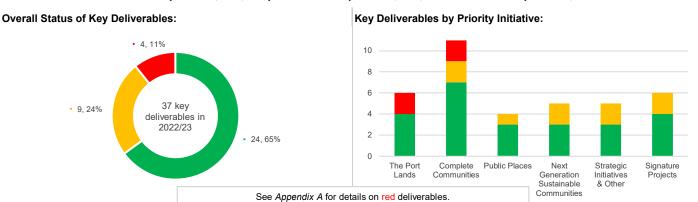
Overall investment is forecast at \$342M, \$58M (15%) lower than Plan mainly due to:

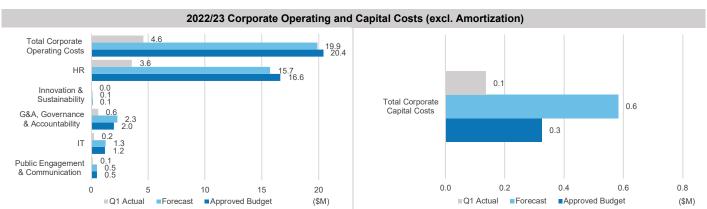
- Decrease in overall Port Lands Flood Protection expenditures due to construction re-sequencing and delays, pushing planned expenditures to FY 2023/24 (partially offset by higher estimated costs to construct roads and services in the current fiscal year);
- Decrease in Quayside expenditures due to the delay in design contract award, pushing design and construction expenditures to FY 2023/24; partially offset by
- Increase in stormwater infrastructure (in-water pipes project) expenditures due to construction delays in FY 2021/22 pushing costs to the current fiscal year.

Overall revenues are anticipated to be \$345M, \$119M (26%) lower than Plan mainly due to deferral of City funding for the Port Lands Flood Protection project to align with expenditures and overall working capital levels.

#### 2022/23 Key Deliverables

● Achieved/ forecasted to be achieved by March 31, 2023; May not be achieved by March 31, 2023; Will not be achieved by March 31, 2023



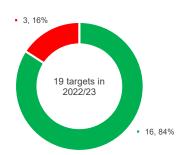


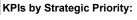
Corporate operating costs are forecast to be lower than approved budget by \$0.5M. The major contributor to the anticipated savings is Human Resources due to conscious delays/ deferrals in hiring some positions. This is partially offset by unbudgeted advisory services such as for commodity tax. Corporate capital investments are forecast to be higher than approved budget by \$0.3M mainly due to Financial Planning & Analysis (FP&A) and SharePoint migration project implementation costs deferred from prior years.

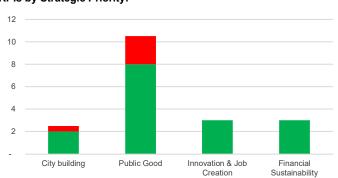
#### 2022/23 Key Performance Indicators (KPIs)/ Targets

🌑 No material concerns, in line with plan; 🤭 Caution - some areas of plan may not be met; 🔵 Concern - some areas of plan will not be met

#### **Overall Status of KPIs:**







Out of 19 KPIs with targets this year, 16 (84%) are on track to achieve their targets. 3 (16%) are anticipated not to be met this year:

- Total project costs compared to original budget (<=105%) and project completion time compared to original schedule (<= 6 months) [2 KPIs]: Largely due to the inwater pipes project, which has encountered challenges including unforeseen site conditions, supply chain issues, and extreme winter weather, leading to additional costs and delay in schedule of one year.
- Square metres of new permeable surfaces created [1 KPI]: permeable streetscape completion delayed to May 2023 due to utility coordination and subsequent required redesign.

#### Appendix A

#### Details of Deferred Deliverables for 2022/23:

Reason	Priority	Deferred Deliverable	Comments
External Influence	The Port Lands	Complete installation of revetment in the Keating Channel.	Delayed. Revetment (stone structure) cannot be completed this fiscal year as Keating Channel dredging by Ports Toronto, TRCA and the City of Toronto has not been undertaken.
	The Fort Lands	Complete and open Commissioners Street.	Delayed due to utility coordination and subsequent required redesign.  Commissioners Street is to be opened May 24, 2023 instead of by March 31, 2023.
		Commence development approvals for Villiers Island Precinct.	Due to the expected completion and City Council approval of the Business Implementation Plan in FY 2023/24, the first development approvals for Villiers Island are not expected to be prepared until FY 2024/25.
			Complete approximately 150 metres of wooden boardwalk on top of in-water pipe structure in East Bayfront.

# Enterprise Risk Management Dashboard - Q1 2022/23

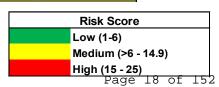


# **Summary**:

- Two risks in the residual risk red zone this quarter (up from one last quarter) on:
  - Enterprise Resource Planning (ERP) System Risk due to ongoing ERP issues, and
  - Port Lands Project Delivery due to realization of budget and schedule risks beyond WTs control.
- Remainder of WT's risk portfolio continues to be stable.
- Management's specific mitigation strategies to address these risks are outlined in the attached Enterprise Risk Register (Appendix 1 – Confidential Attachment). Confidential attachment on heat map (Appendix 2).

		Q1 2022/23 (Current)		Q4 2021/22 (Previous)	
	Risk Area		Residual Risk Score	Inherent Risk Score	Residual Risk Score
1.	Enterprise Resource Planning System Risk	16	16	16	16
2.	2. Port Lands Project Delivery		16	16	12
3.	3. Cyber Security		12	16	12
4.	Financial Self-Sustainability	16	12	16	12
5.	Climate Risk	16	12	16	12
6.	Government Risk	12	12	12	12
7.	7. Procurement Process Risk		12	12	12
8.	Project Delivery: Non-Port Lands Projects	12	12	12	12
9.	9. Recruitment & Retention of Employees		9	12	9
10.	Strategic Plan Performance Risk	12	9	12	9

Note: Refer to attached Appendix 1 on the Detailed Risk Register (Confidential Attachment).



# Audit Dashboard - Q1 2022/23



Audit	2021/22 (Previous Year)	2022/23 (Current Year)	2023/24 (Next Year)	Status of Open A	
Internal Audits	HR Resource & Succession Planning (Completed Q4)	ERP System Implementation Lessons Learned Review (Underway)**	Cyber Security Audit**	June 30, 2  Overall:  No action item	
		Procurement Process**	Accessibility**	2022/23. • Substantial con	
		Robotic Process Automation**		2021 action ite Standing Comm Public Accounts	
	Independent Capital Monitor (Port Lands), <i>Quarterly</i>			in Appendix). • <b>91</b> % of 2020 <b>F</b>	
External Audits	March 31, 2022 Financial Statements (Completed)	March 31, 2023 Financial Statements	March 31, 2024 Financial Statements	Value-for-Mone items implemer change); two re action items pla	
Government Audits	Contribution Agreement Compliance - Port Lands Flood Protection (PLFP) (Initiated)	Contribution Agreement Compliance - PLFP (Underway)	PLFP Outcomes and/or Reconciliation/ Financial audit (to be confirmed)	completion 20 respectively (s Appendix).	
	Federal Toronto Waterfront Revitalization Initiative (TWRI) Program Evaluation	Federal TWRI Program Evaluation (Completed Q1)*		<ul> <li>50% of 2022 Resident Succession Planaction items im</li> <li>Refer to Confident</li> </ul>	
	OAGO Value-for-Money Follow-Up (Complete – report issued Dec 2021)	OAGO Value-for-Money and Standing Committee on Public Accounts Follow-Up Audits (Underway)		Attachment for analysis and de outstanding aud items (incl. Cybe	
Total	6 audits	7 audits	5 audits	follow-up items)	

<sup>\*</sup>Results of the Federal TWRI Program Evaluation will be shared in a future FARM Committee meeting.

- due in Q1
- impletion of tems from mittee on ts (summary
- Provincial ey Follow-Up ented (no remaining lanned for 22 and 2024, summary in
- Resource and anning review nplemented.
- dential r an aging details of all udit action bersecurity s).

Note: The number of audits from 2003 to June 30, 2022 totals 74 (29 internal; 20 external and 26 government), average of 3.7 p.a.

**Audit Action** 2022:

<sup>\*\*</sup> Based on May 2022 FARMapproved internal audit plan refresh.

# **Appendix: Recommendation Status of OAGO Value for Money Follow-Up Audit (Dec 2020)**



The following six recommendations (containing 22 action items) were directed towards **Waterfront Toronto** (WT), of which **20 action items** have been **fully implemented** resulting in **91% implementation rate**.

Rec. #	Recommendation Area	# of Actions Recommended	Fully Implemented	In the Process of Being Implemented	WT Notes
2	Project budget, schedule and scope management	3	3	-	
3	Project information systems, procedures and reporting	7	7	-	
4	Oversight of organizations receiving funding from WT	7	7	-	
5	Development and implementation of a financial sustainability plan	1	-	1	WT developed a fundraising action plan in Dec 2019 and is expected to substantially implement this recommendation in 2022/23.
7	Best practices and lessons learned	1	1	-	
9	Port Lands Flood Protection Project budget management	3	2	1	Remaining action item relates to the effectiveness of WTs work in reducing the impact of construction risks on final cost. This will be assessed at the end of the project (i.e. 2024).
Total		22	20	2	
%		100%	91%	9%	

# **Appendix: Recommendation Status of Standing Committee on Public Accounts (Apr 2021)**



- The following three recommendations (containing six action items) were directed towards Waterfront Toronto (WT).
- These action items are being audited by OAGO and concluded upon in the Dec 2022 OAGO report.

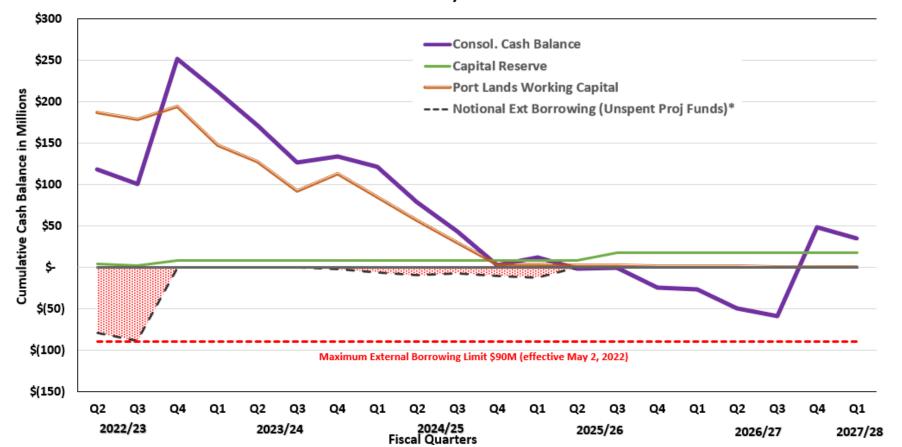
Rec. #	Recommendation Area	# of Actions Recommended	Fully Implemented (per WT)	In the Process of Being Implemented	WT Notes
2	Development and implementation of a financial sustainability plan (fundraising)	3	3	-	Subject to OAGO review and audit.
3	Consultation with Intergovernmental Steering Committee and the Board of Directors prior to signing official agreements or making public announcements	1	1	-	Subject to OAGO review and audit.
4	Port Lands Flood Protection Project reporting (e.g., project cost and process, risk assessments)	2	2	-	Subject to OAGO review and audit.
Total		6	6	-	
%		100%	100%	-	

Note: While WT has shown all six action items as being fully implemented, this conclusion is subject to audit by the Office of the Auditor General of Ontario and will be concluded and reported on in Dec 2022.

# Liquidity / Cash Flow Forecast (Sep 2022)



Cash Flow Forecast July 2022 to June 2027



# Conclusion

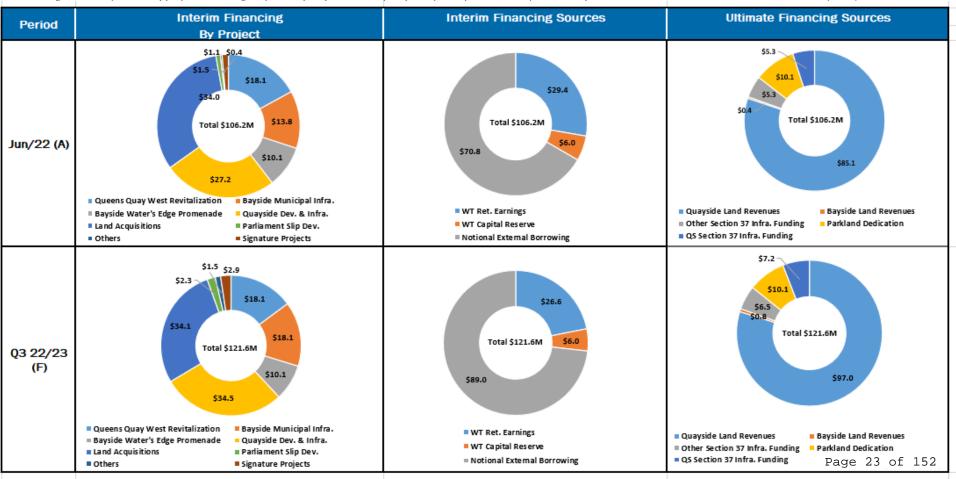
- External Borrowing is not anticipated to be required by Waterfront Toronto until Q2 2025/26 due to following:
  - Ability to temporarily borrow internally from the Port Lands Flood Protection project working capital and other unspent funding / revenue sources (back-stopped by WT's borrowing consent limit of \$90M approved in May/22).
  - Ability to pool bank accounts through Centralized Cash Control Facility with bank.
- External borrowing is currently forecast for six quarters until Q3 2026/27 mainly for Quayside municipal infrastructure related works, anticipated to be repaid with land and other revenues in 2026/27.

<sup>\*</sup> Note - For details on the Notional External Borrowing, refer to next slide on Interim Financing Dashboard.

# **Interim Financing Dashboard**



- · Use of unspent cash resources intended for one project towards another project on a temporary basis
- Arises due to cash flow timing differences on certain projects.
- Minimizes external borrowing costs.
- Rigorous internal controls and monitoring in place that identify:
  - · Projects and amounts requiring internal borrowing
  - · Interim sources of funding
  - · Ultimate sources of funding
- Current amount of government deferred contributions towards internal borrowing amounts to ~\$71M and forecast to increase to ~\$90M in Q3 2022/23 largely due to Quayside project and property acquisitions (to be repaid from land sales within FY 2022/23).





# Finance, Audit and Risk Management Committee – September 22, 2022 Item 4 (e) – June 30, 2022, Interim Financial Statements Sampada Chandane

Purpose	Submitted for receipt.
·	The purpose of the unaudited interim financial statements is to provide information about the results of the operations, financial position, and cash flows of the Corporation.
Areas of note/ Key issues	With respect to <b>financial activities</b> for the three months ended June 30, 2022, the Corporation has:
	• Spent approx. \$66.7 million (down slightly from \$69.3 million for last year) of which \$61.3 million was capitalized as Assets Under Development, primarily for the Port Lands Flood Protection (\$53 million), \$20 million was capitalized for land purchase, \$4.5 million was expensed, primarily for Queens Quay West Optimization (\$1.1 million), Villiers Island (\$0.7 million), Eastern waterfront transit (\$0.6 million), Bayside Childcare center (\$0.5 million), Bentway Phase 1B (\$0.3 million) and property related expenses (\$0.8 million).
	• Recognized revenues of \$47.2 million (down slightly from \$50 million for the same period last year) which is primarily made up of government contributions for Port Lands Flood Protection project including Lakeshore Bridge (\$42 million), public art contributions (\$1.2 million), York Street Park (\$0.1M), and parking/ rental and interest revenues (\$1.6 million). The decrease from prior year is largely due to government contributions for Port Lands Flood Protection project driven by timing of expenditures.
	Reported lower cash balance of \$31 million (down from \$90 million as of March 31, 2022) due to outstanding receivable of \$68 million from Province of Ontario for Port Lands Flood Protection project which was realized in July 2022.
	Reported a higher net operating income as a result of increased revenues from Waterfront Toronto's interim property operations and higher interest income.
	Other items of note during the period include:
	<ul> <li>Acquisition of Parliament Slip to realign Parliament Street and in turn to create Quayside development blocks reflect under Capital assets – land (Note 7).</li> </ul>
	<ul> <li>Unrestricted net assets (Note 12) is in a deficit position of \$74 million (increased from \$47 million as of March 31, 2022) representing a timing difference between realization of unrestricted revenues (such as Quayside land sale revenues) and corresponding expenditures funded out of the same (also related to internal borrowing). The deficit position is expected to continue until realization of further land sale proceeds in 2022/23.</li> </ul>
Key Takeaways/ Next Steps	The Finance, Audit and Risk Management Committee acknowledges receipt of the unaudited interim financial statements for submission to the Board of Directors on October 13, 2022.
	The financial statements will be received by the Board of Directors on October 13, 2022.

Interim Financial Statements of

# **Toronto Waterfront Revitalization Corporation**

(c.o.b. as Waterfront Toronto)

June 30, 2022

June 30, 2022 Interim Financial Statements

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Statement of remeasurement gains and losses	3
Statement of changes in net assets	3
Statement of cash flows	4
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# Statement of financial position as at June 30, 2022

	June 30,	March 31,
	2022	2022
	\$	\$
Assets		
Current assets		
Cash	31,011,169	90,435,454
Receivables (Note 3)	119,331,117	100,033,195
Deposits and prepaid expenses		
and other assets (Note 4)	3,940,968	3,955,048
	154,283,254	194,423,697
Restricted cash (Note 5)	46,843,658	46,808,576
Assets under development (Note 6)	1,261,858,423	1,200,520,378
Capital assets (Note 7)	123,027,279	103,097,524
	1,586,012,614	1,544,850,175
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	83,677,958	84,948,044
Deferred contributions (Note 10)	188,211,050	200,666,459
Other liabilities and settlements (Note 11)	1,113,462	1,204,514
	273,002,470	286,819,017
Other liabilities and settlements (Note 11)	2,463,295	1,892,916
Environmental and contaminated sites liability (Note 16)	2,075,900	2,075,900
	277,541,665	290,787,833
Net assets (Note 12)	1,308,470,949	1,254,062,342
	1,586,012,614	1,544,850,175

# Statement of financial activities

Three months ended June 30, 2022

	Three months	Three months
	ended	ended
	June 30,	June 30,
	2022	2021
	\$	\$
Restricted Revenues:		
Government of Canada	37,889,661	45,540,281
City of Toronto	6,437,862	2,981,131
Other restricted contributions	1,200,584	18,297
	45,528,107	48,539,709
Less: Government contributions for assets		
under development	(56,432,323)	(60,752,672)
Decrease in deferred contributions for		
continuing operations related to future periods	12,455,408	15,754,997
	1,551,192	3,542,034
Expenses (Note 13)		
Complete Communities	2,644,701	523,430
Eastern Waterfront Transit	586,502	2,691,054
Public Places	565,462	865,803
Strategic Initiatives	379,479	223,477
Signature Projects	318,590	472,383
	4,494,734	4,776,147
Deficiency of revenue over expenses before other items	(2,943,542)	(1,234,113)
Net other operating income (Note 17)	790,254	273,344
Excess of expenses over revenues	(2,153,288)	(960,769)

# Statement of remeasurement gains and losses

Three months ended June 30, 2022

	Three months	Three months
	ended	ended
	June 30,	June 30,
	2022	2021
	\$	\$
Accumulated remeasurement loss,		
beginning of the year	(194,125)	(517,100)
Unrealized gain attributable to		
foreign currency transactions	8,530	580
Unrealized gain (loss) attributable to		
forward exchange contracts (Note 19)	121,042	(175,561)
Net remeasurement gain (loss) for the period	129,572	(174,981)
Accumulated remeasurement loss, end of the period	(64,553)	(692,081)

# Statement of changes in net assets Three months ended June 30, 2022

	Three months	Three months
	ended	ended
	June 30,	June 30,
	2022	2021
	\$	\$
Net assets, beginning of the year	1,254,062,342	1,016,885,600
Add: Excess of expenses over revenues	(2,153,288)	(960,769)
Add: Net remeasurement gain (loss)	129,572	(174,981)
Add: Government contributions for assets under		
development	56,432,323	60,752,672
Net assets, end of the period	1,308,470,949	1,076,502,523

# Statement of cash flows

Three months ended June 30, 2022

	Three months	Three months
	ended	ended
	June 30,	June 30,
	2022	2021
	\$	\$
Cash flows from operating activities		
Excess of expenses over revenues	(2,153,288)	(960,769)
Adjustments to reconcile excess of revenues over expenses		
to net cash provided by operating activities		
Amortization of capital assets	329,199	213,853
Unrealized gain attributable to foreign currency transactions	8,530	580
Unrealized gain (loss) attributable to forward exchange contracts	121,042	(175,561)
Changes in non-cash working capital balances		
Net decrease in deferred contributions	(12,455,408)	(15,754,997)
Current assets (Receivables, Deposits and prepaid expenses)	(19,283,842)	(21,242,410)
Current liabilities (Payables, Other liabilities and settlements)	(790,759)	9,241,005
Net cash paid from operating activities	(34,224,526)	(28,678,298)
Cash flows from capital activities		
Cash received from government contribution for assets		
under development	56,432,323	60,752,672
Cash used to acquire assets under development	(61,338,045)	(63,377,776)
Cash used to acquire capital assets	(20,258,954)	(57,923)
Net cash paid from capital activities	(25,164,676)	(2,683,028)
Cash flows from investing activity		
(Invested in) received from restricted cash and investments	(35,083)	208,567
Net cash (paid) received from investment activity	(35,083)	208,567
	· ·	
Decrease in cash	(59,424,285)	(31,152,758)
Cash, beginning of the period	90,435,454	104,592,114
Cash, end of the period	31,011,169	73,439,355

Notes to the financial statements

June 30, 2022

#### 1. Interim financial statements

The unaudited interim financial statements of the Toronto Waterfront Revitalization Corporation (the "Corporation" or "TWRC") have been prepared by management in accordance with Canadian generally accepted accounting principles applicable to interim financial statements and follow the same accounting policies and methods in their applications as the most recent annual financial statements. All disclosure required for annual financial statements has not been included in these financial statements. These financial statements should therefore be read in conjunction with the March 31, 2022 audited financial statements.

#### 2. Description of Corporation

The Toronto Waterfront Revitalization Corporation was initially incorporated on November 1, 2001 under the Ontario Business Corporations Act with the Province of Ontario being its sole shareholder.

Pursuant to the Toronto Waterfront Revitalization Corporation Act, 2002 (the "Act"), the Corporation was continued as a corporation without share capital on May 15, 2003. The Corporation is deemed not to be a Crown Agency within the meaning of the Crown Agency Act.

Under the Act, the Corporation's objects are to:

- implement a plan that enhances the economic, social and cultural value of the land in the designated waterfront area and create an
  accessible and active waterfront for living, working and recreation and to do so in a fiscally and environmentally responsible manner;
- (b) ensure that ongoing development in the designated waterfront area can continue in a financially self-sustaining manner;
- (c) promote and encourage involvement of the private sector in the development of the designated waterfront area;
- (d) encourage public input into the development of the designated waterfront area; and
- (e) engage in such other activities as may be prescribed by regulation.

#### 3. Receivables

	June 30,	March 31,
	2022	2022
	\$	\$
Province of Ontario	68,966,932	68,966,932
Government of Canada	37,889,661	-
HST receivable	5,466,170	10,564,582
Rent and other receivables	3,990,091	17,690,871
City of Toronto	3,018,263	2,810,810
	119,331,117	100,033,195

#### 4. Deposits and prepaid expenses

	June 30,	March 31,
	2022	2022
	\$	\$
Construction deposits	2,181,199	2,181,199
Prepaid expenses	1,759,769	1,773,849
	3,940,968	3,955,048

The Corporation has provided the City of Toronto (the "City") with certain construction deposits to gurantee satisfactory performance, completion of work, and related obligations required for construction of municipal infrastructure by the Corporation. The construction deposits will be released to Waterfront Toronto at the expiration of certain performance and guarantee periods. The construction deposits paid to the City of \$2,181,199 (March 31, 2022 - \$2,181,199) are non-interest bearing.

#### 5. Restricted cash

The Corporation has received deposits that are subject to restrictions that prevent its use for operating purposes, as outlined below:

	June 30,	March 31,
	2022	2022
	\$	\$
Holdbacks payable	35,291,637	35,291,636
Developer contribution - East Bayfront public art	8,117,808	8,089,143
Developer Deposit - Broadband services	1,615,015	1,615,015
Developer Deposit - East Bayfront child care facility	1,557,410	1,551,918
Other	261,788	260,864
	46,843,658	46,808,576

Notes to the financial statements

June 30, 2022

#### 6. Assets under development

The following table details assets under development by category:

	June 30,	March 31,	
	2022	2022	
	\$	\$	
Roads, Bridges, Services, Structures	618,194,311	581,331,585	
Flood Protection Features	488,362,801	471,563,516	
Land under development	93,621,188	91,401,055	
Parks and Public Realm	61,680,123	56,224,222	
	1,261,858,423	1,200,520,378	

The following table details assets under development by Priority Initiatives:

	The Port	Complete	Quavside	Public	Total
	Lands	Communities	,	Places	
	\$	\$	\$	\$	\$
Opening balance, April 1, 2022	772,527,019	377,146,425	36,101,349	14,745,585	1,200,520,378
Capital additions	51,146,880	3,743,146	760,118	2,392,724	58,042,867
Direct project management - Note 13	1,469,287	211,690	968,248	111,692	2,760,918
General and support expenses - Note 13	284,319	40,964	187,364	21,613	534,260
Closing balance, June 30, 2022	825,427,505	381,142,225	38,017,079	17,271,614	1,261,858,423

During the period, no assets were formally transferred to the City of Toronto.

#### 7. Capital assets

		June 30,		March 31,
		2022		2022
	Cost	Accumulated	Cost	Accumulated
		Amortization		Amortization
	\$	\$	\$	\$
Land	120,934,916		100,812,146	-
Computer hardware and software	4,635,328	3,057,150	4,499,284	2,829,477
Leasehold improvements	1,582,741	1,151,526	1,582,601	1,058,181
Furniture and fixtures	539,371	456,401	539,371	448,220
Office equipment	145,563	145,563	145,563	145,563
	127,837,919	4,810,640	107,578,965	4,481,441
Cost less accumulated amortization		123,027,279		103,097,524

Land is recorded at cost in accordance with the significant accounting policy 2(h). Certain land, known as Quayside, has approximately 2,700,000 square feet zoned for development.

The Corporation owns land containing environmental contamination. As of June 30, 2022, the Corporation has made a provision of \$Nil (March 31, 2022 - \$NIL) for remediation cost of contaminated site (Note 16).

The Corporation owns buildings on a number of its properties. As none of the buildings are intended for use other than on a temporary rental basis and all will ultimately be demolished, they have been recorded at a carrying value of \$Nil (March 31, 2022 - \$Nil).

### 8. Credit facility

In 2015 the Corporation secured a revolving credit facility with a Canadian commercial bank which provides for a maximum borrowing amount of \$40 million. The facility bears interest at the Canadian Prime Lending Rate less 0.5%. The Corporation's interest rate was 3.20% at June 30, 2022 (March 31, 2022 - 2.20%). The facility is secured by a first lien interest over several of the Corporation's real properties in the City of Toronto and a General Security Agreement creating a first priority interest over property of the Corporation not obtained through a contribution agreement, including accounts receivable. At June 30, 2022 the available borrowing limit is \$39.9 million.

Under the current financing agreement, the Corporation is subject to a financial covenant. The revolving credit facility stipulates that the Corporation must ensure that the most recent appraised value of the properties which secure the facility at all times provide a minimum of 150% coverage for the outstanding amount of credit. As at June 30, 2022, the Corporation is in compliance with this covenant and expects to be in compliance for the next 12 months.

Notes to the financial statements

Unrestricted (deficit) (Note 12b)

b) Unrestricted (deficit)/surplus

Accumulated re-measurement loss

Unrestricted deficit, opening balance

Unrestricted deficit, closing balance

Investment in land

(Deficit) excess of revenues over expenses

Investment in assets under development

June 30, 2022

١.	Accounts payable and accrued liabilities		NA 1 04
		June 30, 2022	March 31
		\$	
	Accrued liabilities	44,671,698	48,642,64
	Holdbacks payable	37,900,845	35,057,15
	Accounts payable	1,105,415	1,248,24
		83,677,958	84,948,044
).	Deferred contributions		
	Deferred contributions represent project specific contributions from Governments which have 2022, as well as contributions received for the acquisition of capital assets which have yet to		e costs at June 30
		June 30,	March 31
		2022	2022
		\$	\$
	Expenditures of future periods	000 000 450	440,000,40
	Balance, beginning of year (Utilization of) additional contributions	200,666,459	140,660,163
	Less: amounts recognized as revenue	(11,233,416) (1,221,993)	67,193,72 (7,187,425
	Balance, end of period	188,211,050	200,666,45
	Capital contributions	100,211,000	200,000,40
	Balance, beginning of year	-	-
	Add: contributions for acquisition of capital assets and assets under development	56,761,522	245,989,72
	Less: direct contribution to net assets	(56,432,323)	(245,034,699
	Less: amount amortized to revenue	(329,199)	(955,025
	Balance, end of period	-	-
		188,211,050	200,666,459
١.	Other liabilities and settlements		
••	Other liabilities and settlements largely represent security and developer deposits.		
	Other habilities and settlements largely represent security and developer deposits.	June 30,	March 31
		2022	2022
		\$	202
	Deposit - broadband services	2,193,416	1,615,010
	Deposits - rent and other	1,113,462	1,204,51
	Deposit - Bayside project agreement	269,879	277,90
	Total other liabilities		3,097,43
		3,576,757	
	Less: current portion	(1,113,462) 2.463.295	(1,204,514 1,892,910
_	Net accept	_, 100,_00	.,002,01.
2.	Net assets		
	a) Net assets recorded on the Statement of Financial Position are comprised of the following		
		June 30,	March 31
		2022	202
	luccade d'in man anno altra bla a contrat a carata	\$	400 040 440
	Invested in non-amortisable capital assets	120,934,916	100,812,146
	Invested in assets under development	1,261,858,423	1,200,520,378

Page	7

(47,076,057)

1,254,062,342

\$

(24,915,512)

(16,861,415)

(13,506,581)

(47,076,057)

8,207,451

(194,125)

March 31,

2022

(74,257,837)

1,308,470,949

(64,553)

June 30,

(47,076,057)

(2,153,288)

(4,905,722)

(20,122,770)

(74,257,837)

2022

Notes to the financial statements June 30, 2022

## 13. Expenses by Priority Initiative and Function

	Complete Communities	Eastern Waterfront Transit	Public Places	Strategic Initiatives	Signature Projects	Quayside	The Port Lands	Total June 30, 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Direct project costs:								
Project planning and implementation costs	1,991,198	420,969	485,360	20,453	(31,304)	-	-	2,886,678
Salaries, fees and benefits	653,713	119,418	153,954	259,006	252,418	833,673	1,265,074	3,537,256
Less salaries, fees and benefits related to assets								
under development (Note 6)	(211,690)	-	(111,692)	-	-	(968,248)	(1,469,287)	(2,760,918)
	2,433,221	540,387	527,622	279,459	221,113	(134,575)	(204,213)	3,663,016
General and support expenses:								
General and office administration	122,084	22,302	28,752	48,370	47,141	155,692	236,258	660,598
Amortization	60,839	11,114	14,328	24,105	23,492	77,587	117,736	329,199
Information technology	45,383	8,290	10,688	17,981	17,524	57,877	87,826	245,570
Communications and public engagement	24,138	4,409	5,685	9,564	9,320	30,783	46,712	130,611
· · · · · · · · · · · · · · · · · · ·	252,444	46,115	59,453	100,020	97,477	321,939	488,532	1,365,978
Less general & support costs allocated to assets	·	•	•	·	·	·	•	
under development (Note 6)	(40,964)	-	(21,613)	-	-	(187,364)	(284,319)	(534,260)
· · · · ·	2,644,701	586,502	565,462	379,479	318,590	-	-	4,494,734

All salaries, fees and benefits have been charged to projects based on timesheet information. General and support expenses for the period ending June 30, 2022 have been allocated to priority initiatives using an overhead burden rate of 0.39 (2021 - 0.26) for every \$1 of direct labour (project management - salaries and benefits). Total salaries, fees and benefits for the Corporation were \$3,537,256 for the period ending June 30, 2022 (2021 - \$3,407,064).

Notes to the financial statements June 30, 2022

# 13. Expenses by Priority Initiative and Function (Cont.)

	Complete Communities	Eastern Waterfront Transit	Public Places	Strategic Initiatives	Signature Projects	Quayside	The Port Lands	Total June 30, 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Direct project costs:								
Project planning and implementation costs	119,670	2,521,869	807,794	15,775	227,694	-	-	3,692,801
Project management - salaries, fees and benefits	540,358	134,128	133,072	164,664	193,987	991,361	1,249,494	3,407,064
Less project management - salaries, fees and								
benefits related to assets under development (Note 6)	(270,635)	-	(107,000)	-	-	(1,218,090)	(1,535,259)	(3,130,984)
· · ·	389,393	2,655,997	833,866	180,439	421,681	(226,729)	(285,765)	3,968,881
General and support expenses:								
General and office administration	76,394	18,963	18,813	23,280	27,425	140,156	176,650	481,681
Information technology	29,998	7,446	7,388	9,141	10,769	55,036	69,366	189,144
Amortization	33,917	8,419	8,353	10,336	12,176	62,226	78,428	213,854
Communications, marketing and government relations	923	229	227	281	332	1,694	2,135	5,823
	141,232	35,057	34,781	43,038	50,702	259,111	326,579	890,502
Less general & support costs allocated to assets								
under development (Note 6)	(7,195)		(2,845)			(32,382)	(40,814)	(83,236)
	523,430	2,691,054	865,803	223,477	472,383	-	-	4,776,147

Notes to the financial statements

June 30, 2022

#### 14. Commitments

The Corporation has corporate lease commitments of \$1,135,209 until May 31, 2023.

#### 15. Risk disclosures

#### (i) Credit risk:

Credit risk arises from cash, restricted cash and investments held with banks and credit exposure to governments and other debtors, including accounts receivable. The maximum exposure to credit risk is equal to the carrying value (net of allowances) of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Corporation assesses the credit quality of funding partners and debtors, taking into account their financial position, past experience and other factors.

#### (ii) Liquidity risk:

Liquidity risk is the risk the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's objective in managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its commitments when due, without incurring unacceptable losses or risking damage to the Corporation's reputation. The Corporation manages exposure to liquidity risk by closely monitoring supplier and other liabilities; by focusing on debtor collection; and by requesting government funding in advance.

(iii) Currency risk: The Corporation has cash denominated in U.S. dollars and is exposed to currency risk. Included in the statement of financial position is \$1,339,851 (March 31, 2022 - \$339,786) of cash and \$9,564 (March 31, 2022 - \$662,420) of payables which has been translated from its U.S. denominated amount.

Also refer to Note 25 regarding an assessment of the impact of COVID-19 on the financial statements.

#### 16. Environmental and contaminated sites liability

The Corporation assesses all of its owned properties on an ongoing basis to determine if contamination, as defined under the standard and regulatory requirements, is present on any of its lands. In March 2021, the Corporation had made a provision for liability of contaminated sites of \$2,075,000 representing one Waterfront Toronto owned property zoned for parkland and not intended for development. As of June 30, 2022, there has been no change to management's estimates of the liabilities and remediation costs incurred.

#### 17. Net other operating income

	June 30,	June 30,
	2022	2021
	\$	\$
Rental, parking and other income	1,136,729	1,132,468
Less: operating expenses	(874,610)	(1,153,339)
	262,119	(20,871)
Interest	472,720	259,604
Realized (loss) gain on foreign currency transactions	7,406	(3,389)
Other Income	48,009	38,000
Net other operating income	790,254	273,344

#### 18. Forward Exchange Contracts

The Corporation uses forward exchange contracts to reduce its exposure to fluctuations in exchange rates that result from certain transactions in foreign currencies. The Corporation does not enter into forward exchange contracts for trading or speculative purposes. The Corporation recognizes any unrealized gains/losses related to unsettled future transactions in the Statement of Remeasurement Gains and Losses. Any realized gains/losses related to foreign exchange transactions are recorded in the Statement of Financial Activities. The unrealized gain on forward contracts included in the Statement of Remeasurement Gains and Losses for the period ended June 30, 2022 is \$121,042 (2021 - \$(175,561)). As at June 30, 2022, the Corporation has notional swing forward exchange contracts of US\$3,280,000 outstanding with settlements occuring monthly until March 2023.

#### 19. Related Party Transactions

By virtue of the TWRC Act, the Governments of Canada and Ontario, the City of Toronto and Waterfront Toronto are related parties. The Corporation receives funding and renders services to these entities in the normal course of carrying out its business. The transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

#### 20. Qualified Donee Status

In 2017, TWRC was registered with the Canada Revenue Agency as a qualified donee and is now eligible to issue official donation receipts and receive gifts from registered charities. The status is effective June 24, 2016 and as at June 30, 2022, the Corporation had not received any donation or gifts.

### **Toronto Waterfront Revitalization Corporation**

Notes to the financial statements

June 30, 2022

#### 21. Contingent Liabilities

(a) Under the terms and conditions of the Contribution Agreements, the Corporation provides an indemnity to the City, Province of Ontario and Government of Canada and their respective officers, employees and agents, from and against all claims, losses, damages, costs, expenses, actions and other proceedings related to any injury to or death of a person or damage to or loss of property, infringement of rights or any other loss or damages whatsoever arising directly or indirectly from any willful or negligent act, omission or delay on the part of the Corporation, the Corporation's directors, officers, employees, contractors, agents or Third Party Contractors, in carrying out a project or as a result of the project, except to the extent that the injury, loss or damage has been caused by the City, Province of Ontario and/or Government of Canada or their respective officers, employees or agents.

The Corporation requires all Eligible Recipients to indemnify the Corporation from and against liability on the same basis outlined above

The Corporation requires most third party contractors to indemnify each level of government and the Corporation, its officers, employees and agents against all claims, liabilities and demands with respect to any injury to persons (including death), damage to, loss or destruction of property or infringement of rights caused by or arising directly from:

- (i) the breach of any term or condition of the contract by the third party contractor or its officers, employees or agents; or
- (ii any omission or any willful or negligent act of the third party contractor or its officers, employees or agents in relation to the applicable project.
- (b) Under the Delivery Agreement with each Eligible Recipient respectively, the Corporation provides an indemnity to the Eligible Recipient and its respective officers, employees and agents, from and against any claims with respect to direct loss arising from:
  - (i) any breach by the Corporation of the Delivery Agreement or documents or certificates given pursuant to the Agreement, or
  - (ii any negligent or willful acts or omissions of the Corporation, its officers, directors, employees or agents, in relation to the project.

Management attempts to limit the Corporation's exposure under these indemnifications through the purchase of directors and officers insurance, the allocation of risk to Eligible Recipients and contractors (outlined above) and through enforcing the Corporation's and Eligible Recipients' policies and procedures, as well as intense oversight where appropriate.

- (c) The Corporation has entered into a number of Development Agreements with third party builders with respect to lands located in the West Don Lands and East Bayfront. Under these agreements, the Corporation has provided the builders certain milestone representations based on specific Corporation development obligations. The representations primarily relate to schedule delays. The maximum potential future liability related to these representations is \$7.5 million under one development agreement with one builder and although under the other development agreements the amounts are not determinable, they are limited to the amount up to the respective builder's carrying costs and/or out of pocket expenses incurred on the development. No amount for these representations has been accrued in these financial statements. Management attempts to limit the Corporation's potential exposure under these guarantees through appropriate schedule, cost and scope management practices.
- (d) The Corporation received a claim from a development partner for the recovery of additional costs related to environmental risk management. An amount based on management's assessment of the liability has been accrued in the March 31, 2022 financial statements. Resolution of the claim is expected by September 30, 2022.

### 22. Comparatives

Certain comparative amounts have been reclassified to conform with the current year's method of presentation.

### 23. Impact of Climate Risk

The impact of physical climate-related events (severe weather events and other natural conditions) and the transition to a lower carbon economy were considered in preparing the financial statements. The Corporation assesses governance, strategy, risk management, and metrics and targets associated with climate risk. The items subject to material impact arising from climate risk are the valuation of assets under development, impairment of capital assets, and accrued liabilities. As of financial statement date, there has been no material impact on financial position and/or results of operations.



# Finance, Audit & Risk Management Committee - September 22, 2022 Item 4)c)ii)a) - Port Lands Flood Protection (PLFP) Dashboard Executive Summary David Kusturin

Purpose	For Committee Information
	The Port Lands Flood Protection (PLFP) Dashboard report is a key component of the Corporation's project planning and reporting framework. The purpose of this report is to monitor on a monthly basis the progress and achievement of project budgets and schedules against the corporation's Long-Term Plan and Capital Project Budgets approved by the Board of Directors.
Areas of note/ Key issues	Waterfront Toronto is forecasting that the project schedule will be extended from March 2024 to late 2024 due to the realization of numerous risks (including utility approvals and installations) that were beyond the control of and could not be mitigated by the project team. Additionally, while \$23M in contingency remains unallocated (at June 2022), and the approved project budget of \$1.185B remains unchanged at this time, due to the schedule extension, global macro-economic supply chain issues, the COVID- 19 pandemic and extreme escalation and inflationary pressures, the project is likely to exceed the original budget by between 10.2% (\$121M) and 12.8% (\$151M). This reflects the most current estimates and risk analysis which exceed the values forecast to the end of June, 2022. Schedule and budget continue to be closely monitored.
	The Estimate at Completion (EAC) and contingency balance in this report reflect the updated status at month-end, based on the 90% Stage Gate EAC which was presented to the Executive Steering Committee in October 2020. The project team will proceed to procure all remaining project tender packages and will complete another detailed Cost Risk Forecast & Risk Update and Quantification in Fall 2022 to more accurately determine the project Estimate at Completion and potential additional funding requirements.
	<ul> <li>The following represents the financial status of the projects as of Q1 2022/23:</li> <li>The anticipated total project cost and approved funding remains unchanged at \$1,185.00 billion.</li> <li>Current commitments are equal to \$1,024.87 billion, an increase of \$13.78 million from the last quarterly report.</li> <li>Costs incurred to date equal \$696.06 million.</li> <li>\$23.0 million of the project contingency is unallocated and is available for future risks and unknowns.</li> </ul>
	<ul> <li>The key accomplishments for Q1 include:</li> <li>Completed wet utility construction on Cherry Street</li> <li>Completed energization of Don Roadway feeder</li> <li>Completed tunnel connecting OGS1 and SWPS shaft</li> <li>Completed gas main construction on Cherry Street</li> <li>Advanced wet utility construction on Commissioners Street</li> <li>Finalized traffic signal design for Lake Shore and Cherry</li> <li>Completed steel fabrication of Cherry north vehicular bridge, loaded, and shipped out for delivery July 3, 2022</li> </ul>

		<ul> <li>Progressed Issue for Construction drawings for existing Cherry bridge demolition</li> </ul>
		<ul> <li>Completed paving, concrete sidewalks and curbs on Cherry South bridge</li> </ul>
		Completed River Valley and Wetland Pedestrian bridges
		<ul> <li>Completed installation of drainage layer and RMM in Elbow Area</li> </ul>
		<ul> <li>Continued installation of river finishes in Central River Valley and Spill way</li> </ul>
		<ul> <li>Mobilized and began construction of new Don Roadway dock wall</li> </ul>
		<ul> <li>Completed excavation and progressed with stone finishes in Canoe Cove</li> </ul>
		<ul> <li>Continued dock wall and dredging works in Sediment and Debris Management Area</li> </ul>
		Completed MT35 dock wall re-enforcement work
		<ul> <li>Continued abatement and painting and demolished winch house at Atlas Crane</li> </ul>
		<ul> <li>Obtained TRCA approval for flow curtain</li> </ul>
Resolution or N Steps	Next	The next Port Lands Flood Protection & Enabling Infrastructure Program Dashboard for Q2 2022/2023 will be presented at the next FARM committee meeting.

Issued: August 15, 2022

### PROGRAM SUMMARY

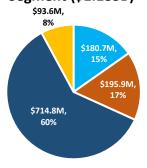
Waterfront Toronto is tracking the progress of the Port Lands Flood Protection (PLFP) Program and is now forecasting that the project schedule will be extended from March 2024 to late 2024 due to the realization of numerous risks (including utility approvals and installations) that were beyond the control of and could not be mitigated by the project team. Additionally, while \$23M in contingency remains unallocated (at June 2022), due to the schedule extension, global macro-economic supply chain issues, the COVID-19 pandemic and extreme escalation and inflationary pressures, the project may come in over budget by between 5% (\$59M) and 10% (\$118M). Schedule and budget continue to be closely monitored.

# STATUS SUMMARY **BUDGET** SCHEDULE

The overall program budget of \$1.185B remains unchanged at this time. The Estimate at Completion (EAC) and contingency balance in this report reflect the updated status at month-end, based on the 90% Stage Gate EAC which was presented to the Executive Steering Committee in October 2020. The project team will proceed to procure all remaining project tender packages and will complete another detailed Cost Risk Forecast & Risk Update and Quantification in Fall 2022 to more accurately determine the project Estimate at Completion and potential additional funding requirements.

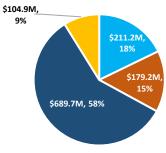
## PROGRAM BUDGET ALLOCATION (Based on 30% Approved Budget)

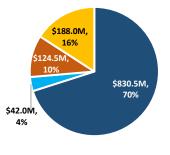
### **Program Budget by** Segment (\$1.185B)



Segment (\$1.185B)

90% Cost Estimate by





**Program Budget by** 

Category (\$1.185B)

**Contingency Allocation** at Month-End (\$101.5M of \$124.5M)



- Roads and Services
- Bridges and Structures
- Flood Protection Features
- Parks and Public Realm
- Roads and Services
- Bridges and Structures
- Flood Protection Features
- Parks and Public Realm

Hard Costs

Soft Costs

- Escalation Allowance
- Risk Contingency
- Total Contingency Unused
- Total Contingency Used

### FINANCIAL SUMMARY

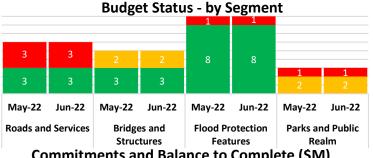
Project Name	Due-Diligence Budget (\$M)	Approved Changes (\$M)	Approved Budget (\$M)	Total Commitments (\$M)	Anticipated Commitments (\$M)	**Estimate At Completion (\$M)	Variance to Approved Budget (\$M)	*Costs Incurred to Date (\$M)	% Complete to Date	Status
Forecast to cor	nplete within bud	get • Forecas	t to complete w	ithin 10% of budg	et • Forecast t	o complete more	than 10% overb	oudget		
Roads & Services	\$ 168.00	\$ 12.69	\$ 180.69	\$ 221.56	\$ 6.04	\$ 227.59	-\$ 46.90	\$ 127.74	56%	•
Commissioners St. West to New Cherry St.	18.00	9.86	27.86	31.92	0.42	32.35	-4.48	17.77	55%	•
Commissioners St. East to Saulter St.	7.00	-0.86	6.14	7.60	1.42	9.02	-2.88	4.39	49%	•
Cherry Street Re-alignment	22.00	15.61	37.61	31.74	1.29	33.03	4.57	15.51	47%	•
Don Roadway North	7.00	10.70	17.70	14.91	1.51	16.42	1.28	4.05	25%	•
Hydro One Integration	12.00	-2.85	9.15	6.12	0.04	6.16	2.99	5.48	89%	•
Site Wide Municipal Infrastructure	102.00	-19.77	82.23	129.26	1.35	130.61	-48.38	80.54	62%	•
Bridges & Structures	\$ 163.00	\$ 32.86	\$ 195.86	\$ 165.49	\$ 14.90	\$ 180.39	\$ 15.46	\$ 121.04	67%	•
Cherry Keating-Cherry Street Bridge North	55.00	-14.08	40.92	35.22	0.61	35.83	5.09	26.94	75%	•
Cherry Polson-Cherry Street Bridge South	42.00	-2.89	39.11	41.92	0.55	42.47	-3.36	34.77	82%	•
Commissioners Street Bridge/Don Roadway	43.00	6.22	49.22	50.42	0.94	51.36	-2.14	44.62	87%	•
Lake Shore Road & Rail Bridge Modifications	19.00	44.01	63.01	36.83	10.59	47.42	15.59	13.81	29%	•
Old Cherry St. Bridge Demolition	4.00	-0.40	3.60	1.10	2.21	3.30	0.29	0.91	27%	•
Flood Protection Features	\$ 762.00	-\$ 47.20	\$ 714.80	\$ 576.81	\$ 87.18	\$ 663.99	\$ 50.82	\$ 410.18	62%	•
River Valley System & Don Greenway	486.00	11.98	497.98	448.96	31.24	480.20	17.78	336.23	70%	•
Keating Channel Modifications	35.00	-6.45	28.55	8.04	1.58	9.63	18.92	5.95	62%	•
Polson Slip North Side Naturalization	60.00	-10.64	49.36	26.86	5.45	32.31	17.05	19.32	60%	•
Don Roadway Valley Wall Feature	27.00	-4.90	22.10	13.72	3.81	17.54	4.57	8.48	48%	•
Eastern Avenue Flood Protection	5.00	-0.88	4.12	1.52	0.04	1.56	2.56	1.18	76%	•
East Harbour Flood Protection	5.00	-4.10	0.90	0.04	0.00	0.04	0.86	0.04	112%	•
Flow Control Weirs	38.00	-15.38	22.62	7.14	1.69	8.82	13.80	5.43	62%	•
Sediment and Debris Management Area	78.00	-0.80	77.20	60.07	43.04	103.10	-25.90	27.58	27%	•
Villiers Island Grading	28.00	-16.03	11.97	10.46	0.33	10.78	1.18	5.96	55%	•
Parks & Public Realm	\$ 92.00	\$ 1.65	\$ 93.65	\$ 61.01	\$ 52.02	\$ 113.03	-\$ 19.38	\$ 37.10	33%	•
River Park North	23.00	-0.41	22.59	25.46	13.83	39.29	-16.70	14.79	38%	•
River Park South	27.00	-8.14	18.86	11.16	7.91	19.07	-0.21	7.01	37%	•
Promontory Park South	42.00	10.21	52.21	24.39	30.28	54.68	-2.47	15.29	28%	•
*Actual costs do not include accrued costs	\$ 1,185.00	\$ 0.00	\$ 1,185.00	\$ 1,024.87	\$ 160.13	\$ 1,185.00	\$ 0.00	\$ 696.06	59%	•

<sup>\*</sup>Actual costs do not include accrued costs.

<sup>\*\*</sup>Estimate at Completion at Month's End.

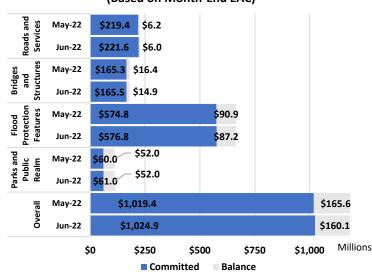
Issued: August 15, 2022

### **PROGRAM BUDGET STATUS**

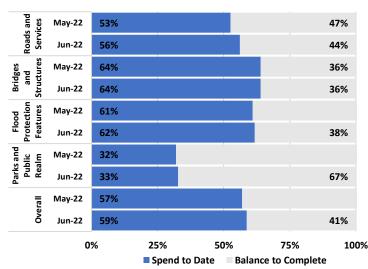


- Forecast to complete within approved budget
- Forecast to complete within 10% of approved budget
- Forecast to complete more than 10% over approved budget

# Commitments and Balance to Complete (\$M) (Based on Month-End EAC)

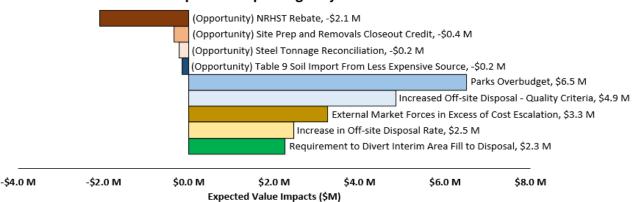


# Program Progress - by Segment (Based on Month-End EAC)

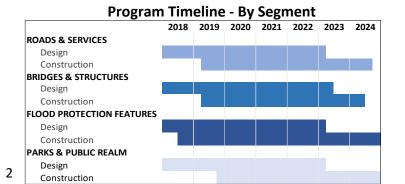


### **KEY BUDGET RISKS & IMPACTS**

### **Top Risks Impacting Project Cost**



### **PROGRAM SCHEDULE STATUS**



### **Key Communications Milestones**

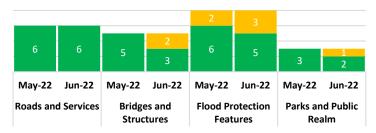
River Valley Planting Begins	Spring 2022
Cherry South Bridge Opening	Summer 2022
Cherry North Vehicular Bridge	Fall 2022

Issued: August 15, 2022

SCHEDULE SUMMARY (CONSTRUCTION COMPLETION)									
	Base	eline*	Forecast**		Actual		Delay (months) from Baseline Finish date		
Projects	Start	Start Finish		Finish	Start	Finish	Baseline Finish date	Status	
On schedule 1-6 mor	ths behind ba	aseline schedu	le • 6+ mo	nths behind b	aseline sched	lule			
Roads & Services	27-May-19	29-Aug-24		30-Aug-24	16-Sep-19	4-Dec-20	0	•	
Commissioners St. West to New Cherry St.	16-Sep-19	2-Aug-24		13-Aug-24	16-Sep-19		0	•	
Commissioners St. East to Saulter St.	31-Jan-20	29-Aug-24		8-Jul-24	31-Jan-20		-1	•	
Cherry St. Re-alignment	27-May-19	19-May-23		2-May-23	27-May-19		0	•	
Don Roadway North	1-Mar-21	21-Aug-24		30-Aug-24	1-Mar-21		0	•	
Hydro One Integration	15-Jun-20	4-Dec-20			15-Jun-20	4-Dec-20	0	•	
Site Wide Municipal Infrastructure	12-Nov-19	12-Jun-24		21-Jun-24	12-Nov-19		0	•	
Bridges & Structures	6-May-19	20-Jun-24	10-Mar-23	20-Jun-24	6-May-19		0	•	
Cherry Keating-Cherry St. Bridge North	6-May-19	12-May-23		10-Jan-23	6-May-19		-4	•	
Cherry Polson-Cherry St. Bridge South	31-Jan-20	3-Aug-22		14-Oct-22	31-Jan-20		2	•	
Commissioners St. Bridge/Don Roadway	15-Oct-19	6-Dec-22		11-Jan-23	15-Oct-19		1	•	
Lake Shore Road & Rail Bridge Modifications	1-Jun-21	20-Jun-24		20-Jun-24	1-Mar-22		0	•	
Old Cherry St. Bridge Demolition	9-Mar-23	24-Nov-23	9-Mar-23	24-Nov-23			0	•	
Flood Protection Features	13-Sep-18	30-Oct-24	3-May-23	30-Oct-24	13-Sep-18		0	•	
River Valley System & Don Greenway	13-Sep-18	30-Oct-24		30-Oct-24	13-Sep-18		0	•	
Keating Channel Modifications	1-Feb-24	21-May-24	30-Jan-23	21-May-24			0	•	
Polson Slip North Side Naturalization	14-Apr-20	5-Jun-23		13-Oct-23	14-Apr-20		4	•	
Don Roadway Valley Wall Feature	1-Feb-22	27-Oct-23		9-Nov-23	17-Dec-21		0	•	
Eastern Avenue Flood Protection	4-Apr-23	21-Nov-23	1-May-23	1-May-24			5	•	
Flow Control Weirs	21-Sep-23	12-Aug-24	21-Sep-23	12-Aug-24			0	•	
Sediment and Debris Management Area	27-Jan-20	7-Mar-24		24-May-24	27-Jan-20		2	•	
Villiers Island Grading	2-Mar-20	5-Sep-24		5-Sep-24	2-Mar-20		0	•	
Parks & Public Realm	28-Oct-19	31-Oct-24		23-Dec-24	28-Oct-19		1	•	
River Park North	29-Jun-20	31-Oct-24		28-Nov-24	29-Jun-20		0	•	
River Park South	27-Jul-20	30-Sep-24		30-Sep-24	27-Jul-20		0	•	
Promontory Park South	28-Oct-19	30-Oct-24		23-Dec-24	28-Oct-19		1	•	
Substantial Performance of PLFP / Achievement of Flood Protection		20-Jun-24		20-Jun-24			0	•	
Substantial Performance of Parks		31-Oct-24		28-Nov-24			0	•	
PLFP Close-Out		24-Dec-24		24-Dec-24			0	•	
Cumulative	13-Sep-18	24-Dec-24	13-Sep-18	24-Dec-24	13-Sep-18	4-Dec-20	0	•	

<sup>\*</sup>Baseline Schedule: Based on February 2022 Baseline Schedule. \*\* Forecast Schedule: Based on June 2022 schedule update.

### Schedule Status - by Segment

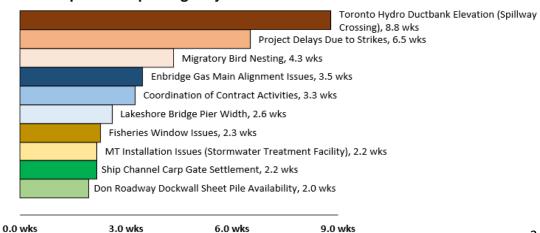


- On Schedule/0-1 months behind schedule
- 1-6 months behind schedule
- 6+ months behind schedule

### **KEY SCHEDULE RISKS & IMPACTS**

### Top Risks Impacting Project Schedule

**Expected Value Impacts (wks)** 



Issued: August 15, 2022

### **PROGRAM PROGRESS - KEY TASKS**

Key Tasks To be Completed in Next 6 Months	June Completion	July Completion	_	Nov to Jan Completion
On schedule     1-6 months behind baseline schedule	• 6+ months be	hind baseline s	chedule	
Design Phase Status				
Lake Shore Bridge Modification	V			
Enbridge Utility		٧		
Stormwater Treatment Facility & Sanitary Pumping Station		<b>√</b>		
Toronto Hydro Main Feeder Line - Lake Shore Bridge				√
Contracts to be Secured				
Excavation, Dewatering, RMM, Stone Finishes & Plug Removal	٧			
Site Preparation (Program-Wide)		<b>√</b>		
Park Landscaping and Finishes		√		
Flood Protection Landform - Earthworks		√		
Wet Utilities			√	
Parks Bike Bridges			√	
Lake Shore Bridge Modification - All Contracts			√	
Permits/Design Approvals to be Secured				
Don Roadway Valley Wall Feature Permit Package Prior to Construction		<b>√</b>		
Villiers Island Grading			٧	
Sitewide Municipal Infrastructure				V
Construction Completion	_			
River Valley Spillway & Elbow - Demolition, Excavation, Haul & Soil Remediation		٧		
River Valley Pedestrian Bridges		٧		
Cherry St North Vehicular Bridge Delivery		V		
Polson Slip Canoe Cove Outfall		√		
Wet Utilities Horizontal Microtunnelling Stormsewer & Sanitary Under River Valley			√	
New Cherry St Intersection with Lake Shore Blvd			V	
South Plug Dockwall Anchors / Sheet Pile				V

### INDIGENOUS CONSULTATION

## Update

- Continued strategic discussions with Mississaugas of the Credit First Nation (MCFN) on priorities for the Indigenous Design for the PLFP Public Realm including possible roles in the upcoming Indigenous Artist Request for Proposal (RFP) process.
- Held Working Group Meeting on April 13th with MCFN orientation and start-up for new MCFN Councillors on Committee.
- -Introduced to new MCFN Project Delivery Team. Provided summary of PLFP works past and upcoming to new staff.
- FLR invoice administration.

#### **Next Steps**

- Continue strategic discussions with MCFN on priorities for the Indigenous Design for the PLFP Public Realm, including MCFN participation in advancement of the Indigenous Artist RFP process and the anticipated upcoming soils ceremony for PLFP.
- Continue engagement for possible MCFN FLR archaeological and fisheries monitoring opportunities.

## **SITE PHOTOS**



**Figure 1**River Valley - Earthworks in the Elbow



**Figure 3**River Valley - Earthworks and Finishes



Figure 5
Cherry St - Cable Chamber Installation



Figure 2
River Valley - Installation of Armour Stone at the North Plug



Figure 4
Commissioners St and Don Roadway - Rigid Inclusions



Figure 6
Commissioners St - Earthworks at Cherry St Intersection

## PLFP CONTINGENCY DRAWDOWN SUMMARY AS OF JUNE 2022

Change in Total Program Contingency	Hard Draw	Soft Draw	Draw	Balance	Date
Opening Balance (Due Diligence Report)*				164.0 M	
Less: Initial Soft Cost Contingency draw	0.0 M	7.7 M	7.7 M	156.3 M	Approved by ESC on March 20, 2018
Less: Additional Total Contingency draw at 30% Stage Gate	22.7 M	9.1 M	31.8 M	124.5 M	Noted by ESC on November 21, 2018
Less: TPLC Studio Accommodation		5.0 M	5.0 M	119.5 M	Approved by ESC on February 20, 2018
Less: Sediment Management Area Interim Design	14.5 M		13.1 M	106.4 M	Noted by ESC on November 21, 2018 (\$14.5M); adjusted through Design Optimizations (PLFP Program Dashboard contingency utilization has not been adjusted to reflect the new estimate)
Less: Construction Estimate Adjustments at 60% Stage Gate	17.9 M		19.1 M	87.2 M	Approved by ESC on November 12, 2019; Revised to include base costs for Eastern Avenue Flood Protection Project in Jan 2020
Less: Soft Cost Estimate at Complete Variance to Budget		7.0 M	7.0 M	80.3 M	Approved by ESC on November 12, 2019; Revised based on WT Projections
Less: 100% Risks Established at 60% Stage Gate			16.8 M	63.5 M	Approved by ESC on November 12, 2019
Savings: Commissioners/Cherry Bus Rapid Transit (Deferral)			-3.0 M	66.5 M	Approved by ESC on November 12, 2019
Savings: Soil Management Trade Package (#33.2) Adjusted Savings After Award			-11.3 M	77.8 M	Awarded on January 23rd, 2020
Less: CO Removal of Soil/Debris/Fill at 99/97 Commissioners			1.2 M	76.6 M	CO 47 - Approved; Amount corrected Jan 2021
Savings: Reallocation of Cherry St North Bridge Foundation costs to CSLF project in accordance with CSLF Contribution agreement and Project Charter			-4.2 M	80.8 M	Approved; Amount correct Jan 2021
Less: Pedestrian Lighting Rough-in			0.7 M	80.1 M	Approved by ESC on April 23rd, 2020
Less: NRHST Correction at 90% Stage Gate	-0.7 M		-0.7 M	80.8 M	Approved by ESC on November 9th, 2020
Less: Construction Estimate Adjustments at 90% Stage Gate	1.8 M		1.8 M	79.0 M	Approved by ESC on November 9th, 2020
Less: Soft Cost Estimate Adjustments at 90% Stage Gate		4.8 M	4.8 M	74.2 M	Approved by ESC on November 9th, 2020
Less: Utility Cost Sharing at 90% Stage Gate	22.7 M		22.7 M	51.5 M	Approved by ESC on November 9th, 2020
Less: Changes - November/December 2020	10.0 M	0.3 M	10.3 M	41.2 M	Each TPBR/CO/SCO Approved by WT Executives
Less: January 2021	4.4 M	0.1 M	4.5 M	36.8 M	Each TPBR/CO/SCO Approved by WT Executives
Savings: February 2021	-10.3 M	0.7 M	-9.6 M	46.4 M	Each TPBR/CO/SCO Approved by WT Executives
Less: March 2021	0.4 M	0.1 M	0.5 M	45.9 M	Each TPBR/CO/SCO Approved by WT Executives
Less: April 2021	1.0 M	0.0 M	1.0 M	44.9 M	Each TPBR/CO/SCO Approved by WT Executives
Savings: May 2021	-3.9 M	0.3 M	-3.6 M	48.5 M	Each TPBR/CO/SCO Approved by WT Executives
Less: June 2021	5.4 M	0.0 M	5.4 M	43.1 M	Each TPBR/CO/SCO Approved by WT Executives
Savings: July 2021	-0.4 M	0.0 M	-0.4 M	43.4 M	Each TPBR/CO/SCO Approved by WT Executives
Savings: August 2021	-0.3 M	0.0 M	-0.3 M	43.7 M	Each TPBR/CO/SCO Approved by WT Executives
Less: September 2021	0.6 M	0.0 M	0.6 M	43.1 M	Each TPBR/CO/SCO Approved by WT Executives
Less: October 2021	0.8 M	0.0 M	0.8 M	42.3 M	Each TPBR/CO/SCO Approved by WT Executives
Less: November 2021	0.0 M	0.4 M	0.5 M	41.9 M	Each TPBR/CO/SCO Approved by WT Executives
Less: December 2021	0.3 M	-0.2 M	0.1 M	41.8 M	Each TPBR/CO/SCO Approved by WT Executives
Savings: January 2022	-1.9 M	1.1 M	-0.7 M	42.5 M	Each TPBR/CO/SCO Approved by WT Executives
Less: February 2022	0.2 M	0.4 M	0.5 M	42.0 M	Each TPBR/CO/SCO Approved by WT Executives
Less: March 2022	12.5 M	0.6 M	13.1 M	28.9 M	Each TPBR/CO/SCO Approved by WT Executives
Less: April 2022	0.2 M	1.9 M	2.0 M	26.9 M	Each TPBR/CO/SCO Approved by WT Executives
Less: May 2022	0.7 M	0.1 M	0.8 M	26.0 M	Each TPBR/CO/SCO Approved by WT Executives
Less: June 2022	0.7 M	2.4 M	3.1 M	23.0 M	Each TPBR/CO/SCO Approved by WT Executives
Unallocated Contingency Balance	99.3 M	41.7 M	141.0 M	23.0 M	

PLFP Contingency Tracker						
April 2022	90% EAC ESTIMATE	APPROVED AMOUNT	CONTINGENCY DRAWDOWN			
Soft Cost Adjustments to align with D365	-	323.64	323.64			
Hard Cost Adjustments to align with D365	-	998,272.56	998,272.56			
PFP: Insurance Brokerage Services for Port Lands – Professional Liability Insurance to cover all consultants (Jan 7, 2019 – Jan 7, 2024) NAV (1894.02)	10,440.74	10,440.74	-			
PFP: Legal Advice for PLFP and Handover of Assets to City of Toronto (PR-0436)	-	10,000.00	10,000.00			
SCO88: PLFPEI (USD)- Future Polson Hydro Duct Redesign	-	35,945.66	35,945.66			
SCO89: PLFPEI (USD)- Don Roadway Dockwall Fill Change	-	28,673.27	28,673.27			
CO493-TP75-CSS-Offloading Support- Hastings Utilities Contracting Ltd.	-	10,274.04	10,274.04			
CO504-TP44-COMM-Hydro Duct Ballast Wall Construction Staging- Alliance Verdi Civil Inc.	-	7,465.20	7,465.20			
CO515-TP135-Dewatering Cash Allowance Credit, VOC Exceedance and Material Haulage	-	(402,446.65)	(402,446.65)			
CO523-TP45-Canoe Cove Stone Supply	2,206,259.10	2,658,109.60	451,850.49			
CO524-TP135-Dewatering Cash Allowance, VOC Exceedance and Material Haulage Reconciliation	-	(140,740.54)	(140,740.54)			
CO527-TP44-CSS-Light Pole Bases- Alliance Verdi Civil	-	4,789.92	4,789.92			
CO531-TP41-Additional Qp Services & Sampling Efforts for Canoe Cove and SDMA	440,845.61	440,845.61	-			
SCO85: PLFPEI (USD)- Entry Grove Redesign	-	44,850.08	44,850.08			
SCO86: PLFPEI (USD)- MT35 Dockwall Electric Services	-	11,778.13	11,778.13			
SCO87: PLFPEI (USD)- Indigenous Design RVPN Play Feature & Ceremony Coordination	-	4,534.63	4,534.63			
SCO56: PLFPEI-Entry Gove Redesign	-	5,922.00	5,922.00			
SCO57: PLFPEI-Dockwall Electrical Services	-	7,130.00	7,130.00			
SCO58: PLFPEI-Indigenous Design RVPN Play Feature & Ceremony Coordination	-	12,610.00	12,610.00			
CO500-TP42-Reconciliation	-	(5,503,701.97)	(5,503,701.97)			
CO501-TP41-Quantity Transfers	-	1,419,231.27	1,419,231.27			
CO505-TP23-Accuworx Treatment Plant Consumable Cost Increase	-	123,415.32	123,415.32			
CO506-TP41-Imported Material Sampling (Zenway) and Import Oversight	- 1	274,048.39	274,048.39			
CO519-TP41-FPL Excavation, Construction and Surcharge	361,714.91	361,714.91	-			
CO522-TP41-Enbridge Gas Surcharge Removal and Site Preparation	426,648.06	426,648.06	-			
CO525-TP39-Access Road WP8 (Priestly)	-	47,837.71	47,837.71			
CO526-TP41-Access Road WP8 (QM)	-	31,710.00	31,710.00			
CO536-TP41-Fish Gate Excavation	-	58,773.89	58,773.89			
CO431-TP76-Wet Utilities Trenching-Polson Street and New Cherry Street Intersection Works	1,021,647.26	1,021,647.26	-			
CO472-TP24-MH13A Shaft Construction	727,987.61	502,075.00	(225,912.61)			
CO476-TP51-Design Changes in IFC Revisions	-	484,038.77	484,038.77			
CO483-TP78-Over Digging of the Existing Zayo Cable in Conjunction with the New Toronto Hydro JUT	_	38,354.83	38,354.83			
CO492-TP76-Wet Utilities Trenching-Dewater Consumables for Water Treatment Plant-Site Wide	-	2,188,111.83	2,188,111.83			
CO494-TP138-Shotcrete (Commissioners St HONI Tower Area)	158,550.00	355,543.58	196,993.58			
CO497-TP39-Backfill on top of Rigid Inclusions Load Transfer Platform	89,811.19	89,811.18	(0.00)			
CO498-TP41-Dewatering of JUT Utility	23,359.70	23,359.70	-			
CO502-TP78-Credit to THESL repairs to BN Feeder Fault at 281 Commissioners ST.	-	(50,581.02)	(50,581.02)			
CO503-TP124-Additional Headroom Required on Cable Vhambers on Future Polson and New Cherry Street	_	100,372.80	100,372.80			
CO507-TP51-Additional Civil Work for Duck Bank Break and Tie-in at Don Roadway & Villiers Street Intersection	_	89,526.84	89,526.84			
CO508-TP51-Design Changes in IFC Revisions	_	36,222.91	36,222.91			
CO509-TP61-Wet Utilities Micro Tunnelling-Shafts Installation on top of Surcharge		56,031.57	56,031.57			
CO510-TP51-Lead Insulated Conductor Removal	-	390,754.10	390,754.10			
CO510-TP31-Lead insulated Conductor Removal CO511-TP78-Additional Headroom Required on Cable Chambers	-	29,707.89	29,707.89			
	-	·				
CO512-TP39-Preload Removal at New Cherry Street South	262.470.52	88,804.12	88,804.12			
CO513-TP41-Vac Pond Management	262,479.53	262,479.53	427.574.27			
CO514-TP78-Additional Units under Series for Tunneling, Shaft Over City Sewer and Materials	-	137,571.27	137,571.27			
CO516-TP78-Missing Items from Original Contract	-	424,712.28	424,712.28			
CO517-TP78-Additional Headroom Required on Cable Chambers	-	231,521.09	231,521.09			
CO518-TP138-Changes in Construction of Load Transfer Platform (E. Don Roadway) Winter Protection	-	196,492.56	196,492.56			
CO520-TP70-Deletion of Helical Pile Top Brackets on Commissioner St.	-	47,565.00	47,565.00			
10th Release- WT Surveillance Sign	320.00	320.00	-			
SCO#01: PLFP Capital Peer Review- Apr.08, 2022 Site Visit Additional Cost	5,208.83	5,208.83				
CO#32-TP16- Concrete Road Base Removals- Aecon	-	18,945.16	18,945.16			
SCO55: PLFPEI-Temporary Art Infrastructure Analysis (PFP.04.06)	-	13,500.00	13,500.00			
PFP: Audio Visual Services for Port Lands Bridge Event	5,818.00	5,818.00	-			
PFLP: Visual for Cherry St. South Bridge media event (PR-0379)	4,592.50	4,592.50	-			
WT: Tax Advisory Services - Category B - Commodity Tax Review (RFP #2020-21) - Project Costs	25,000.00	25,000.00	-			
PFP: Legal Services - Municipal Land Transfers (PR-0158)	4,500.00	4,500.00	-			
Legal Fees	110,000.00	110,000.00	<u> </u>			
TOTAL	5,885,183	7,920,463	2,035,280			

PLFP Contingency Tracker						
May 2022	90% EAC ESTIMATE	APPROVED AMOUNT	CONTINGENCY DRAWDOWN			
SCO90: PLFPEI (USD)- Reallocation Consultant Scope from PO2102 (CAD) SCO59	-	761,950.33	761,950.33			
SCO92: PLFPEI (USD)- Enbridge Surcharge at PPS and RVPS Coordination and T&M Schedule Extension Trough Close-out	-	33,768.33	33,768.33			
SCO59: PLFPEI-Reallocation Consultant Scope to PO2126 (USD) SCO90	-	(735,474.00)	(735,474.00)			
TPBR157 Installation of CDS (Continuous Deflective Separation System (W.A. Stephenson Mechanical Contractors Ltd.) CM2022-02	202,083.68	202,083.68	-			
CO529-TP118-SPS&SWTF EYS Fittings	-	25,484.74	25,484.74			
CO530-TP125-Frac Out Contaminant & Remedial action Investigation New River Valley Crossing	-	32,978.06	32,978.06			
CO532-TP41-VAC Pond Management	-	47,565.00	47,565.00			
CO533-TP115-Abatement and Painting of Atlas Crane Legs	61,282.88	61,282.88	-			
CO534-TP60-Stringer Seal Weld for River Valley Bridge	-	4,883.34	4,883.34			
CO535-TP60-River Valley Bridge Drawing Revisions	1	726.69	726.69			
CO538-TP124-Rebuild of Existing Cable Chamber	1	535,877.37	535,877.37			
CO540-TP41-Vac Pond Management Spoils of CCI and PLP Utility Spoils	276,585.19	276,585.19	-			
CO541-TP45-Parks Glacial Erratics Boulders	79,327.86	79,327.86	-			
CO542-TP79-Supply & Install Additional Sleeves R2	ı	13,315.68	13,315.68			
CO543-TP24-NAPL Dewatering at MH13A Shaft	-	51,888.64	51,888.64			
CO547-TP99-Movement of Turbidity Curtain	-	5,608.44	5,608.44			
CO#39-TP16- Additional Sheet Pile Studes- Aecon		16,331.11	16,331.11			
PFP: Title Cleanup with CreateTO (PR-0464)	-	26,525.00	26,525.00			
TOTAL	619,280	1,440,708	821,429			

PLFP Contingency Tracker					
June 2022	90% EAC ESTIMATE	APPROVED AMOUNT	CONTINGENCY DRAWDOWN		
PFP: TEDCO - Facilitate Development of Film Studio and Production Space at 915 & 945 Lakeshore Blvd E	-	-	-		
CO#51-TP16- Caisson Reinforcing Cage Extension for Overburden Variance- Aecon		19,086.76	19,086.76		
CO#52-TP16- Additional Concrete Removal at Bent 336- Aecon		2,818.64	2,818.64		
CO#40-TP16- Bearing Shoe Plate Revisions- Aecon		5,883.88	5,883.88		
CO#44-TP16- Keating Channel Dock Wall Tie Back Investigation- Aecon		1,316.21	1,316.21		
CO#49-TP16- RESCU Temporary Works- Aecon		4,164.61	4,164.61		
SCO94: PLFPEI (USD)-SDMA Property Boundary Redesign	-	5,967.98	5,967.98		
SCO#03-PFP: Procurement Advisory Services-Extended Service to Sep 30, 2022	-	-	-		
CO53-TP23-Accuworx Bonding-Reallocation	0.00	0.00	-		
CO528-TP78-Rebuild of Cable Chamber	-	209,955.20	209,955.20		
CO545-TP78-Removal of Neutral Cable from Cable Chambers on Don Roadway	-	37,032.88	37,032.88		
CO558-TP41-Load Transfer Platform Dewatering	-	47,565.00	47,565.00		
CO559-TP79-Winter Premium Credit	-	(21,985.60)	(21,985.60)		
CO562-TP116-Old Cherry Street and Commissioners Intersection West Paving	79,275.00	98,619.05	19,344.05		
CO564-TP41-Soil Disposal	142,802.96	142,802.96	-		
CO565-TP107-Cost Adders for Xylem Scope	-	31,789.28	31,789.28		
CO566-TP102-Lafarge Sand Credit from Orin	-	(43,284.15)	(43,284.15)		
CO568-TP139-Mud Slabs at OGS1 & WSTF	33,295.81	33,295.81	-		
CO569-TP137-Additional Traffic Control Along Lakeshore Blvd. E between Cherry St. & Don Roadway	-	11,231.68	11,231.68		
CO571-TP41-Lightweight Fill (LWA) for River Park North	-	677,799.14	677,799.14		
SCO91: PLFPEI (USD)-Geosyntec Consultant Fee & Expense Reallocation for SCO25, 81 and 82	-	-	-		
SCO93: PLFPEI (USD)- Geotech CA, WP4,8,9 and 13 through 2023 T&M ad hoc CA and WP4,9	-	847,260.39	847,260.39		
SCO95: PLFPEI (USD)-CreateTO Interim Coordination		10,948.63	10,948.63		
PFP: Sanitary Discharge Permit Fees to Discharge Treated Water to the City of Toronto Sanitary System on Cherry Street		1,555,620.00	1,555,620.00		
TPBR158- Wet Utilities- Clearway Construction Sediment & Debris Management Area (Clearway Construction) CM2022-15	1,959,150.00	1,557,269.69	(401,880.31)		
CO469-TP135-Daylighting to locate Existing WM at North Connection	-	4,348.50	4,348.50		
CO539-TP11-CSN/CSS- Additional Expansion Joint Steel- Cherubini Metal Works	-	9,265.81	9,265.81		
CO544-TP44-CSN/CSS- U-drain Revisions- Alliance Verdi Civil Inc.	-	88,313.17	88,313.17		
CO546-TP41-CSS- Spoils Inheritance- QM Environmental	-	12,118.29	12,118.29		
CO549-TP145-Credit for SDMA Stone Supply	-	(610,396.36)	(610,396.36)		
CO550-TP45-SDMA Stone Supply	-	551,358.68	551,358.68		
CO551-TP135-SDMA Pond Backfilling	-	17,058.08	17,058.08		
CO553-TP135-SDMA South Cut and Cap on Existing Watermain	-	8,444.94	8,444.94		
CO554-TP145-Credit for SDMA QP Services	-	(186,032.00)	(186,032.00)		
CO555-TP146-LRT Traffice Barrier Wall Anchorage Assembly Supply- Powell Contracting Ltd.	-	20,362.05	20,362.05		
PFP: CONTACT Photography Festival 2022 Sponsorship	10,610.00	10,610.00	- -		
PFP: Offer To Connect from Toronto Hydro for Munitions / Commissioners / River Park North	·	151,150.55	151,150.55		
SCO2: PFP: PL Flood Protection & Enabling Infrastructure Project- Internal Reallocation from PFP.01.00 to PFP.06.01	-	4,093.60	4,093.60		
TOTAL	2,225,134	5,315,853	3,090,720		



# Finance, Audit & Risk Management Committee - September 22, 2022 Item 4)c)ii)b - Lake Shore Blvd East - Bridge and Public Realm (LSBE) Dashboard Report David Kusturin

Purpose	For Committee Information					
	The Lake Shore Boulevard East – Bridge and Public Realm (LSBE) Dashboard eport is a key component of the Corporation's project planning and reporting ramework. The purpose of this report is to monitor on a monthly basis the progress and achievement of project budgets and schedules against the corporation's Long-Term Plan and Capital Project Budgets approved by the Board of Directors.					
Areas of note/ Key issues	The Lake Shore Boulevard East, Bridge and Public Realm Project is proceeding in accordance with the Delivery Agreement executed on June 14, 2021, between Waterfront Toronto and the City of Toronto. The project is currently on budget and schedule.					
	<ul> <li>The following represents the financial status of the projects as of Q1 2022/23: <ul> <li>The anticipated total project cost and approved funding is \$163.2 million.</li> <li>Current commitments equal \$92.6 million.</li> <li>Costs incurred to date equal \$32.1 million.</li> <li>\$13.3 million of the project contingency is unallocated and is available for future risks and unknowns.</li> </ul> </li> <li>The key accomplishments for Q1 include: <ul> <li>Issued for Construction drawings for Lake Shore Bridge</li> <li>Issued for Construction drawings for Lake Shore Boulevard with rail line deleted</li> <li>Progressed with design coordination for private utilities on Lake Shore Boulevard</li> <li>Enbridge proceeded with design for temporary and permanent relocation of NPS 20 inch main</li> <li>Toronto Hydro duct bank on Lake Shore Bridge issued for permit</li> <li>Progressed with construction of piers and abutments for eastbound road and utility bridges at Lake Shore bridge</li> <li>Progressed fabrication of pre-stressed concrete girders</li> <li>Completed removals on Lake Shore Boulevard</li> <li>Closed and awarded RFP for road works on Lake Shore Boulevard</li> </ul> </li> </ul>					
Resolution or Next Steps	The next Lake Shore Blvd East – Bridge and Public Realm Dashboard will be for Q2 2022/2023 and will be provided at the next FARM Committee meeting.					

## PROJECT NAME: PFP08-01 LAKE SHORE BOULEVARD EAST BRIDGE & PUBLIC REALM

### **PROJECT DIRECTOR: SIMON KARAM**

PROJECT STATUS SUM	MARY			
Budget Status				
Approved Budget	Total Commitments	Anticipated Commitments	Estimate at Completion	
\$163,245,000	\$92,617,672	\$70,627,328	\$163,245,000	Issues Budget & Risks
Remaining Contingency	Contingency Utilization	Cost to Date	Variance to Budget	Schedule
\$13,326,722	52%	\$32,127,976	\$0	Schedule
Schedule Status				
Percent Complete	Project Start	Construction Start	Substantial Performance	Warranty Complete
20%	29-Apr-20	01-Jun-21	06-Feb-25	06-Feb-27
Project Progress Summar	γ			
		months. Project is currently und		ls. Demo of Gardiner

BUDGET AND COST SUMMARY									
Description	Due-Diligence Budget	Approved Changes	Approved Budget	Total Commitments*	Anticipated Commitments	Estimate at Completion*	Cost Incurred to Date*	Variance to Budget	% Complete
Hard Cost	\$ 110,300,000	\$ -	\$ 110,300,000	\$ 71,909,180	\$ 50,321,098	\$ 122,230,278	\$ 14,699,120	\$(11,930,278)	12%
Soft Cost	\$ 22,355,000	\$ -	\$ 22,355,000	\$ 20,490,858	\$ 4,367,142	\$ 24,858,000	\$ 17,233,883	\$ (2,503,000)	69%
Contingency	\$ 27,760,000	\$ -	\$ 27,760,000	\$ -	\$ 13,326,722	\$ 13,326,722	\$ -	\$ 14,433,278	0%
NRHST	\$ 2,830,000	\$ -	\$ 2,830,000	\$ 217,634	\$ 2,612,366	\$ 2,830,000	\$ 194,973	\$ -	7%
Total	\$ 163,245,000		\$ 163,245,000	\$ 92,617,672	\$ 70,627,328	\$ 163,245,000	\$ 32,127,976	\$ -	20%

<sup>\*</sup>Reflect June 2022 WT PMO Month-End Financial Report. NRHST included in Hard / Soft Cost.

SCHEDULE SUMMARY							
Milestone	Base	Baseline		ecast	Actual		
Milestone	Start	Finish	Start	Finish	Start	Finish	
Project Start	16-Apr-18	12-Jan-24			29-Apr-20	n/a	
Engineering & Design	16-Apr-18	15-Jun-22		15-Jun-22	29-Apr-20		
IFC (Completion Date)	n/a	15-Jun-22		15-Jun-22	n/a		
Construction	01-Jun-21	26-Nov-24		06-Feb-25	01-Jun-21		
Gardiner Ramps Demolition	01-Jun-21	04-Oct-21			01-Jun-21	04-Oct-21	
Bridgework: Eastbound & Westbound Lanes	28-Feb-22	16-Apr-24		09-Jun-24	01-Mar-22		
Roadwork: Stage 1 (South Side) incl: Pre- Stage Traffic Detour	23-Aug-21	02-Mar-23		26-Jul-23	23-Aug-21		
Roadwork: Stage 2 (North Side) incl: Don Roadway NW Intersection	09-Feb-23	10-Jan-24	25-May-23	09-Aug-24			
Roadwork: Stage 3 (Centre Median)	16-Apr-24	26-Nov-24	12-Aug-24	06-Feb-25			
Warranty Complete	n/a	26-Nov-26	n/a	06-Feb-27			

<sup>\*</sup> Baseline Schedule: Based on February 2022 Baseline Schedule. \*\* Forecast Schedule: Based on June 2022 schedule update.

PROGRESS OF WORK AND KEY DELIVERABLES					
Work Accomplished this Period	Work Planned for Next Period				
Continued coordination with private utilities through Toronto     Public Utilities Coordinating Committee (TPUCC) process.	Continue to coordinate with private utilities through TPUCC process.				
Continued coordination with City of Toronto (CoT) team on outstanding design coordination items such as: Carlaw Ave and Booth Intersection	2. Finalize the design of Carlaw Ave and Booth Intersection.				
3. Removal of topsoil, asphalt and gutter for eastbound lanes was completed.	3. Excavation, clean cap & grading work to commence.				
4. Demolition of existing Gardiner elements at Bents 332 & 333 and removal of existing CBs west of the bridge was completed.	4. Request for Proposal (RFP) for Permanent Road Construction to be released to the market and is anticipated to be awarded by end of Aug-22.				

### PROJECT NAME: PFP08-01 LAKE SHORE BOULEVARD EAST BRIDGE & PUBLIC REALM

5. Installation of temporary electrical lighting was completed. 5
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KEY PROJECT RISKS		
Risk Register ID	Risk Description	Mitigation Strategy
1. UTL_ALT 20.01	(Risk) Unknown Utilities – Lake Shore Blvd (LSB) East: Base cost for utilities include wet utilities of \$5M, and dry utilities of \$10M Risk that additional funds might be required for the relocation of unknown utilities along LSB.	Mitigate; Team intends to mitigate through ongoing subsurface utility engineering investigations in addition to proposed test pits.

<sup>\*</sup>Top 5 risks only

# KEY ISSUES AND DECISIONS Key Issues 1. WT and City to agree to design updates due to High Lake Level deletion. Key Decisions Due Date 1. City to advise on direction regarding the Harbour Lead Rail. Jul-22

### PHOTOS & ILLUSTRATIONS



Location Map



Project Overview



Asphalt Removal on Boulevard



Clean Cap Prep work in Progress



Road removal work in progress on Boulevard



Current Site Status

<sup>\*</sup>Top 3 only

### PROJECT NAME: PFP08-01 LAKE SHORE BOULEVARD EAST BRIDGE & PUBLIC REALM

G	ENERAL COMMENTS
1.	. No additional comments.

Legend			
Indicator	Budget Impact	Schedule Impact	Risk & Issues Impact
	Forecast to complete more than	Forecast to complete more than 6	High likelihood of risks occurring and/or issues flagged will impact
	10% over approved budget	months behind schedule	schedule/budget
	Forecast to complete within 10% of	Forecast to complete 1- 6 months	Medium likelihood of risks occurring and/or likely issues flagged
	approved budget	behind schedule	are likely to impact schedule/budget
	Forecast to complete within	Forecast to complete on schedule or	Low likelihood of risks occurring and/or issues flagged are expected
	approved budget	before	to be resolved without impact to schedule/budget
Definitio	ne		

Anticipated Commitments (ACM): Unreleased Trade Packages + Unapproved Change Orders + Potential Claims = ACM

Cost Incurred to Date (CID): What you have paid to date for the work that has been done/completed = CID

Estimate at Completion (EAC): Given the current performance, what is the expected overall project cost when the project is completed = EAC= TCM + ACM

Percent Complete: Actual project progress based on Approved Budget and Cost Incurred to Date = CID / EAC

Project Contingency: Total Contingency allocated for a given project (includes both soft and hard contingency).

Program Contingency: Allocated Management Reserve for a given project.

**Substantial Performance:** Substantial completion date of the project.

Total Commitments (TCM): Includes: Approved Contracts + Approved Change Orders + Approved Change Directives + Approved Non-Contract Costs = TCM

Variance to Budget: Difference between the Approved Budget and what you are expecting it to cost at the end = EAC – Approved Budget

Warranty Complete: Warranty end date, calculated as two years from date of substantial performance.



1. S. 11 of the Procurement Policies require reporting to the FARM committee of (a) exceptions to the Procurement Policies; and (b) contracts awarded in excess of \$5 million.

Since the last Quarterly Procurement Report there were the following items:

(a) Exceptions to the Procurement Policies as follows:

Non-Competitive Procurement - Goods & Services (including Professional Services) for contract value above \$25,000, the following does not meet the permitted exceptions under Section 6 (3):

- DPM Energy Inc. Advisory services on the Offer to Connect (OTC) process for Quayside development in the East Bayfront, including conceptual servicing schematics. Contract value: \$25,000
  - DPM has been a key consultant of Waterfront Toronto's Project Delivery team and instrumental to provide services to prepare, review, and align WT with the electrical requirements by Toronto Hydro OTC throughout the various developments, such as Dockside, East Bayfront, and West Downlands. They have a thorough understanding of WT's processes and therefore would not require a learning curve, thus, the benefits to for this sole source.
- The Waterfront BIA Waterfront Artist Residency 2022 Sponsorship. Contract value: \$40,000
  - Waterfront Toronto sponsored the Toronto Waterfront Artist Residency 2022, to coincide with ArtworxTO: Toronto's Year of Public Art. Procured by the Waterfront BIA, the aim of this Artist Residency is to create meaningful, experiential encounters with the community, to activate multiple underutilized spaces along the lakefront, and draw new audiences to the waterfront. The theme of this year's residency will be climate change.
- (b) Contracts awarded in excess of \$5 million as follows:

Eastern Construction Company Ltd. – Construction Management Services for Quayside and related Infrastructure in East Bayfront. Estimated contract value: \$163,000,000 with an initial commitment released of \$1.9M

2. The Ontario Government has trade reporting obligations under several trade agreements and is required to provide an annual report of the procurement activities to the federal government. The Ontario Government through Ministry of Government & Consumer Services consolidated a report of their ministries and agencies including Broader Public Sector (BPS) organizations and municipalities. Waterfront Toronto provided the information requested for fiscal years 18/19, 19/20, and 20/21.

The reporting obligations are resulting from the following trade agreements:

- 1. World Trade Organization Government Procurement Agreement (WTO-GPA);
- 2. Canada Free Trade Agreement (CFTA);
- 3. Canadian-European Comprehensive and Economic Trade Agreement (CETA);
- 3. Ontario-Quebec Trade Cooperation Agreement (OQTCA)

The information provided includes procurements with contracts signed within the reporting period where the total contract value meets or exceeds the established thresholds. Waterfront Toronto reported the procurements for services and construction with a value over \$100K, and goods with a value over \$25K.

# Regulatory & Operational Compliance Report (for the period from April 1, 2022 to June 30, 2022)

## Finance, Audit and Risk Management Committee Meeting **September 22, 2022**

Document/Program	Regulatory Body	Filing Requirements	Status	Compliant	Accountability
	Wages, Taxes	, Source Deductions a	and Employment-R	elated	
Harmonized Sales Tax Filing	Canada Revenue	Monthly; last day of	Ongoing: up to	Yes	Director, Financial
Directors may be jointly and	Agency	month following	date		Management Accounting
severally liable with the Corporation for unremitted HST		month's end			
Additional comments:	HST Return filed Au	ig 2, 2022 for period Ju	n 1, 2022 to Jun 30,	2022	
Corporate Income Tax Return	Canada Revenue	Annually; June 30 of	Ongoing: up to	Yes	Director, Financial
Directors may be liable for failure to	Agency	each year	date		Management Accounting
file corporate income tax returns and					
up to 50% of unpaid taxes	NA 1 04 0000 01T		0 45 0000 5 11		
Additional comments:		Return to be filed before			
CPP, EI & Income Tax	Canada Revenue	Within 3 days of any	Ongoing: up to	Yes	VP, Human Resources and
remittances	Agency	pay date	date		Administration
Directors may be liable for					
unremitted source deductions Additional comments:	ADD makes the row	l nittances on behalf of W	lotoufront Toronto		
				1.	VD Harris December 2011
Workplace Safety and Insurance	Minister of Labour	Monthly; 30 <sup>th</sup> of	Ongoing: up to	Yes	VP, Human Resources and
Board premium remittances  Directors may be liable for fines of		each month	date		Administration
up to \$25,000 for non-compliance by					
the Corporation under the WSIA					
Additional comments:	Administered in-hou	ise			
Employee Health Tax Filing	Minister of	Monthly; 15 <sup>th</sup> of	Ongoing: up to	Yes	VP, Human Resources and
Directors may be liable for failure to	Finance	every month	date		Administration
make payments under the Act		,			
Additional comments:	Administered in-hou	ise			
Employee Wages and Accrued	Employment	Semi-monthly	Ongoing: up to	Yes	VP, Human Resources and
Vacation Pay	Standards Act		date		Administration
Directors may be liable for up to 6					
months of unpaid wages accrued					
vacation pay				1	
Additional comments: ADP administers payments; vacation pay accrual recorded in financial statements					

Other Filings – Operational							
Annual business plan to be	TWRCA	Annually	Up to date	Yes	Chief Financial Officer		
adopted at least 90 days before							
the beginning of each fiscal year							
with updated 5-year plan							
This is a key governance							
requirement of the TWRC Act							
Additional comments:		ss plan and current rollin					
Audited Financial Statements	TWRCA and Ontario	Annually; financial	Audited financial	Yes	Chief Financial Officer		
and Annual Report to	Business	year end is March 31	statements and				
governments within 90 days of	Corporations Act		annual report				
the end of each fiscal year			presented to				
This is a key governance			Board by June 30				
requirement of the TWRC Act			of each year				
Additional comments:			l by the Board June 2	22, 2022 with	signed copies provided to		
	governments on/befor	e June 30, 2022.					
Property Management	Landowner's liability	Inspections are	Ongoing: up to	Yes	Chief Financial Officer		
In the operation of the properties it	(Fire Code Act,	completed according	date				
owns or manages, the Corporation is	Ontario Building	to regulatory					
responsible for various obligations	Code, Occupier's	requirements and					
	Liability Act)	properties are					
	/Landlord obligations	maintained according					
	under lease	to a regular					
		maintenance schedule					
Additional comments:					MS Property Management		
	and third-party parking	g operators (SP+ and Tar	get Park) except for t	the following:			
	54 Commissioners St. was vacated by the tenant in February 2020 and care and control of the						
	property has b	een taken over by the Po	rt Lands Flood Prote	ction project (	PLFP) through the		
	Construction Manager for the purpose of material and equipment storage; and						
	130 Commissioners St. has been demolished and care and control of the property taken over by						
	PLFP through	the Construction Manage	er for construction act	ivities.			

## **Lisa Taylor, Chief Financial Officer**

DocuSigned by:	
hutas	
C3F91AEB1E98425	

Document/Program	Regulatory Body	Filing Requirements	Status	Compliant	Accountability	
Other		<u> </u>				
Employee Health and Safety – workplace incidents or injuries Under OHSA, directors may be held responsible for non-compliance and liable for fines of up to \$100,000 and imprisonment for up to 1 year	Occupational Health and Safety Act ("OHSA")	Report to FARM	Ongoing: up to date	Yes	Chief Project Officer	
Additional comments:	Port Lands Flood Pro	•				
	<ul> <li>No MOL lost time reportable events during reporting period</li> <li>Lake Shore Boulevard East Project</li> <li>No MOL lost time reportable events during reporting period</li> <li>Complete Communities</li> <li>No MOL lost time reportable events during reporting period</li> </ul>					
Environmental Liability – spills, claims or administrative orders Under the EPA, directors may be held responsible for non-compliance and liable for fines of up to \$4,000,000 and imprisonment for up to 5 years	Environmental Protection Act ("EPA")	Report to FARM	Ongoing: up to date	Yes	Chief Project Officer	
Additional comments:	west side of t sediment was cleanup of th areas. Incide Lake Shore Bouleva • There were n Complete Communit	2 – Sediment and Deb he Don River, a turbid s released to the Don e released sediment w ent was reported to ME rd East Project to spills reportable to e	lity curtain intended to River. Turbidity was will be completed as pecond and City of Toroleither MECP or City of the controleither MECP or Ci	o capture drilling not affected abo part of planned on nto. of Toronto during		

# DavidsKusturin, Chief Project Officer

3

Document/Program	Regulatory Body	Filing Requirements	Status	Compliant	Accountability	
Other		roquiromonto				
Claims In its projects and other operations, the Corporation is exposed to claims in the usual course of business	None	Report to FARM	Ongoing: up to date	Yes	General Counsel	
Additional comments:	All existing claims which have proceeded to formal litigation against the Corporation are being defended by insurers under project insurance or the Corporation's corporate insurance program. The Corporation is not aware of any facts which would lead us to believe that the liability, if any, of the Corporation in respect of such claims would exceed the insurance coverage available.  The Corporation has been made aware of one claim for a material amount less than \$5 million. Based on initial review and investigation, the Corporation does not believe the potential liability of the Corporation under this claim is in excess of \$1 million. This potential liability has been noted in the Corporation's financial statements as a Contingent Liability.					
Privacy Breach Breaches of personal information arising from the operations of the Corporation will be reported to the Board	Canadian Privacy Principles	Report to FARM	Ongoing: up to date	Yes	General Counsel/Privacy Officer	
Additional comments:	No breaches have been reported.					

## Ian Ness, General Counsel

DocuSi	gned by:		
Pan P	Ness		
4B9C50	OBFF2F4CA	 	

# Philanthropy Project & Signature Projects Dashboard - as of June 30, 2022 Issued: August 25, 2022

## PHILANTHROPY PROJECT STATUS SUMMARY

\$1M

\$3M

■ Planned Spend - 2019/20-2022/23 ■ Actuals-2019/20-2022/23

\$5M

Fundraising Campaign Planning Study was approved by the Board on December 9, 2021 and has replaced the Fundraising Action Plan. The strategy and plan (detailed in the Study) are being executed.



Prospect engagement is proceeding and the prospect pipeline is growing slowly. Waterfront Toronto has not yet hired the additional staff to support fundraising efforts due to slower pace of prospect engagement. Overall, the Philanthropy Project is expected to remain within budget this fiscal year.

\$1M

■ Planned Spend - 2022/23

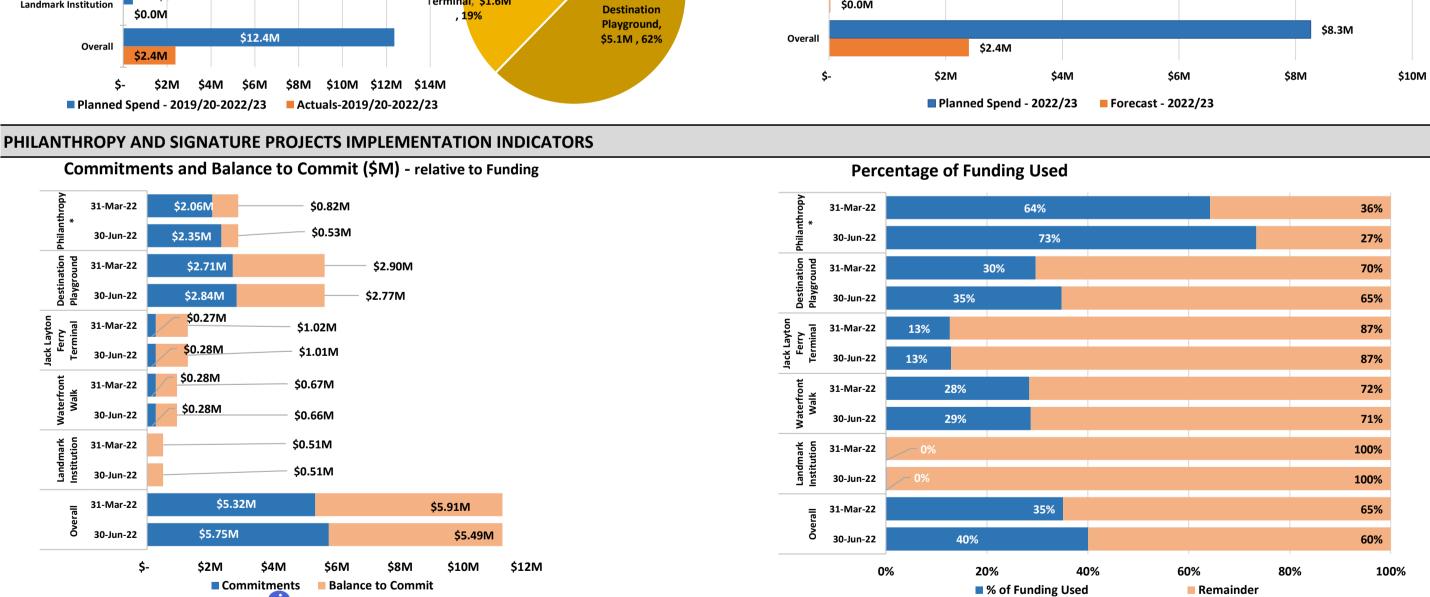
\$2M

Forecast - 2022/23

\$3M

#### PHILANTHROPY PLANNED SPEND, FORECAST AND COSTS (EXCLUDING CAPITAL SIGNATURE PROJECTS) **Planned Spend\* versus Actuals** Planned Spend\* vs. 2022/23 Forecast Planned Spend\* for Fiscal Year 2022/23 (\$2.2M) for Fiscal Years 2019/20 to 2022/23 \*Board approved Dec 2021 \*Board approved Dec 2021 \*Board approved Dec 2021 and includes what was planned for in fy 2019/20-2022/23 \$1.4M **Direct WT fundraising** \$0.7M **Direct WT fundraising staff** staff \$1.0M \$0.8M **Direct WT** Legal, \$1.6M Indirect WT staff, fundraising staff, **Communications and** \$0.8M Legal, Communications & fundraising consulting \$0.7M, 32% fundraising consulting \$0.7M,33% advisory - \$0.5M advisory \$0.4M \$1.4M \$0.7M Legal, **Indirect WT staff** Communications **Indirect WT staff** and fundraising \$0.4M \$0.6M consulting advisory, \$4.4M \$0.8M,35% \$2.2M Overall Overall \$2.1M \$1.6M \$2M \$4M





\*includes Start up Cost and Cost of Fundraising for Destination Playground

## PHILANTHROPY & SIGNATURE PROJECTS PRIORITY DELIVERABLES

Priority Deliverables  ◆- Deliverable carried over from 2021/22	Completed to Date	Jul to Sep 2022 Forecast Completion	Oct to Dec 2022 Forecast Completion	Jan to Mar 2023 Forecast Completion	Notes
Government Consent and City Alignment					
Execute Fundraising MOU - 🔷		•			
Fundraising Capabilities		•	•	•	
Hire Partnerships Officer - ◆					Not forecasting the completion of this deliverable as it is dependent on fundraising results
Develop key policies, procedures and precedent legal agreements - 🔷					Not forecasting the completion of this deliverable as it is dependent on fundraising results
Establish Campaign Leadership Group				•	
Fundraising Liaison Committee.	٧				
Engage 25 prospective donors and execute agreement for first \$5M donation.	٧				
Fundraising for Destination Playground					
Build Presentation Model (maybe virtual) - 🔷					Not forecasting the completion of this deliverable as it is dependent on fundraising results
Advance Destination Playground					
Complete 30% Schematic Design - 🔷			•		
Progress design of the Destination Playground.					Completion expected in FY 23 / 24
Jack Layton Ferry Terminal					
Complete a scalability and phasing assessment for the expansion of the Jack Layton Ferry Terminal.			•		
Waterfront Walk			·		
Initiate a phasing and scalability assessment for the Waterfront Walk.	٧				

# PHILANTHROPY RISK STATUS

HIGHEST KEY RISKS		
Risk Description	Mitigation Strategy	
Limited interest in Waterfont Toronto's	Waterfront Toronto will be carrying out extensive prospective donor engagement to determine overall fundraising potential.	
mission and Signature Projects from the philanthropic community since there isn't yet a well evidenced analysis of its fundraising potential.	Operating cost for fundraising remains low.	
	Implementation of Signature Projects like the Destination Playground is phased and a great playground can be created at a variety of cost levels below \$45M.	
Inability to honour donors by naming public spaces suppresses overall fundraising yield.	Waterfront Toronto is exploring remedies since the City has had a moratorium on naming any (City controlled) public space in honour of donors, which suppresses fundraising potential. Future City policies are not yet clear.	



## Finance, Audit & Risk Management Committee September 22, 2022 Item 4g Environmental, Social, and Governance (ESG) Update

In accordance with the TWRC Act, WT's mandate is to enhance the economic, social, and cultural value of the designated waterfront area in a fiscally and environmentally responsible manner. ESG is embedded in Board committee mandates, strategic plans, and annual reports (aligned with leading international frameworks – Global Reporting Index, UN Sustainable Development Goals). This update is to provide advancements in specific areas of ESG in the past quarter (note: not exhaustive).

Topic	Q1 2022/23 Update	Oversight
Governance	<ul> <li>Quarterly ESG Update Standing Item</li> <li>Quarterly "ESG Update" a standing agenda item for Board and Committees effective June 2022</li> </ul>	Board
Environment  SDGs supported:  7 AFFERRABLE AND OGRAHMERS  11 SUSTAMABLE OTILES AND COMMUNITIES	<ul> <li>Recommendations of Task Force for Climate-Related Financial Disclosures (TCFD)</li> <li>Published WTs inaugural TCFD-recommended disclosures in the 2021/22 Integrated Annual Report (IAR), outlining our approach to climate risks and opportunities from the perspectives of governance, strategy, risk management, and metrics and targets (<i>refer Appendix 4 of the IAR</i>)</li> <li>Engaged PwC to review physical and transitional climate risks facing WT. Top recommendations such as the proposal of a corporate climate strategy, setting a net zero target and establishing a formal TCFD Steering Committee will be included in next quarterly ESG Update.</li> </ul>	FARM
13 CUMAIE ACTION	<ul> <li>Greenhouse Gas (GHG) Inventory</li> <li>Published corporate scope 1 and 2 GHG emissions (direct emissions from sources owned/ controlled by WT and indirect emissions from purchased electricity) in the 2021/22 IAR</li> <li>Began process to measure scope 3 emissions (indirect emissions from the supply chain, notably construction emissions from Port Lands Flood Protection project)</li> </ul>	FARM
	Green Buildings KPI 5.1  • Welcomed first tenants at the Waterfront Innovation Centre (125 Queens Quay East), a LEED Gold registered building that puts sustainability first with a focus energy efficiency and carbon emissions reduction	IREC
	<ul> <li>Diversity, Equity &amp; Inclusion (DE&amp;I) Strategy KPI 8.1</li> <li>DE&amp;I Strategy recommendations from MNP are underway for implementation, targeting Winter 2023 for completion.</li> <li>Key initiatives include launching a staff working group to review Organizational Values and create an Affirmation Statement in support of a people-first DE&amp;I Strategy</li> </ul>	HRGSR
	<ul> <li>Indigenous Cultural Safety Training</li> <li>WT staff and Board continue to receive Indigenous Cultural Safety training (part II "From Bystander to Ally"). This session is about how to be a part of the social change needed to reconcile and reform our relationships with Indigenous people in Canada.</li> </ul>	HRGSR

Social  SDGs supported:  5 GENORE EQUALITY	Accessibility Strategy     With support from the newly minted (Feb, 2022) Advisory     Committee on Accessibility, WT is currently developing     Waterfront Accessibility Design Guidelines, building on the     AODA and Toronto Accessibility Design Guidelines, to guide     public realm design and demonstrate leadership in accessible     design excellence on the waterfront.	Board
10 REQUARTIES	<ul> <li>Interim Use and Events Strategy</li> <li>As part of the Corporation's interim animation strategy, WT is host Smorgasburg on waterfront lands, a weekly open-air food market featuring diverse local vendors (until Sept 2022)</li> </ul>	FARM
11 SUSTAINABLE CITIES AND COMMUNITYS  16 PEACE JUSTICE AND STRONG INSTITUTIONS  ***  ***  ***  ***  ***  **  **  **	<ul> <li>Public Art</li> <li>Secured a \$25 million donation from the Pierre Lassonde Family Foundation to create a new, outdoor public art trail on the future Villiers Island</li> <li>Completed temporary floating art installation "Happy Castaways" by artist collective Demers-Mesnard, inspired by the relationship between global environmental conditions, urban development, and wild animals</li> </ul>	Board
	<ul> <li>Ongoing Engagement with Indigenous Treaty Holders</li> <li>Continued engagement with the Mississaugas of the Credit First Nation (MCFN) regarding their participation in the Quayside negotiation and design process</li> <li>Launched Request for Prequalifications (PQ) to seek Indigenous architects, designers and artists to create a series of integrated features in the new mouth of the Don River</li> </ul>	Board



# Finance, Audit & Risk Management Committee – September 22, 2022

# Item 5 – Supplementary Capital Approval East Bayfront In-Water Pipes and infrastructure Ph 1 (IWP) David Kusturin

Purpose	Supplementary Capital Approval for East Bayfront In-Water Pipes and Infrastructure Ph 1.			
Areas of note/ Key issues	The Project is included in the Board approved Rolling Five Year Strategic Plan under Complete Communities.  The project completes the last components of stormwater management infrastructure in East Bayfront with the installation of 2 stormwater conveyance pipes.			
	The In-Water Pipe project commenced construction in June 2021 and has encountered various challenges including:			
	<ul> <li>Supply chain and material escalation issues triggered by the pandemic</li> <li>Material selection revisions requested by Toronto Water</li> <li>Extreme winter weather (frozen lake) which prevented in-water work during the months of January and February 2022</li> <li>Labour disputes in May 2022</li> <li>Unforeseen issues with verticality of the existing Dockwall</li> <li>Underwater obstructions</li> </ul>			
	The result of the above challenges include additional costs and a schedule extension to March 2023.			
	Capital Approval at Construction Award was granted by the FARM Committee and Board of Directors on November 26, 2020, for a total of \$23.75M.			
	Management recommends that the Committee approve additional Capital Investments for the East Bayfront In-Water Pipes and Infrastructure Phase 1 of \$5.0 Million, bringing the total approved value of the project to \$28.75 Million.			
	The additional \$5.0M is proposed to be drawn from the Management Reserve fund.			
Resolution and Next Steps	<b>ON MOTION</b> duly made, seconded, and carried, be it <b>RESOLVED</b> that the Finance, Audit and Risk Management Committee recommends for approval by the Board of Directors:			
	<ul> <li>a) an additional capital expenditure of \$5.0 Million for a total capital expenditure of \$28.75 Million to complete the construction of the East Bayfront In-Water Pipes.</li> <li>b) use of the capital reserve to fund the additional capital expenditure of \$5.0 Million.</li> <li>c) the additional capital expenditure of \$5.0 Million be added to the Corporation's Rolling Five-Year Strategic Plan (2022/23 – 2026/27).</li> </ul>			

# **East Bayfront Precinct**

# In-Water Pipes and Infrastructure Request for Supplementary Capital Approval

Finance Audit and Risk Management Committee September 22, 2022



# **Objectives**



- 1. To provide an overview of the East Bayfront Stormwater Management System
- 2. To provide an update on the current status of the East Bayfront In-Water Pipes construction
- 3. To review new funding risk identified subsequent to original FARM Committee Capital Approval for Construction Award that was granted on November 26, 2020
- 4. To describe changes (if any) to the original project scope, budget, schedule and funding
- 5. To obtain FARM Committee and Board of Directors approval to invest an additional \$5.0 million (for a total of \$28.75 million) to complete the East Bayfront In-Water Pipe construction

# **Background**



- This Project is included in the Board approved Rolling Five Year Strategic Plan under Complete Communities
- 2. The Project completes the last components of stormwater management infrastructure in East Bayfront with the installation of 2 stormwater conveyance pipes
- 3. Treated stormwater can be provided to the Sherbourne Common UV Treatment Facility once the Cherry Street Stormwater Management system commissioning is complete and the inwater pipes have been constructed
- 4. Handover of the operations and maintenance of completed elements of the storm water treatment and conveyance system to Toronto Water can be facilitated upon completion of the stormwater management infrastructure
- 5. Implementation of the infrastructure to support the conveyance pipes and a future section of Boardwalk in East Bayfront and future Dockwall reinforcement.

# **Background - East Bayfront (EBF) Precinct**





# **Background – EBF Stormwater Management (Planning & Construction)**



Year	Milestone
2006	Master Class Environmental Assessment (EA)
2009	<ul> <li>Precinct Stormwater Management Report</li> <li>Stormwater collected in tanks along the dock wall to Parliament St wetland and returned to Sherbourne Park to be treated for use in water features</li> </ul>
2010/13	<ul> <li>Two Amendments to the EA</li> <li>Removed tanks and wetland feature and replaced with a centralized treatment facility at 480 Lake Shore Blvd East</li> </ul>
2010	Constructed Dockside storm sewers, UV treatment, water features and channel
2014	Constructed Cherry Street storm sewer tunnels and stormwater shaft
2015	Constructed Bayside (west half) storm sewers, force mains and attenuation tank
2019	Constructed Bayside (east half) storm sewers and balance of force mains
2021	Cherry Street Stormwater Management Facility completion and commissioning
2021-22	In-Water Pipes currently under construction

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# **Background - In-Water Pipe Connection to Existing Systems**

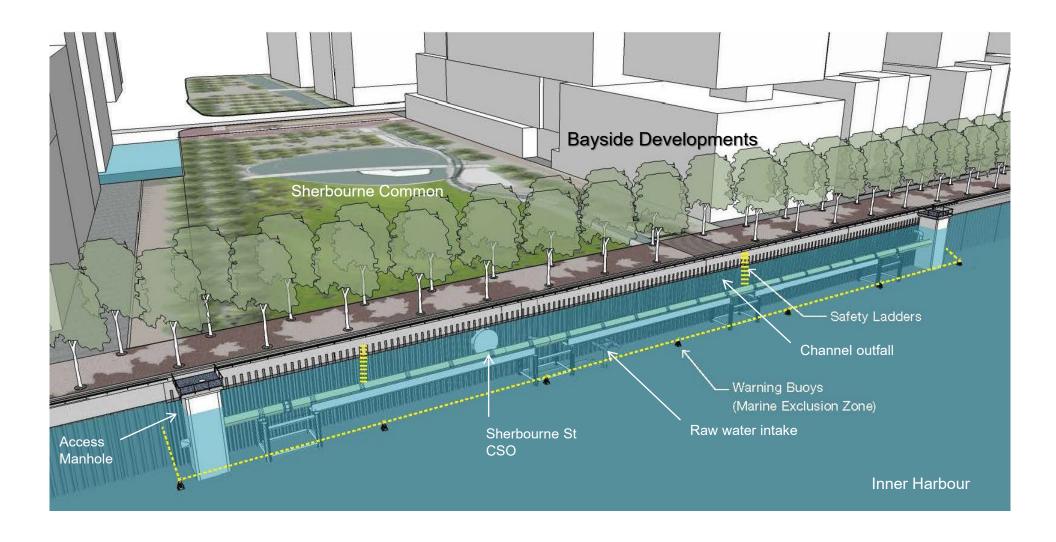




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# **Background - In-Water Pipe Concept Support Structure**





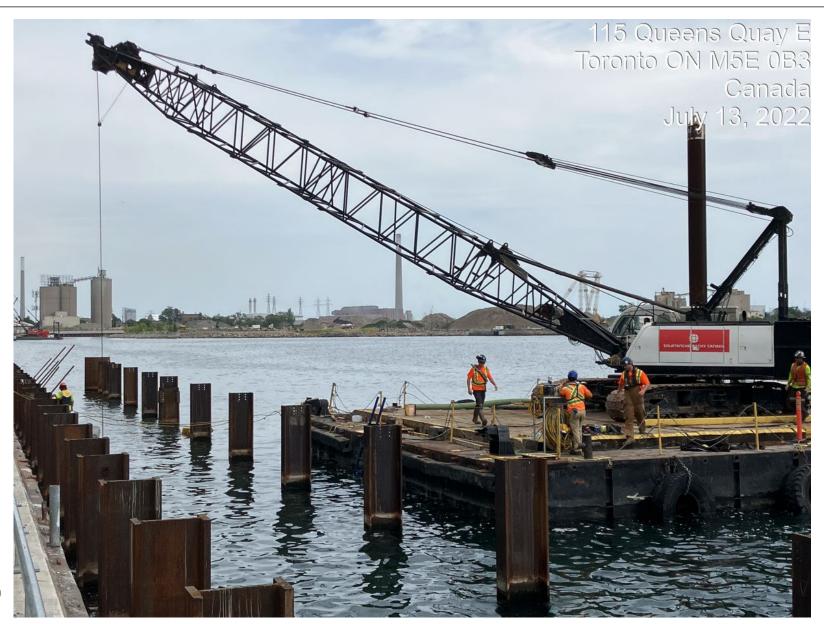
# **Status: East Bayfront In-Water Pipes**



- Amendment to Delivery Agreement between Waterfront Toronto and the City of Toronto is finalized
- Waterfront Toronto secured key approvals that impact design and construction including;
  - City Peer Review
  - Ministry of the Environment, Conservation and Parks Environment Compliance Approval
  - Department of Fisheries and Oceans Aquatic Habitat Compensation
  - Transport Canada
  - Ports Toronto
  - City of Toronto; Parks Forestry and Recreation and Toronto Water
- Received support from the Design Review Panel
- License secured with Ports Toronto
- Construction Contract awarded through Stipulated Sum BAFO process in March 2021
- Construction Commenced in June 2021 with expected Substantial Performance in March 2022
- Project challenges have delayed Substantial Performance to March 2023

# **Status: East Bayfront In-Water Pipes**





## Progress as of August 31, 2022

■ Tie-backs completed 12/12 - 100%

■ Tie-backs lock off 3/12 – 25%

■ Waler installation 1/2 – 50%

Piles completed – 100%

Manholes and pipe installation − 0%

Manholes delivery 2pieces/ 26 – 7%

Pipe support installation − 25%

Precast panels install 13/64 − 20%

## **Status: East Bayfront In-Water Pipes**



- The In-Water Pipe project commenced construction in June 2021 and has encountered various challenges including:
  - Supply chain and material escalation issues triggered by the pandemic
  - Material selection revisions requested by Toronto Water
  - Extreme winter weather (frozen lake) which prevented in-water work during the months of January and February 2022
  - Labour disputes in May 2022
  - Unforeseen issues with verticality of the existing Dockwall
  - Underwater obstructions
- The result of the above challenges include additional costs and a schedule extension to March 2023.

## **Supplementary Capital Approval**



### Supplementary Capital Approval is required to complete the East Bayfront In-Water Pipes

- Risks identified in the original Capital Approval were realized (see following slide)
- Additional Risks encountered including the unanticipated knock-on effects of the pandemic on the global supply chain.
- A delay in City / Toronto Water approval led to a delay in construction documents, preventing contractor from procuring material in a timely manner, accentuating the material escalation issue noted above.
- The unique nature of the project (suspending pipes underwater off the Dockwall) presented new challenges and risks not encountered on conventional infrastructure projects.
- The realization of these interconnected risks have compounded the impact on the project primarily due to material escalation impacts.

## **Supplementary Capital Approval**



The Capital Approval for the project included the following table of potential risks:

Risk Description	Potential Impact	Mitigation Strategy
Securing timely regulatory Approvals	Project delays	Process to be formulated with City for the expedited approvals.
Extreme weather and lake level events causing construction delays and changes	Schedule and Cost	Construction activities to be monitored closely and Budget Contingency has been increased
Construction impacting Water's Edge Promenade (WEP)	Reduced public accessibility to WEP	Control construction activities to maximize WEP public access
Tall ships events	Schedule and Cost	Coordinate schedule to minimize stop work and delay impacts.
Funding realization and timing risk	Schedule	Borrowing and identification of alternate funding sources

## **Status: East Bayfront In-Water Pipes – Approved Capital Budget – Phase 1**



Budget Allocation	December, 2020 Capital Approval (\$ Millions)	Cost to March 31, 2022 (\$ Millions)	Balance Remaining (\$ Millions)
Hard Construction Costs	\$ 17.90	\$ 11.18	\$ 6.72
Soft Costs (design, consulting, project management & approvals)	\$ 2.27	\$ 1.95	\$ 0.32
Contingency (including risk and escalation)	\$ 3.26	\$ 3.1	\$ 0.16
Non-recoverable Harmonized Sales Tax	\$ 0.32	\$ 0.28	\$ 0.04
<b>Total Estimated Capital Cost</b>	\$ 23.75	\$ 16.51	\$ 7.24

## **Proposed Capital Budget**



Work Package #	Description	Dec 2020 Capital Approval (\$ Millions)	Additional Capital Required (\$ Millions)	Anticipated Total Project Cost (\$ Millions)
	In-Water Pipe Ph1 Priority Works	\$ 23.75	\$ -	\$ 23.75
	Approvals Delay and Material Escalation	\$ -	\$ 1.3	\$ 1.3
EBF04-11	Winter Weather (Frozen Lake)	\$ -	\$ 1.1	\$ 1.1
	Changes due to Site Conditions	\$ -	\$ 1.7	\$ 1.7
	Additional Contingency Requested	\$ -	\$ 0.9	\$ 0.9
	Total	\$ 23.75	\$ 5.0	\$ 28.75

Budget Allocation	Dec 2020 Capital Approval (\$ Millions)	Additional Capital Required (\$ Millions)	Anticipated Total Project Cost (\$ Millions)
Hard (Construction and Interim Operations) Costs	\$ 17.90	\$ 3.1	\$ 21.0
Soft (Consultant Fees, Staff Costs, Other) Costs	\$ 2.27	\$ 1.0	\$ 3.27
Contingency	\$ 3.26	\$ 0.9	\$ 4.16
Non-Recoverable Harmonized Sales Tax *	\$ 0.32	\$ 0 *	\$ 0.32
Total	\$ 23.75	\$ 5.0	\$ 28.75

- Additional capital investment amounting to \$5.0 million is required to complete the East Bayfront In-Water Pipes. This increases total estimated project cost from \$23.75 million to \$28.75 million
- Additional costs will be provided for in the updated Rolling Five Year Strategic Plan in December
   2022
- \*Additional NRHST requested is captured within the Hard and Soft Cost above

## **Planned Sources of Funding - Phase 1**



Funding Source	Dec 2020 Capital Approval (\$ Millions)	Sept 2022 Additional Request (\$ Millions)	Total (\$ Millions)
<ul> <li>Waterfront Toronto Land/Other Revenues</li> <li>Realized to Sept/22 (\$10.21M)</li> <li>Unrealized¹ (\$5.14M)</li> </ul>	\$ 15.35		\$ 15.35
WT Corporate Capital Reserve <sup>3</sup>		\$ 5.0	\$ 5.0
Sec. 37 Infrastructure Revenues (unrealized) <sup>1,2</sup>	8.40	-	8.40
Total Sources of Funds	\$23.75	\$ 5.0	\$ 28.75

#### Notes:

- 1. Anticipated funding sources may change if other sources are deemed more feasible during project implementation. Currently, timing of funding sources gives rise to potential interim borrowing requirement of up to \$8.4M for a period of up to four years (until 2026/27).
- 2. Relates to anticipated Section 37 infrastructure revenues from Quayside, which is dependent on Quayside development timeline and due upon approval of above-grade building permit.
- 3. After \$5M funding allocation, capital reserve balance will be \$1M until ~March 2023 when it is expected to be increased to \$8.6M.

## **Ongoing Project Risks**



Risk Description	Potential Impact	Mitigation Strategy
Contractor Claims due to unforeseen site conditions and material escalation	Project Cost	Track site productivity through full-time site inspection and initiate a third-party claims review process
Extreme weather and lake level events causing construction delays and changes	Schedule and Cost	Work with contractor to compress schedule to avoid additional winter costs and schedule impacts
Delayed City Acceptance	Increased time to City assumption	Involve City (ECS) throughout project to monitor construction and manage issues raised; Prepare O&M budget under separate cover to track addt'l costs due to City acceptance delay
As-Built plans continue to have variance from field conditions	Schedule and Cost	Advise contractor to verify field conditions as part of the contractual requirements and raise discrepancies as early as possible
Potential for ongoing disputes with the Contractor	Post-completion costs	Involve third-party claims consultant for objective claims assessment and utilize new dispute resolution mechanisms within the contract (adjudication) to minimize additional costs

## **Project Risk Tolerance**



- The Corporation's Risk Appetite Statement establishes a tolerance for risk of "moderate", i.e. manages moderate scope changes, 6-12 month completion delay and < 10% over budget.
- Except for budget (21% over), this project is consistent with the Corporation's level of risk tolerance because it mitigates risk in the In-Water pipe installation in East Bayfront Precinct as follows:
  - Completing the storm water conveyance and treatment system for East Bayfront will allow Waterfront
    Toronto to finally transfer operations and maintenance responsibilities and costs to the City of
    Toronto.
  - Adding the supporting structures alleviates the vulnerability of the In-Water Pipes from impact by inner harbour-going ships.
  - Completion of the In-Water Pipes is aligned with an anticipated 12-month completion delay
- While increase in budget (21%) exceeds WTs risk tolerance, WT has mitigated through use of Corporate
   Capital Reserve which was established for circumstances such as these.

### Recommendation



Management recommends that the Finance Audit and Risk Management Committee recommend that the Board of Directors approve additional Capital Investments for the East Bayfront In-Water Pipes and Infrastructure Phase 1 of \$5.0 Million, bringing the total approved value of the project to \$28.75 Million. The recommendation is based on the following:

- 1. Additional funding to complete the project to be sourced from the Corporate Capital Reserve and will be included in the Waterfront Toronto Rolling Five-Year Strategic Plan 2022/23 2026/27.
- 2. The overall cost of the project will increase further if the work is not completed in an expeditious manner due to:
  - I. Construction and Operations & Maintenance costs annual escalation (2.5% to 3% pa)
  - II. Additional contractor mobilization and demobilization costs
  - III. Additional consultant contract administration due to extended schedule
  - IV. Additional Waterfront Toronto project management costs due to extended schedule
  - V. Extended operating and maintenance costs incurred until handover to the City

## **Motion**



**ON MOTION** duly made, seconded, and carried, be it **RESOLVED** that the Finance, Audit and Risk Management Committee recommends for approval by the Board of Directors:

- a) an additional capital expenditure of \$5.0 Million for a total capital expenditure of \$28.75 Million to complete the construction of the East Bayfront In-Water Pipes.
- b) use of the capital reserve to fund the additional capital expenditure of \$5.0 Million.
- c) the additional capital expenditure of \$5.0 Million be added to the Corporation's Rolling Five-Year Strategic Plan (2022/23 2026/27).

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**September 22, 2022** 

# Port Lands Flood Protection Program Update

Presentation to the Finance, Audit & Risk Management Committee



## Progress on Site

#### Port Lands Flood Protection: Construction Update



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#### Port Lands Flood Protection: Canoe Cove Islands



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#### Port Lands Flood Protection: Canoe Cove Islands



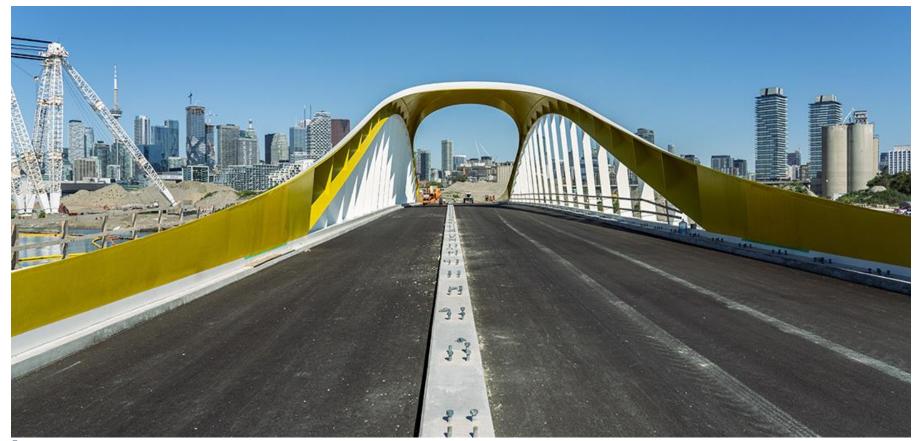
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#### Port Lands Flood Protection: Cherry St. North Vehicular Bridge Arrival



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#### Port Lands Flood Protection: Cherry Street South Bridge



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### Port Lands Flood Protection: Cherry Street



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#### Port Lands Flood Protection: Commissioners Street Bridge, Excavation



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#### Port Lands Flood Protection: River Pedestrian Bridge



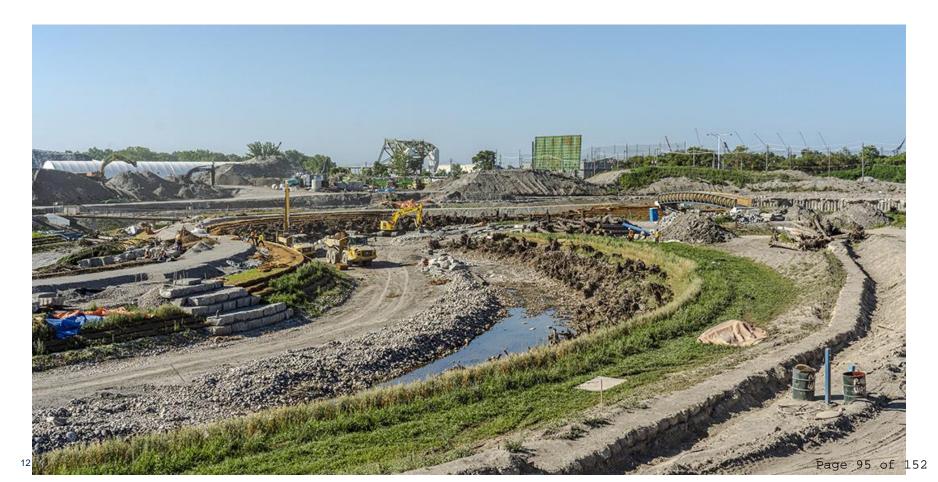
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#### Port Lands Flood Protection: Wetland Pedestrian Bridge



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#### Port Lands Flood Protection: Central River Valley Finishes



#### Port Lands Flood Protection: River Finishes



### Port Lands Flood Protection: Plantings



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Port Lands Flood Protection: Sediment and Debris Management Area



15

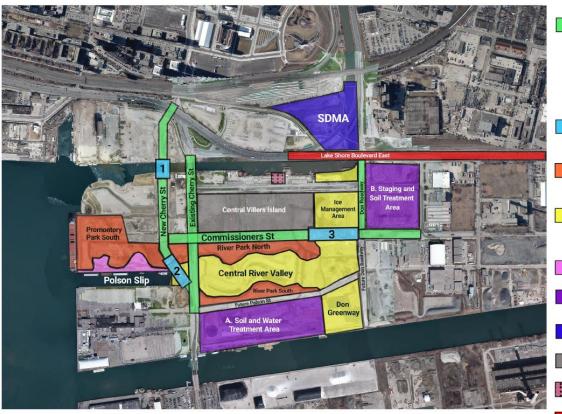
#### Port Lands Flood Protection: Sediment and Debris Management Area





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#### Port Lands Flood Protection: Summer Construction Schedule



#### July - September 2022



- Existing Cherry & Commissioners St Intersection: removal of existing and install new utilities, dewatering, excavation, grading and temporary paving, lane shifts. Partial closure of Cherry St. between Commissioners St. and Polson St.
- New Cherry St & Lake Shore Intersection: lane shifts, install and connect utilities, street lighting, temporary traffic controls, and paving
- New Cherry St: install utilities, ground improvements, installation of green infrastructure, road base, paving.
   Opening of New Cherry St. between Commissioners St. and Polson St.
- Commissioners St: install utilities, ground improvements, paving. Opening of Commissioners St. extension between existing Cherry St. and new Cherry St.
- . Don Roadway & Future Don Roadway: ground improvements, flood protection landform, dockwall installation



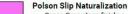
- 1 Cherry St North Bridge: installation of vehicular bridge, vehicular bridge concrete deck work
- 2 Cherry St South Bridge: paving and painting, installation of roadside barriers, electrical work
- . 3 Commissioners St Bridge: additional concrete work, utility work



- · Promontory Park South: excavation, structural fill placement
- River Park North: surcharging, bike bridge foundation works
- . River Park South: surcharging, bike bridge foundation works



- · Central River Valley: planting, install river finishes, install wetland habitat features, and dewatering
- . Ice Management Area: install river finishes, install wetland habitat features, and dewatering
- North Ice Management Area: subcontractor mobilization
- . Don Greenway: excavation, dewatering, install fish gate, caisson wall removal, habitat boulder, seeding & mulch



- Canoe Cove stone finishes
- Staging and Treatment Areas

   A: Soil and water treatment
  - . B: Construction staging and soil treatment
- Sediment & Debris Management Area (SDMA)

   Dredging and dockwall works
- Central Villiers Island
- Soil stockpiling and construction staging
- Utility Connection

  Excavation, microtunnelling and utilities installation

#### Lake Shore Boulevard East Project

- Foundation work for new bridge
- Road sub-base preparation and utilities installation

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## Work Accomplished This Period: Q1 2022-2023— April 1 to June 30, 2022



Overal	l Program	Undate
<b>J</b> J C i G i	<del></del>	- paut

Overall Program Opulate		
General	<ul> <li>Completed Semi-Annual Cost Update for the year end March 31, 2022 (Q4) and presented to:         <ul> <li>Capital Peer Review Panel – CPRP, April 8, 2022</li> <li>Executive Steering Committee (ESC) April 25, 2022</li> <li>INFC PLFP Oversight Committee, May 6, 2022</li> <li>Finance Audit and Risk Management Committee, May 26, 2022</li> <li>Inter-Governmental Steering Committee – IGSC, June 7, 2022</li> <li>Board of Directors, June 23, 2022</li> </ul> </li> <li>Commenced detailed review and update to EAC, schedule and Risk Register to</li> </ul>	
	inform quantitative analysis in support of funding discussions for Q3 report	

#### **Construction Procurement:**

Awarded*:	92.2%	\$ 885.8 M
In Progress:	2.0 %	\$ 19.1 M
Not Started:	5.8 %	\$ 55.5 M

## Work Planned Next Period: Q2 2022-2023 – July 1 to September 30, 2022



Overall Program Update		
General	<ul> <li>Complete monthly reviews and updates to the EAC, Risk Register and program schedule</li> <li>Complete quantitative analysis to define upper, lower and probability based EAC and schedule</li> <li>Begin preparation of Semi-Annual Cost Update report for September 30, 2022 (Q3) which will provide the basis for discussions on funding with stakeholders</li> </ul>	
Construction Procurement:		
Awarded:	92.2 %	\$ 885.8 M
In Progress:	2.1 %	\$ 20.2 M
Not Started:	5.7 %	\$ 54.4 M

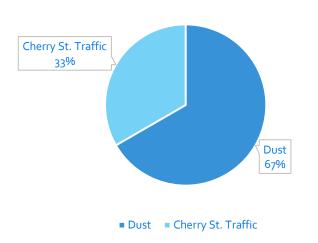
<sup>\*</sup> Note: Includes Construction Procurements only

#### Complaints Tracking – PLFP

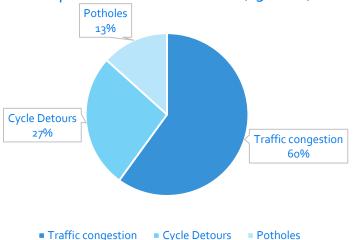


#### **Report Period: April to June 2022**

#### Complaints Related to PLFP (3 Total)



#### Complaints Related to LSBE (15 Total)



#### **Engagement with Indigenous Communities**



#### **Updates April to June 2022:**

- > Continued strategic discussions with Mississaugas of the Credit First Nation (MCFN) on priorities for the Indigenous Design for PLFP Public Realm.
- Finalizing drafting of RFP for Indigenous Art in PLFP Public Realm in collaboration with MinoKamik and MCFN.
- > No FLRs were available during this period of time.
- ➤ Initiated discussions to organize Indigenous Soil Ceremony for Spring 2022.
- ➤ Held MCFN Working Group Meeting April 13 to introduce WT projects, including PLFP, to new Councilors and staff.

Communications and Public Engagement





<u>Images from left:</u>

- CONTACT 2022 installation
- 2020 Science Fair, on again for 2022

**FALL 2022** 

#### SPRING 2022

- Promo tied to completion of river valley excavation
- Video and blog content promoting 100-year-old seeds, river valley plantings

#### SUMMER 2022

- Cherry North Bridge arrival
- Cherry South bridge opening event

- CONTACT Photography Festival 2022
- LSBE detours: cycling groups engaged ahead of summer season
- LSBE construction communications/outreach
- Summer pop-ups

- Public planting event in River Park
- On-site ceremony tied to soil placement in river Page 105 of 152

ENGAGEMENT



## Thank you.

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## Finance Audit and Risk Management Committee September 22, 2022 Item 6.b- Report of the Independent Capital Project Monitoring BTY Consulting Group Inc.

Purpose	For information: to support Committee oversight of the Port Lands Flood Protection (PLFP) Capital Project on technical matters related to the budget, scope and schedule.	
Areas of note/ Key issues	The Independent Capital Project Monitoring & Assurance Services Consultants' Quarterly Report #16 (Q1/2022/23), key findings:  • Budget:  • The Approved Budget is \$1,185,000,000.  • The 'Estimate at Completion' (including current commitments) is \$1,185,000,000.  • Due to the extension in the Schedule, global supply issues, escalation and inflation, there is a potential of the Project being overbudget.  • WT CPMO is evaluating the possibility of the project being overbudget, therefore, the current balance of unused contingency may no suffice to offset anticipated increases.  • Schedule:  • In the schedule update for June 2022, Ellis Don indicated that the overall Substantial Performance Completion date has been delayed by 5.8 working weeks.  • Activities within the critical path sequences have suffered delay / further delay in the period between the end of February and the end of June 2022, some by a significant number of weeks.  • Substantial Performance is now scheduled to be achieved as follows:  • PLFPEI Substantial Performance (Excluding Parks) on June 20, 2024  • PLFPEI Substantial Performance (Including Parks) on December 24, 2024  • Scope: No changes, no Project Charter revisions were executed.  • Risk:  • The Project Dashboard for the month of June 2022 indicates an 'amber' risk level, which means a medium likelihood of risks occurring that may impact the schedule/budget. The main reasons for an overall amber risks rating are (1) Parks landscaping overbudget, (2) Increased costs for off-site disposal of soil, (3) Toronto Hydro Duct Bank Elevation (Spillway), (4) External market forces in excess of cost escalation.  • The PLFP Risk Management process implemented by WT is in line with industry best practices.  • The general technical aspects presently known have been assessed against experience of large-scale, complex infrastructure projects, the processes are found to be robust and in accordance with industry best practices.	
Resolution or Next Steps	BTY will provide our Independent Capital Project Monitor and Assurance Services Report #17 at the November 2022 FARM Committee meeting.	



INDEPENDENT CAPITAL PROJECT MONITORING &

**ASSURANCE SERVICES CONSULTANT** 

# WT Port Lands Flood Protection Project

REPORT NO. 16.0 (PERIOD ENDING JUNE 30, 2022)

SEPTEMBER 13, 2022

Prepared for:

Waterfront Toronto (FARM) Committee

127 John Street, Toronto, ON, M5V 2E2 T 416-596-9339

BUILDING INTELLIGENCE BTY.COM

Report No. 16.0 (Period Ending June 30, 2022) | September 13, 2022



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3.0	Budget / Cost Management	12
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	Appendices	20

Prepared By	Reviewed By	Date
Luis Castillo Paul Margerrison	Luis Castillo Marie Foley	September 13, 2022

# 1.0 Independent CPMAS Consultants' Project Dashboard

#### 1.1 DASHBOARD

Site Visit	Details	Comments
Date of Visit	July 22, 2022	Our next inspection will be on or after September 30, 2022.
WT PLFP Project	Details	Independent CPMAS Consultant Comments & Risk
Objective		Our Quarterly Report No.16 provides an assurance review for Q1 2022/23 (period April 1, 2022 to June 30, 2022), based on our discussions with the FARM Committee, as follows: Budget, Schedule, Risk Management, and Scope.
Project Artefacts		Please refer to Section 2.6 in Appendix 1 of this Report for the list of Project Artefacts received by BTY this period.
Risk Coding		BTY observations of the Project Artefacts are colour coded to reflect our opinion on any associated risk, as follows: Green - None, Amber - Medium, Red - High
	Approved Budget	Approved Budget: WT Capital Program Management Office ("WT CPMO") report the Approved Budget at \$1.185Bn. Based on the cost incurred, the Estimate at Completion ("EAC") and contingency, the overall project budget remains the same. The 90% Stage Gate was approved by the Executive Steering Committee on October 19, 2020 in the amount of \$1.185Bn. Please note that WT presented a document called 'Interim Cost Estimate Update' where it is indicated that due to the extension in the Schedule, global supply issues, escalation and inflation, there is a potential of the Project being overbudget. This is closely being monitored, please refer to section 3.0 for further commentary.
	Cost Optimisation	No cost optimisation was identified by WT CPMO in the finalised 90% Cost Estimates in the current reporting period.
Budget	cost-to-copinion, significar ii. The Contreporting made in revisions iii. Some propoint out yet to be iv. As previcoverbud,	reporting period. Based on our review of the Project Artefacts, adjustments have been made in different projects to offset increases resulting from current commitments and revisions to the EAC forecast.  iii. Some projects have been adjusted to offset cost overrun in other projects. We want to point out that some contingencies have been significantly reduced though the works are yet to be completed.
	Total Commitments incl. Procurement & Change Orders	<ul> <li>i. The 'Costs Incurred to Date' indicates that 59% of the work complete is paid.</li> <li>ii. The 'Total Commitments' have increased \$13.78M this quarter to \$1,024.87M or 86% of the EAC, which is an increase of 1.2% over the previous quarter end. Specifically, Roads &amp; Services sub-projects average 97% committed, Bridges &amp; Structures are 92% committed, Flood Protection sub-projects committed to 87% of and the Parks/Public Realm committed to 54% based on the current EAC.</li> <li>v. Change Orders: As of the end of the last quarter five hundred seventy-one (571) CO's had been issued totalling \$66.11M (based on ED PO list). This is approximately +/-7.9% of the Hard Costs Commitments. Refer to section 3.7.3 for more details.</li> </ul>
		Budget Risk Impact: Of the twenty-two (22) sub-projects, four (4) are identified by WT CPMO to have a medium impact to budget, five (5) are identified to have a high impact, and the remaining thirteen (13) sub-projects are low risk. This represents two more sub-projects

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		indicated to have a high impact compared to the previous quarter. Refer to the 'Risks' section.
	Risk	The WTCPMO is currently tracking different risk elements that have the potential to increase the budget. We understand that the following items are being monitored as 'top risks' in the current reporting period:    External Market Forces in Excess of Cost Escalation
		The 'PLFP Dashboard' includes unchanging budget information under the 'Program Budget Allocation' pie charts. The data is of the 30% Approved Budget and static rather than reporting no changes to the tracked information, except for the Contingency pie-chart. This does not provide the reader any new information related to the outlook of the EAC.
	Risk	In the schedule update for June 2022, Ellis Don indicated that the overall Substantial Performance Completion date has been delayed by 5.8 working weeks. Activities within the critical path sequences have suffered delay / further delay in the period between the end of February and the end of June 2022, some by a significant number of weeks. It is also evident that the critical path sequences have changed significantly from those established in the revised baseline schedule BL3.1a (R01a). A negative trend exists and if allowed to continue, will cause further delays to the project, which are likely to be non-recoverable. The program schedule indicates Substantial Performance (Excluding Parks) on June 20, 2024. The Project Artifacts currently indicate a 'low risk' for Schedule. In our opinion the risk for the Schedule should be revised to a 'medium risk' level, this being mainly due to activities beyond the control of WT and EllisDon. Please refer to section 4.2 for additional comments.
Schedule	Substantial Completion	Substantial Performance is scheduled to be achieved as follows:  I. PLFPEI Substantial Performance (Excluding Parks) on June 20, 2024  II. PLFPEI Substantial Performance (Including Parks) on December 24, 2024  The activities beyond the WT CPMO control must be monitored in order to confirm the above indicated dates.
	Critical Path	Please refer to section 4.3.1.
	Ontario Dump Trick Association Strike	EllisDon has expressed in its Monthly Report for June 2022, that the ongoing negotiation between the Ontario Dump Truck Association and the Government of Ontario may lead to a trucker's strike which will cause delay in importing fill material for the roads and disposition of the critical stockpiles within the project.
	COVID-19	The PLFP Project remains open and operational; and WT and EllisDon are following all necessary health and safety regulations and guidelines. No delay claims are identified by WT CPMO in the current reporting period.

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	Project Charters	WT CPMO have confirmed that there were no revisions issued to the Project Charters during quarter ending June 30, 2022.
Risk	Overall Risk Status	The Project Dashboard for the month of June 2022 indicates an 'amber' risk level, which means a medium likelihood of risks occurring that may impact the schedule/budget. The main reasons for an overall amber risks rating are (1) Parks landscaping overbudget, (2) Increased costs for off-site disposal of soil, (3) Toronto Hydro Duct Bank Elevation (Spillway), (4) External market forces in excess of cost escalation.
	Reporting on Risk	The risk management process is robust, and risks are identified, quantified and reported within the Project Artefacts. A 6-month update on the impact to the budget and / or schedule is to be presented in Q2-2022/23, please refer to section 6.0 for further details.

- Exclusions: BTY has not undertaken a review of the Project Artefacts for Project ID PFP08-01 Lake Shore Boulevard East Bridge & Public Realm ("LSBE Modifications"). Whilst this is reference and/or included in some of the PLFP Project Artefacts, these works are outside of the scope of the PLFP Project. BTY will continue to monitor these works in terms of any impact to the Port Lands Flood Protection Project only.
- **Best Practice Review:** The general technical aspects presently known have been assessed against experience of large-scale, complex infrastructure projects. The processes are found to be robust and in accordance with standard industry practices.
- **Schedule**: Please refer to section 4.0 for further details.

#### 1.2 PLFP PROJECT SUMMARY: QTR-ON-QTR COMPARISON OF BUDGET-SCHEDULE-RISK

The following table indicates WT CPMO's assessment/comment of the risk status for budget-schedule-risk management based upon the likelihood of impact to the overall project budget / schedule against the original baseline schedule, as follows:

Challenges for utility crossing and devatering activities.   Challenges for utility crossing and devatering activities.   Challenges for utility crossing and devatering activities.   Constructions encountered in microtunneling operations	oject	ID		CPMO Sta				CPMO Sta		BTY Comment	
PPP03-01 Commissioners Str W to New Cherry St.  15A   15C						┧┟	1				
St. 15C   microtunneling operations   microtunneling opera		15A								Costs associated with construction challenges for utility crossing at Spillwar and dewatering activities.	
PFP03-06 Hydro One Integration 18 Constructability challenges, between ground improvement infrastructure 5 Constructability challenges, between ground improvement proposed wet and dry utility microtunnel shafts construct proposed wet and dry utility microtunnel shafts construction. Deck wet a bridge construction in provements sequencing.  PFP03-06 Not Control Weirs 11		15C								Obstructions encountered during microtunneling operations	
PFP03-06 Hydro One Integration 18 Constructability challenges, between ground improvem proposed wet and dry utility proposed wet and dry utility challenges, between ground improvem proposed wet and dry utility proposed		14A									
PFP03-07 Site Wide Municipal Infrastructure 5	·	7A				1					
pPP03-07 Site Wide Municipal Infrastructure	P03-06 Hydro One Integration	18									
Subcontractor's installation   Permanent bridge   14C   Permanent bridge roadway lighting will not be ready at bridge opening.   Dampers to be installed if v exceed limits. Approximate behind schedule.   Relocation of Enbridge and Mods.   Perpod-05 Old Cherry St Bridge Demo   14D   Perpos-04 Don Greenway & Spillway   4   Perpos-05 Keating Channel Modifications   16   Perpos-05 Keating Channel Modifications   16   Perpos-05 Keating Channel Modifications   2   Perpos-05 Policy Naturalisation   2   Perpos-06 Policy Naturalisation   2   Perpos-07 Don Roadway Valley Wall   Resature   Perpos-08 Eastern Avenue Flood   12   Project on hold pending Engature   Perpos-10 Flow Control Weirs   11   Perpos-10 Flow Control Weirs   11   Perpos-11 Sediment & Debris   Management Area   Perpos-12 Villiers Island Grading   19   Perpos-12 Villiers Island Grading   19   Perpos-08 River Valley Park North   20   Dewatering for wet utilities   Soil required due to bulking   Perpos-09 River Valley Park South   17B   Dewatering activities. Contrex   Perpos-09 Perpos-09 River Valley Park South   17B   Perpos-09 Per	· ·	5								Constructability challenges, conflicts between ground improvements and proposed wet and dry utilities, microtunnel shafts construction delays.	
PFP04-02 Cherry Street South Bridge 14C	P04-01 Cherry Street North Bridge	14B									
PFP04-03 Commissioner Street Bridge 158   exceed limits. Approximate behind schedule.  PFP04-04 Lakeshore Road & Rail Bridge Mods.  PFP04-05 Old Cherry St Bridge Demo 14D   PFP05-03 River Valley System 3   PFP05-05 Keating Channel Modifications 16   PFP05-05 Keating Channel Modifications 16   PFP05-06 Polson Slip Naturalisation 2   PFP05-07 Don Roadway Valley Wall 8   PFP05-07 Don Roadway Valley Wall PFP05-07 Don Roadway Valley Wall 8   PFP05-10 Flow Control Weirs 11   PFP05-10 Flow Control Weirs 11   PFP05-11 Sediment & Debris Management Area   Dewarding and Grading 19   PFP05-12 Villiers Island Grading 19   PFP06-01 River Valley Park South 21   Dewarding for wet utilities soil required due to bulking FPP06-03 Promontory Park South 17B   Dewarding activities. Control Version Control Ver	P04-02 Cherry Street South Bridge	14C									
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PFP06-02 River Valley Park South  21  additional cost for dewatering activities. Contrevenue of the execution continues to be of the	P06-01 River Valley Park North	20								Dewatering for wet utilities, additional soil required due to bulking.	
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		:								5 Projects current hold a 'high impact' cost status and 6 projects have a "medium impact" schedule status.	
+10% over Approved Budget Over 6-months behind High likelihood &/or impact to budget /schedule	odget So	chedule			Ri	sk Mana	gemer	nt			
	+10% over Approved Budget Over 6-months behind					High likelihood &/or impact to budget /schedule					

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#### 1.2.1 INDEPENDENT CPMAS CONSULTANT OPINION ON THE QUARTERLY STATUS

Based on the Project Artefacts received in Q1 2022/23, we opine:

- 1. Budget: A 'low risk' status for the overall Budget is shown in the June 2022 Monthly Program Dashboard. However, based on the information shared by the WT CPMO, we do not agree for this to be shown as a 'low risk' item, and it should be indicated as a 'high risk'. Please note that WTCPMO has indicated that due to the extension in the Schedule, global supply issues, escalation and inflation, there is a potential of the Project being overbudget between 10.2% to 12.8% (\$121M \$151M).
- 2. Schedule: The schedule risk is also shown as 'low risk" in the June 2022 Monthly Program Dashboard. We do not agree with this item either, at this point, six (6) projects show a 'medium risk' schedule status. It is our understanding that the. WTCPMO is anticipating the overall project completion to be December 24, 2024 due to the realization of numerous risks that were beyond control and were unable to be mitigated by the project team (including utility approvals and installations). The anticipated date to achieve Substantial completion of the Flood Protection is June 20, 2024.
- 3. Risk: WT has assigned a 'medium risk' in the June 2022 Monthly Program Dashboard, this is due to (1) an increased in the costs for off-site disposal, (2) Toronto Hydro Duct Bank Elevation backfill (Spillway), (3) Toronto Hydro design delay, and (4) Costs in excess of Estimate (River Valley) in addition to escalation of costs in the supply chain. These risks are being actively tracked by WT CPMO in terms of budget and schedule risk. We understand that allowances are carried within the EAC, and/or absorbed by the available unused contingency. However, the remaining balance of contingency may not be enough to cover potential cost increases. It is our understanding that a detailed cost risk forecast and risk update will be issued for the next quarterly report.

## 2.0 Introduction & Methodology

#### 2.1 INSTRUCTIONS RECEIVED

BTY Consultancy Group Inc. ("BTY" or "Independent CPMAS Consultant") has been retained to perform Independent Capital Project Monitoring and Assurance Services on the Port Lands Flood Protection ("PLFP") project in support of the governance and oversight function of Waterfront Toronto ("WT") Board of Directors and its Finance, Audit and Risk Management ("FARM") Committee.

As per the terms of our engagement and the direction received from the FARM Committee on May 23, 2019, BTY is required to independently monitor, analyse and advise upon:

- The completeness and relevance of the monthly updated Project Artefacts.
- The robustness of the processes in-place to manage budget/costs, schedule, scope and risks.
- Verification of the status of the Project, in terms of the budget, schedule, scope and risks through
  construction delivery phase, on a sampling basis of at least 20% of the sub-projects of the PLFP Project
  compared to the available project reporting by WT CPMO and the Construction Manager ("CM" or
  "EllisDon"); and
- Attend FARM Committee and provide any technical advisory related to the development and construction activities required by the Committee.

Please refer to our finalised Project Execution Plan dated August 16, 2019.

#### 2.2 REPORT RELIANCE

This report has been prepared in accordance with the scope of work contained in the Professional Services Agreement (# 2150) between Toronto Waterfront Revitalization Corporation and BTY Consultancy Group Inc., dated August 27, 2018 and is subject to the terms of that Agreement. BTY, its Directors, staff or agents do not make any representation or warranty as to the factual accuracy of the information provided to us by Waterfront Toronto, third party consultants or agents, upon which this report is based. BTY will not be liable for the result of any information not received which, if produced, could have materially changed the opinions or conclusions stated in this report.

Any advice, opinions, or recommendations within this document should be read and relied upon only in the context of this report in its entirety. The contents of this report do not provide legal, insurance or tax advice or opinion.

Opinions in this report are not an advocate for any party and if called upon to give oral or written testimony, it will be given on the same assumption.

#### 2.3 REPORTING QUALIFICATIONS

This report has been prepared based on information provided to us by WT Capital Program Management Office ("WT CPMO") up to the date of issue of this report. BTY does not accept accountability for the Project Artefacts (information) that has not been provided to us or is not available at the time of preparing this report.

BTY has reviewed the Project Artefacts provided to us by WT CPMO. We note that this Independent CPMAS Quarterly Report presents a snapshot of time review of the project fundamentals in a 'live' project environment. This means that 'Project Artefacts' provided may be draft, be inconsistent and/or subject to change due to timing of the reporting cycle.

BTY has not undertaken an independent evaluation of viability of PLFP Project budget-schedule-risk.

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#### 2.4 PROJECT DESCRIPTION

The Port Lands Flood Protection and Enabling Infrastructure Project ("the Project" or "PLFP Project") is a comprehensive plan for flood protecting southeastern portions of downtown Toronto including parts of the Port Lands, South Riverdale, Leslieville, south of Eastern Avenue and the First Gulf/Unilever development site, which are at risk of flooding under a provincially defined Regulatory Storm event. As a result, these areas are within a provincially designated Special Policy Area and are effectively undevelopable and economically under-utilized until the flood risk is removed.

The PLFP Project comprises of 23\* sub-projects, these projects fall into four (4) categories of work:

- i. Roads and Services,
- ii. Bridges and Structures,
- iii. Flood Protection, and
- iv. Parks/Public Realm.

Each sub-project of the PLFP Project is described within the Project Charters v.5 approved by the Executive Committee for the PLFP Project on April 29, 2019 and /or Project Charters v.6 approved in July 2019 (refer to the Table in Appendix 4, Section 5.2 of this report).

There has been no formal change to the Project Charters approved, and therefore the Project Scope is unchanged during the current quarterly reporting period.

#### 2.5 METHODOLOGY & APPROACH

This report is based upon Project Artefacts received from the WT Capital Program Management Office ("WT CPMO") relevant to the period Q1 2022/23 (April 1, 2022 to June 30, 2022). We understand that all reporting presented to the FARM Committee for discussion is based on the same timeline.

BTY, in capacity of independent monitor, engaged with the WT CPMO Office, the WT Chief Project Officer, and EllisDon in order to prepare this report.

In addition, we have reviewed and substantiated the data reported by WT CPMO Office and the Construction Manager related to budget/costs, schedule, scope, and risk management in the Project Artefacts listed in Section 2.6 of Appendix 1 to this report.

Our independent findings and recommendations related to the Project Artefacts are discussed within the Executive Summary, with further details in the appendices to this report.

#### 2.6 PROJECT ARTEFACTS RECEIVED

The following Project Artefacts for reporting period ending June 30, 2022 (Q1 2022/23) were received from the WT CPMO and reviewed and analysed by the Independent CPMAS Consultant team, as follows:

- a. Project Monthly Status Reports (April to June 2022);
  - i. Project Status Reports June 2022;
  - ii. PFP Combined Project Status Report May 2022;
  - iii. PFP\_Combined Project Status Report\_April 2022;
  - iv. Ellis Don Monthly Report of June 2022;
  - v. Ellis Don Monthly Report of May 2022;

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<sup>\*</sup> We note that sub-projects 3 and 4 are combined, and subsequently, our report refers to 22 sub-projects throughout rather than 23. This is consistent with WT CPMO's approach and does not reflect a change to the scope of the PLFP Project.

- vi. Ellis Don Monthly Report of April 2022;
- b. Budget documents and 90% Cost Estimates including:
  - June 2022EAC Summary;
  - ii. Interim Cost Estimate Update, August 25, 2022.
- c. Procurement documents including:
  - i. WT Procurement Log 'PLFP WT Procurement log 30Jun2022';
  - ii. EllisDon Procurement Log 'Ellisdon's contract procurement log 30Jun2022';
  - iii. Change Orders 'Ellisdon PO 2044 CO List\_June30 2022';
  - iv. ELLISDON 'PO line for PO2044 line details';
- d. Program Schedule including:
  - i. Overall Schedule Update #53 April 2022 Final.pdf;
  - ii. Overall Schedule Update #53 May 2022 Final.pdf;
  - iii. Overall Schedule Update #53 Jun 2022 Final.pdf;
  - iv. ScheduleUpdate#53 April2022.xer;
  - v. ScheduleUpdate#53\_May2022.xer;
  - vi. ScheduleUpdate#53\_Jun2022.xer;
- e. Risk Register including:
  - i. 2022 04 Risk Register April2022.xlsx;
  - ii. 2022 04 Risk Register May2022.xlsx;
  - iii. 2022\_6\_Risk Register\_June2022.xlsx;
  - iv. Risk Issues Update-ESC Aug 23 2022.pdf;
- f. Updated Project Charters: Not received.

The Project Artefacts are provided by WT CPMO and reflect the activities underway during any given reporting period. BTY are not responsible for any additional information that may be available but not provided by WT CPMO and/or the PLFP Project team via WT CPMO. This includes information that had it been received, would have materially changed the opinions contained in this report.

#### 2.7 EXCLUSIONS

The following are excluded from our review and reporting, except should any become a monitored risk with the potential to impact schedule, budget or scope:

- Regulatory approvals including permits, licences and approvals.
- Public and Stakeholder Communications.
- Indigenous Consultation.
- Health & Safety.
- Environmental matters.
- Site Conditions.
- Design review and compliance.
- Status of construction period payments.
- Disputes, claims or liens.
- Changes in Law.
- Warranties.
- Maintenance plans.

#### 2.8 NEXT STEPS

We expect our next report to be a monitoring report of the technical aspects of the PLFP Project being executed based on the Project Artefacts for the period July 1 - September 30, 2022. Our next report is due in November 2022, actual date to be determined.

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#### 2.9 FURTHER INFORMATION

Should the reader have any queries regarding the content of this report, please contact either of the following:

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## 3.0 Budget / Cost Management

#### 3.1 INTRODUCTION AND APPROACH

Our role is to provide a review of the cost management process implemented by the project team and provide opinion on whether the process is being performed in line with expected professional industry standards and best practices.

During Q1 2022/23 (period April 1, 2022 – June 30, 2022), we undertook a general review of the Project Artefacts related to budget and financial summaries, to confirm the budget reporting. In addition to the PLFP Monthly Program Dashboard and Monthly Status Reports for each sub-project, BTY received additional project artefacts to support the 90% cost estimates, contingency, committed costs (procurement and change orders) and the current EAC forecast.

The goal of our review is to monitor the reporting prepared by WT CPMO to confirm that it is prepared in accordance with good industry practices and a sample was checked for accuracy.

#### 3.2 APPROVED BUDGET & 90% STAGE GATE

#### 3.2.1 APPROVED BUDGET

There is no change to the Budget of \$1.185Bn this quarter.

#### 3.3 BUDGET / COST MANAGEMENT PROCESS

#### 3.3.1 90% COST ESTIMATE FINALISATION PROCESS

The Parks and Public Realm (3 sub-projects) and Flood Protection (9 sub-projects) scope of works at the 90% SG is based on the 60% Cost Estimate(s). As previously reported, the 90% Cost Estimates were pending the finalisation of scope and detailed design decisions, which was forecast to be finalised post-90% SG.

The 90% Cost Estimate milestone had been completed, specifically:

- 8 of 9 of the Flood Protection sub-projects have been completed in accordance with the previously reviewed cost management process (refer to our CPMAS Report #9, section 3.2);
- 1 of 9 the Flood Protection (the SDMA package) and the 3 x Parks/Public Realm sub-project works were estimated based on 90% design data using a deviated cost management process.

Based on our discussions with WT CPMO, we understand that the cost management process has partially deviated compared to all previous stage gate Cost Estimates. Previously, we reported that the cost management process was four-fold:

- 1. Cost Consultant prepares cost estimate based on design documentation;
- 2. The managing Cost Consultant is responsible to reconcile all cost estimates and omit any errors, omissions and duplication;
- 3. Risk workshops, risk pricing; and
- 4. WT CPMO and the CM, EllisDon finalise the EAC based on the Report of the Managing Cost Consultant, and the risk profile, market conditions and contingency.

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The diagram identifies the cost management process adopted at each stage gate.

Cost Estimate Review

- Each Cost Consultant provides their own estimates at key design stages based on the completed design
- •Construction Manager provides own estimate
- •WT Cost Consultant (Altus) reconciles the estimates and provides recommendations to WT

Risk Analysis

- Construction Manager generates cost loaded schedule
- Project Risks are reviewed at Risk Workshop
- •Risk Consultant conducts a risk analysis and provides risk profile to WT

Budget Reconciliation

- •Based on Cost Estimates, Risk Profile and Market Conditions, Project Team determines appropriate Project Contingency
- Cost Optimization opportunities are identified (design optimisation are not changes to the scope defined in the project chartewrs or the Contribution Agreement.)
- •Final Risk Analysis conducted based on Final Cost Estimate

Please refer to our reports No. 13, 14 and 15 for comments on the cost management process and discrepancies in the EAC estimate reconciliation. We understand that these issues will be resolved in future EAC revisions.

#### 3.3.2 PROJECT ID 9 & 12 - SCOPE FINALISATION AND BUDGET IMPACT

WT CPMO has confirmed these works are complete. BTY has not completed a review of any related project artefacts.

#### 3.3.3 POST-90% STAGE GATE COST MANAGEMENT PROCESS

Based on our discussions with WT CPMO, we understand that the Post-90% Stage Gate cost management process shall reflect the following, per the table:



- Construction Manager provides budget reconciliation based on actual and committed costs.
- •Cost sharing for utility relocations forecast to be re-evaluated.
- •90% Cost Estimates finalisation: Flood Protection and Parks & Public Realm

Cost Managemer

- Project Risks are reviewed at Risk Workshop (Quarterly)
- Risk Consultant conducts a risk analysis and provides risk profile to WT
- •WT review the recommendations, and update the risk reporting (monthly) and budgets (bi-annually).

Budget Reconciliation & EAC

- •Based on Committed Costs, Risk Profile and Market Conditions, the WT Project Team will update and reforecast the EAC and Project Contingency each month.
- Realised risks and any cost overages will be included in the monthly EAC forecast.
- Cost Optimization opportunities as a means to balance the budget are reduced after completion of all 90% design data (completed in Q2 2021/22).
- •WT will conduct a risk assessment and quantification update every 6-months to re-assess the EAC and Contingency. Next update due in Q2-2022/23.

In our opinion the post-90% stage gate cost management process is robust.

#### 3.4 EAC - RISK ANALYSIS

WT CPMO advise that any commitments, realised or probable risk and allowances for market conditions are included in the reforecast EAC, however, there is a potential for cost increases due to anticipated schedule extensions, costs increase in some activities and escalation.

A copy of the Risk Issues Update presentation to the Executive Steering Committee was provided for the current period. WT CPMO indicates in this document the following risk issues:

- 1. Enbridge Gas Relocation of 20" Gas Main over Don River;
- 2. Ports Toronto licenses and land;
- 3. Keating Channel dredging;
- 4. Global Economy Uncertainty;
- 5. Create TO Excess Soil;
- 6. Project Budget.

Refer to section 6.0 for additional comments on the EAC risk analysis.

Please note that this information has not yet been substantiated and we are unable to confirm the validity of the data.

#### 3.5 COST & COMMITMENTS V BUDGET RECONCILIATION PROCESS

Refer to section 3.8.

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#### 3.6 ESTIMATE AT COMPLETION ("EAC")

#### 3.6.1 UPDATED EAC FORECAST

The forecast EAC remains unchanged at \$1.185Bn., however, the construction estimate has been increased by \$3.3M from the Q4 2022/23 EAC. Please note that WT CPMO has indicated that the increase in the EAC forecast is primary related to increased costs associated with schedule extension, increased costs for dewatering, consultant services and administration services due to project extension.

The following table provides an overview of the budget movement between the 90% Stage Gate (October 2020) EAC forecast and the current EAC (June 2022) based on the quarterly Project Artefacts, as follows:

Budget	Escalated Hard Escalated Soft Costs Costs		Contingency	NRHST	Total
90% Stage Gate (Approved)*	\$911.9 M	\$201.7 M	\$51.5 M	\$19.8 M	\$1,185 Bn
Post-90% SG: EAC @ March 31, 2022	\$929.8 M	\$206.3 M	\$29.0 M	\$19.9 M	\$1,185 Bn
Post-90% SG: EAC @ June 30, 2022	\$933.1 M	\$209.0 M	\$22.9 M	\$19.9 M	\$1,185 Bn
Difference QTR-on-QTR	\$3.3 M	\$2.7 M	\$6.1 M	\$0.0 M	\$0 M

BTY have reviewed back-up to the financial summary information reported in the 'Dashboard' and 'Project Status Report' provided for the quarterly Project Artefacts, and we have confirmed that the EAC forecast is being updated by WT CPMO each month to reflect the impact of actual costs and current commitments (tender packages awarded, change orders, and risk) against the individual project EAC forecast.

For clarity, budget movement against the individual projects is normal movement within the overall budget / EAC forecast envelope.

Please note that we were provided with a copy of the "Port Lands Flood Protection and Enabling Infrastructure Interim Cost Estimate Update" dated August 25, 2022. This document indicates an EAC forecast produced by EllisDon where the forecast hard costs estimate is shown as \$952.5M for the current period (an increase of \$17.3M compared to the \$935M indicated in the Q4 2021/2022 EAC). WT CPMO is currently monitoring the situation; it is our understanding that a revised EAC will be presented to the Steering Committee seeking additional resources or a revision in the scope included in the current EAC.

#### 3.6.2 UPDATED EAC FORECAST - RISK ANALYSIS

WT CPMO has previously advised (in the March 2022 Risk Analysis) that the probability of achieving the EAC of \$1.185Bn has decreased from 53% to 0% as ratified in the August 23, 2022 Risk Issued Update document provided for the current period. It is indicated that "additional budget requirements are being assessed" and estimated to be in a range of 10.2% to 12.8% representing \$121M to \$151M.

Additionally, the before mentioned "Port Lands Flood Protection and Enabling Infrastructure Interim Cost Estimate Update" dated August 25, 2022, indicates an 'Interim EAC Forecast' range of \$1.306B (P10) to \$1.336B

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(P90) being P10 Optimistic and P90 Conservative. This additional budget range does not include costs related to excess Create TO soil removal (\$40M) or Keating Channel backlog dredging (\$20M). It is also mentioned that there is a 75% chance of total project budget costs being equal to or less than \$1.329B in year-of-expenditure (YOE) dollars after implementing risk mitigation strategies.

We will update this information in our next quarterly report.

#### 3.7 COMMITMENTS

#### 3.7.1 TOTAL COMMITMENTS

The 'Project Status Reports' identify any changes to the 'Total Commitments' split between Hard Costs, Soft Costs and Contingency. Based upon the available Project Artefacts we note:

- i. 'Total Commitments' are \$1.025Bn. or equal to 86.5% of the Approved Budget / EAC amount of \$1.185Bn, which is an increase of 1.2% over the previous guarter end. Specifically,
  - a. Roads & Services sub-projects average 97% committed,
  - b. Bridges & Structures are 92% committed,
  - c. Flood Protection sub-projects committed to 87%
  - d. Parks/Public Realm committed to 54% based on the current EAC
- ii. Hard Cost 'Total Commitments' are equal to 84% of the Hard Cost EAC in June 2022.
- 'Costs Incurred to Date' are reported by WT CPMO to be equal to 59% of the overall Approved Budget; however, this has not been verified by BTY.

WT has indicated that the EAC has been updated to partially reflect the current project known challenges and risks. We have been informed that the WTPMO is currently working on a revised EAC to reflect all risks and challenges affecting the project at this moment. Please refer to section 3.3.1 for additional commentary on commitments.

#### 3.7.2 PROCUREMENT

Trade packages are tendered for the Project as a whole; however, the Budget is monitored against the individual projects. This means that the tender award value is apportioned across the relevant sub-projects of the PLFP based on the discretion and judgement of WT CPMO [and Ellis Don]. Whilst BTY has not completed a detailed review of the WT CPMO reported 'Total Commitments' for the PLFP Project, we observe that the reporting generally aligns with the WT CPMO reported 'Procurement' (tenders awarded).

A Procurement Log, inclusive of the contract award has been provided. WT CPMO provided a Procurement Log (ref: 'PLFP\_WT\_Procurement log\_30Jun2022') where Commitments are allocated across the individual subprojects of the PLFP works. Based upon our review of the available Project Artefacts, monthly financial reports and procurement logs, we note the Project Artefact reporting to be generally consistent (+/- 1%), this is an acceptable range.

#### 3.7.3 CHANGE ORDERS

571 Change Orders ("CO's") had been issued totalling approximately \$66.11M and distributed across different tender packages, representing +/-7.9% of the Hard Cost Commitments to-date. We received and reviewed the 'Ellisdon PO 2044 CO list June 30 2022' document, which details the executed CO's to date issued against the Contract #2044 (we understand this reference is for the Port Lands Flood Protection project in its entirety). Based upon a cursory review, there does not appear to be any change to the scope of the project.

The following table lists the CO's that exceed \$800K in increases or \$1.0M in decreases that were executed, please note that WT provided the back-up documents for the below indicated CO's:

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Description	Value
CO304-TP16 -GFL Final Reconciliation and Settlement	\$7,427,887.00
CO03-TP13-Shallow Excavation at 51/63 Commissioners St. Part	\$3,511,976.76
CO523-TP45-Canoe Cove Stone Supply	\$2,658,109.60
CO158-TP42-Soil Disposal with Debris and NAPL	\$2,384,085.65
CO452-TP41-185 Villiers Street NAPL Stockpile Disposal	\$2,337,217.26
CO273-TP76 -Wet Utilities Trenching-Water Treatment -Site Wide	\$2,289,508.51
CO492-TP76-Wet Utilities Trenching-Dewater Consumables for Water Treatment Plant-Site Wide	\$2,188,111.83
CO144-TP11-CSN/COMM-Hydro Enclosure Fabrication (Cherubini Metal Works)	\$1,796,649.96
CO124-TP50 -Supply of Topsoil-Parks, River & Roads	\$1,704,412.50
CO281-TP41 -Reconciled Quantities to March Soil Movements	\$1,600,491.91
CO423-TP41-Reconciled Quantities to June Soil Movements	\$1,500,745.57
CO501-TP41-Quantity Transfers	\$1,419,231.27
CO47-TP42-EW 2.2 Additional Material (York Material)	\$1,143,093.60
CO191-TP42 Offsite Peat Disposal Reconciliation	\$1,088,807.91
CO91-TP41 - Inherited Stockpile Disposal	\$1,079,141.89
CO431-TP76-Wet Utilities Trenching-Polson Street and New Cherry Street Intersection Works	\$1,021,647.26
CO92-TP41 -QM Bonding	\$986,761.58
CO306-TP76-Wet Utilities Trenching-Viton Gasket, Pelseal Flueroelastomer and WM Fusible Pipe	\$931,031.54
CO06-TP13-Additional Disposal of Excess Soil at 51/63 Commis	\$918,665.24
CO01-TP05-Shallow Excavation at 51/63 Commissioners St. Part	\$892,808.05
CO68-TP16 -Tremie Placement of Concrete	\$843,678.18
CO132-TP43 -Trans Northern Pipeline Removal	\$805,375.17
CO28-TP23-Power Cash Allowance Descoping	\$-1,057,000.00
CO165-TP46 Package 50.4 Closeout	\$-1,167,766.45
CO109-TP17 -CSN -Reconciliation (Soletanche Bachy Canada)	\$-1,199,777.53
CO55-TP26 -Wall C Secant to Slurry	\$-1,293,490.22
CO283-TP37-Tree and Rootwad Supply: Closeout and Reconciliation of Calculation Errors in CO-161	\$-1,690,474.51
CO439-TP41-Cut-Off Spoils Reconciliation	\$-3,891,499.73
CO18-TP17- CSLF-PLFP Scope Transfer	\$-4,240,000.00

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CO272-TP26 -Phase 2 Cut Off Wall Contract Reconciliation	\$-4,384,537.28
CO500-TP42-Reconciliation	\$(5,503,701.97)

#### 3.8 CONTINGENCY

#### 3.8.1 CONTINGENCY PROCESS

As reported previously, Contingencies included within the PLFP project are split into three tranches: Hard Cost Contingency (construction), Soft Cost Contingency (design and engineering phase or development cost related), and Program Contingency. Further, WT CPMO considers Contingencies to either be used, allocated but unused and unused. Our references to Contingency are inclusive of all contingency funds, unless stated otherwise.

Please note that the current EAC update has readjusted the contingency allowance in some projects. WT CPMO informed that these re-allocations are based on the updated EAC and reflect to the best of their knowledge the known current challenges and risks related to the completion of the project. Additionally, as previously stated, WT has indicated that the remaining project contingency, though assigned to individual sub-projects, may be distributed in any way that WT CPMO elects as a "Contingency pool".

#### 3.8.2 CONTINGENCY STATUS

The total, unused Contingency is \$22.9M at the end of the reporting period. Adjustments and commitments (+/-) in different projects have been noted. The following shows the current contingency balance per project:

Project Charter	Contingency (Q4 2021/22)	Contingency (Q1 2022/23)	Difference
PFP03-01 Commissioners St West to New Cherry St	\$870,101	\$439,100	\$(431,001)
PFP03-02 Commissioners St East to Saulter St	\$406,383	\$14,023	\$(392,360)
PFP03-03 Cherry St Re-Alignment	\$713,246	\$1,230,766	\$517,520
PFP03-05 Don Roadway North	\$284,040	\$200,311	\$(83,729)
PFP03-06 Hydro One Integration	\$110,703	\$15,477	\$(95,225)
PFP03-07 Site Wide Municipal Infrastructure	\$2,480,356	\$560,714	\$(1,919,642)
PFP04-01 Cherry St North Bridge	\$452,249	\$140,780	\$(311,469)
PFP04-02 Cherry St South Bridge	\$428,068	\$166,497	\$(261,571)
PFP04-03 Commissioners St Bridge	\$208,272	\$140,302	\$(67,970)
PFP04-04 Lakeshore Road and Rail Bridge Modification	\$4,428,580	\$4,772,764	\$344,183
PFP04-05 Old Cherry St Bridge Demolition	\$195,032	\$194,876	\$(156)
PFP05-03/04 River Valley & Don Greenway and Spillway	\$7,104,212	\$4,806,375	\$(2,297,836)
PFP05-05 Keating Channel Modifications	\$105,218	\$103,269	\$(1,949)
PFP05-06 Polson Slip Naturalization	\$1,283,325	\$851,189	\$(432,136)
PFP05-07 Don Roadway Valley Wall Feature	\$158,840	\$160,899	\$2,059

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PFP05-08 Eastern Avenue Flood Protection	\$12,678	\$37,343	\$24,665
PFP05-09 East Harbour Flood Protection	\$0	\$-	\$(0)
PFP05-10 Flow Control Weirs	\$129,581	\$128,691	\$(890)
PFP05-11 Sediment and Debris Management	\$5,239,114	\$4,814,079	\$(425,035)
PFP05-12 Villiers Island Grading	\$304,168	\$292,109	\$(12,059)
PFP06-01 River Park North	\$1,426,236	\$337,483	\$(1,088,753)
PFP06-02 River Park South	\$717,991	\$1,871,108	\$1,153,117
PFP06-03 Promontory Park South	\$1,925,973	\$1,673,649	\$(252,323)
Total	\$28,984,365	\$22,951,805	\$(6,032,560)

Based on the current EAC, the unused Contingency is equal to 1.94% of the Approved Budget. 4.68% of the total project cost-to-complete (EAC less Costs Incurred to Date).

#### 3.8.3 OPINION ON CONTINGENCY

Whilst the overall Contingency appears to be in-range, we note that there are undefined costs or insufficient budget allocated to some specific projects (discussed in 3.3.1, 3.3.3 and Risk - Appendix 6) that have the potential to impact the Budget.

In our opinion, this is within a reasonable range in normal circumstances, however it is significantly lower when compared with the previous reporting periods. The Contingency has been reduced by \$6M and indicated to be \$22.9M in the current reporting period. Based on our review of the Project Artefacts, adjustments have been made in different projects to offset increases resulting from current commitments and revisions to the EAC forecast. Some projects have been adjusted to offset cost overrun in other projects. We want to point out that some contingencies have been significantly reduced though the works are yet to be completed.

As previously mentioned, the WT CPMO is evaluating the possibility of the project being overbudget, therefore, the current balance of unused contingency may no suffice to offset anticipated increases.

We are unable to validate the adequacy of the Contingency until procurement and / or finalisation of the scope liabilities are finalised.

#### 3.9 INDEPENDENT CPMAS REVIEW (PROJECT SAMPLING)

BTY reviewed a random sample of the financial reporting in order to validate the process and accuracy of reporting by WT CPMO.

Project	Project ID	WT CPMO Budget	WT CPMO Budget	BTY Comment
		Mar 2022	June 2022	
PFP03-01 Commissioners Str W to New Cherry St.	15A			Contingency has been severally reduced by \$431K
PFP03-02 Commissioners Str E to Saulter St.	15C			Contingency has been severally reduced by \$392K
PFP03-03 Cherry Street Re-Alignment	14A			
PFP03-05 Don Roadway North	7A			
PFP03-06 Hydro One Integration	18			
PFP03-07 Site Wide Municipal Infrastructure	5			Contingency has been severally reduced by \$1.9M

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Project	Project ID	WT CPMO Budget	WT CPMO Budget	BTY Comment
		Mar 2022	June 2022	
PFP04-01 Cherry Street North Bridge	14B			Contingency has been severally reduced by \$311K
PFP04-02 Cherry Street South Bridge	14C			Contingency has been severally reduced by \$262K
PFP04-03 Commissioner Street Bridge	15B			
PFP04-04 Lakeshore Road & Rail Bridge Mods.	13			
PFP04-05 Old Cherry St Bridge Demo	14D			
PFP05-03 River Valley System	3			Contingency has been severally reduced by \$2.3M
PFP05-04 Don Greenway & Spillway	4			
PFP05-05 Keating Channel Modifications	16			
PFP05-06 Polson Slip Naturalisation	2			Contingency has been severally reduced by \$432K
PFP05-07 Don Roadway Valley Wall Feature	8			
PFP05-08 Eastern Avenue Flood Protection	12			
PFP05-10 Flow Control Weirs	11			
PFP05-11 Sediment & Debris Management Area	10			Contingency has been severally reduced by \$425K
PFP05-12 Villiers Island Grading	19			
PFP06-01 River Valley Park North	20			Contingency has been severally reduced by \$1.08M
PFP06-02 River Valley Park South	21			
PFP06-03 Promontory Park South	17B			
WT CPMO Overall Project				Same as previous status rating.
BTY Summary (based on WT CPMO 'Risk Criteria')				Potential increase to the budget has been discussed with the WT CPMO, contingency level seems low to offset these possible increases.

Source: Monthly Status Reports – April 2022, May 2022 and June 2022.

Of 22 Work Packages (sub-projects), 4 are identified by WT CPMO to have a medium impact to budget and 5 are identified to have a high impact.

#### **3.10 INDEPENDENT CPMAS FINDINGS**

The overall 'Estimate at Completion' continues to reconcile with the 90% Stage Gate and the Approved Budget of \$1.185Bn. However, based on discussions with the WT CPMO, potential costs increases are being monitored mainly due to (1) Parks landscaping overbudget, (2) Increased costs for off-site disposal of soil, (3) Toronto Hydro Duct Bank Elevation (Spillway), (4) External market forces in excess of cost escalation. These potential cost increases could represent an augmentation in the overall project budget.

# 4.0 Schedule Management

#### 4.1 INTRODUCTION AND METHODOLOGY

During the current reporting period, BTY undertook a detailed review of the updated schedule submitted by Ellis Don for period ending June 2022, which included a review of the raw schedule data. Specifically, the documents considered in this review are as follows:

- The latest schedule update for June 2022 indicating a data date of June 30, 2022 in XER format.
- The baseline schedule BL3.1a indicating a data date of February 28, 2022 in XER format.
- Ellis Don 'Monthly Report for June 2022 including schedule updates and site photographs.

The objective of our schedule review was to substantiate the reporting by WT CPMO and the Construction Manager, confirm the completeness of the reporting and robustness of the schedule management process.

#### **4.2 SCHEDULE**

#### 4.2.1 CURRENT SCHEDULE: #52 BL3.1A (R01A)

A copy of the Schedule update for June 2022 was received from EllisDon BL3.1a (R01a). The data date for the schedule update is indicated as June 30, 2022.

From the analysis, we provide the following analysis:

- The baseline schedule BL3.1a (R01a) indicates a planned project start date (earliest date) of 1<sup>st</sup> September 2017 (activity PLFPEI-DSN-5990). The actual start date in the schedule update for June 2022 indicates an actual start date of 13th September 2017 (activity PLFPEI-DSN-5110).
- The baseline schedule BL3.1a (R01a) indicates an overall planned Substantial Performance Completion date of 24<sup>th</sup> December 2024. This date is inclusive of the Lakeshore bridge Modifications (LSBE). The projected completion date for these works is indicated as 6<sup>th</sup> February 2025, a delay of 5.8 working weeks. This delay can be traced back through the critical path from activity PLFPEI-CON-6345 to activity PLFPEI-CON-8475 which is currently in progress but is delayed by 10.2 working weeks.
- Excluding the LSBE works, the planned completion date for Achievement of Flood Protection is indicated as the 20<sup>th</sup> June 2024. In the schedule update for June 2022, Ellis Don indicate that this date will be met. The fact that it was necessary to add so many activities to the schedule in 3 4 months is concerning, particularly considering that there are a significant number of these which are critical. It is important that these additional activities are included in the baseline so that their progress and impact on the schedule can be adequately managed.

A comparison of the baseline schedule BL3.1a (R01a) and the schedule update for June 2022 indicates that there are a considerable number of activities which have been added to the schedule since the acceptance of the baseline schedule and since the schedule update for March 2022. It is noted that several of these activities are indicated as critical.

#### **4.3 COMPLETION DATES (MILESTONES)**

As in previous baseline schedules, the activities relating to the PLFP Project and the Lake Shore Bridge East Modifications ("LSBE Modifications") are combined in the latest baseline schedule BL3.1a (R01a) and the subsequent schedule update for June 2022.

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The completion milestones for the PLFP Project and the Lake Shore Bridge East Modifications are identified in the revised baseline schedule and updated schedule for June 2022 as follows:

Description	Previously Approved Baseline Schedule	Baseline Schedule (March 2022)	WT Risk Status
PLFPEI Substantial Performance (excluding Parks)	December 28, 2023	June 20, 2024	
PLFPEI Substantial Performance (including Parks)	March 31, 2024	December 24, 2024	

Note: \*The reader should note that the Substantial Completion date indicated on the updated monthly schedule is February 6, 2025 for the combined PLFP Project and the LSBE Modifications. The 'Achievement of Flood Protection' is the forecast completion date for the PLFP Project works.

#### **4.4 CRITICAL PATH OBSERVATIONS**

The critical path extract from the schedule update for June 2022 confirms the overall Substantial Performance Completion date of 24<sup>th</sup> December 2024 will not be met. The date indicated is 6<sup>th</sup> February 2025, a delay of 5.8 working weeks. This date is inclusive of the Lakeshore Bridge Modifications (LSBM) which is additional scope to the project. Although the critical path for this element of the works can be traced from the data date of 30<sup>th</sup> June 2022 through to the completion date of 6<sup>th</sup> February 2025, the analysis notes there is a gap in the sequence between the completion of activity PLFPEI-CON-6315 (11<sup>th</sup> January 2023) and the start of activity PLFPEI-CON-6316 (3<sup>rd</sup> April 2023). This can only be as a result of the non-winter working calendar applied to these activities. Although using calendars to define the critical path is not good scheduling practice, Ellis Don have indicated that they find this the most efficient method of managing the schedule. The fact that the critical path for this additional scope of works is continuous apart from this one issue is acceptable.

With regard to the critical path sequence for the flood protection works, the extract from the schedule for the critical path indicates significant deviation from the critical path sequence established in the revised baseline schedule BL3.1a (R01a).

Although there are several critical paths evident in the schedule update for June 2022, which converge at a completion date of 24th December 2024, there are several critical paths which are isolated, having predecessors which are non-critical and which are driven by a non-winter working calendar.

#### **4.5 CURRENT PROGRESS**

Current progress, as expected is in accordance with the revised baseline schedule. We visited the site on July 22, 2022.

## 5.0 Scope Management

#### 5.1 INTRODUCTION AND METHODOLOGY

During the current reporting period, BTY undertook a review of the Project Artefacts in relation to scope management. The objective of our review was to substantiate the reporting by WT CPMO and the Construction Manager.

#### **5.2 PROJECT CHARTERS**

No revisions to the Project Charters have been provided as part of the Project Artefacts for period ending June 30, 2022. The current status of the Project Charters is noted to be as follows:

Project Charter	Revision 5 Executed Date	Revision 6 Executed Date
PFP03-01 Commissioners St West to New Cherry St	May 6, 2019	July 2019
PFP03-02 Commissioners St East to Saulter St	May 6, 2019	July 2019
PFP03-03 Cherry St Re-Alignment	May 6, 2019	-
PFP03-05 Don Roadway North	May 6, 2019	-
PFP03-06 Hydro One Integration	May 6, 2019	-
PFP03-07 Site Wide Municipal Infrastructure	May 6, 2019	-
PFP04-01 Cherry St North Bridge	May 6, 2019	-
PFP04-02 Cherry St South Bridge	May 6, 2019	-
PFP04-03 Commissioners St Bridge	May 6, 2019	-
PFP04-04 Lakeshore Road and Rail Bridge Modification	May 6, 2019	-
PFP04-05 Old Cherry St Bridge Demolition	May 6, 2019	-
PFP05-03/04 River Valley System & Don Greenway and Spillway	May 6, 2019	-
PFP05-05 Keating Channel Modifications	May 6, 2019	-
PFP05-06 Polson Slip Naturalization	May 6, 2019	-
PFP05-07 Don Roadway Valley Wall Feature	May 6, 2019	-
PFP05-08 Eastern Avenue Flood Protection	May 6, 2019	-
PFP05-09 East Harbour Flood Protection	May 6, 2019	July 2019
PFP05-10 Flow Control Weirs	May 6, 2019	-
PFP05-11 Sediment and Debris Management	May 6, 2019	-
PFP05-12 Villiers Island Grading	May 6, 2019	-
PFP06-01 River Park North	May 6, 2019	-
PFP06-02 River Park South	May 6, 2019	-
PFP06-03 Promontory Park South	May 6, 2019	-

We have been verbally advised by the WT CPMO team that there are no PLFP Project scope revisions in the current reporting period.

#### 5.3 COST OPTIMISATION - SCOPE IMPACT

As per previous Stage Gates, design and cost optimisations were evaluated by the design team. Measures were approved by the Executive Steering Committee on October 19, 2020. For clarity the optimisations are not scope changes, and do not impact the Project Charters or the Contribution Agreement, as confirmed by WT CPMO.

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There is no further update during the current reporting period.

#### **5.4 APPROVED CHANGES (CONSTRUCTION PHASE)**

We have been verbally advised that there are no scope changes as a result of any approved Change Orders by the WT CPMO team. This has not been independently verified, as this is not possible based on the detail available in the Change Order Log reviewed by BTY this quarter.

#### 5.5 PENDING SCOPE REVISIONS

Previously, the Project Artefacts identified further scope of work that may be omitted or amended within the PLFP Project, as follows:

- Lake Shore Rail Bridge (currently still in scope, decision pending).
- Eastern Avenue Flood Protection is not included in the Approved Budget, though the deletion is pending approval.

These matters will be reviewed in future Project Artefacts provided by WT CPMO.

#### 5.6 OTHER SCOPE MATTERS – PROJECT ID #9 (PFP05-09) 'EASTERN HARBOUR FLOOD

As previously reported, the scope of work is to be finalised, and we note that an allowance was carried at 60% Stage Gate for Soft Costs and Contingency. During the current period, WT CPMO has advised that a 90% Cost Estimate will not be completed for this project because the East Harbour design and construction is to be undertaken by Cadillac Fairview with review and oversight only by WT CPMO and TRCA. Allowances for WT CPMO role is included in the EAC.

#### 5.7 CONCLUSION: INDEPENDENT CPMAS CONSULTANT FINDINGS - SCOPE ANALYSIS

BTY understands that there are no changes to the PLFP scope this reporting period, however, we understand that CPMO will propose as part of the mitigation strategies to control the potential EAC descoping some activities included in the current \$1.185B EAC.

## 6.0 Risk Management

#### **6.1 INTRODUCTION AND METHODOLOGY**

During the current quarterly reporting period to June 30, 2022, BTY undertook a review of the Project Artefacts for risk management including the updated Risk Register. The objective of our review was to substantiate the reporting by WT CPMO and the Construction Manager, and that the process of risk management is undertaken in accordance with best practices.

Further, based on the noted process, the 'top key risks' were reviewed to verify the reporting by WT CPMO is consistent with the 'Risk Register' ("RR") and / or other Project Artefacts.

#### **6.2 RISK MANAGEMENT PROCESS**

#### 6.2.1 RISK REGISTER

The primary process for risk management is based on the establishment of a Risk Register: All risks are listed within the risk register, and the probability of the risk occurring is agreed, and based on the probability of its occurrence the expected budget/schedule impact is assessed. We understand that if a risk has occurred or is forecast to have a 100% probability of occurrence it is transferred to the budget and / or schedule. Refer to 6.2.4 for further discussion.

The risk register is actively managed each month for new risks and/or updated assessments of risk impacts (cost/schedule) and probability. Further, risks that have been mitigated, inactive or retired are identifiable.

These are further discussed in 6.2.5 of this report.

#### 6.2.2 RISK REPORTING: INCORPORATION OF RISK REGISTER IN BUDGET

The Risk Register ('RR') is actively managed and updated monthly, and the WT CPMO monthly project status reports and dashboard reflect the updated RR 'top risks'. Further, the risks that are considered to have a 100% probability prior to October 2020 were quantified and included in the approved 90% Stage Gate. This is unchanged.

Risks are actively monitored in the RR and the 'top risks' section of the available Dashboards in the Project Artefact package. Whilst these risks are quantified and the probability of occurrence is assigned, no allowance for schedule or budget impact is carried. However, this is actively monitored monthly, and the EAC will be reforecast twice annually.

If a new risk is realised, this will be drawn down against the available unused Contingency and allowances reported in the project EAC line item.

#### 6.2.3 UPDATED EAC FORECAST - RISK ANALYSIS

Copies of the Semi-Annual Cost Estimate Update (March 31, 2022) presentation to the Executive Steering Committee and the presentation to the Finance, Audit and Risk Management Committee were provided for the previous reporting period. On top of the comments on risks included in section 3.5, high impact activities were included in the before mentioned update (refer to section 6.2.5).

Please note that this information has not been substantiated and we are unable to confirm the validity of the data.

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The Risk Analysis Results included in the Semi-Annual Cost Estimate Update (March 31, 2022) included the following notes:

- i. Since the previous analysis update, the P75 cost estimate has increased by \$17.3M and meaning that there is a 75% chance of total project costs being equal or less to \$1.208Bn.
- ii. The probability of achieving the \$1.185Bn. budget has decreased from 53% to 4%.

As indicated in section 3.6.2, we received a copy of the "Port Lands Flood Protection and Enabling Infrastructure Interim Cost Estimate Update" dated August 25, 2022, indicates an 'Interim EAC Forecast' range of \$1.306B (P10) to \$1.336B (P90) being P10 Optimistic and P90 Conservative. This additional budget range does not include costs related to excess Create TO soil removal (\$40M) or Keating Channel backlog dredging (\$20M). It is also mentioned that there is a 75% chance of total project budget costs being equal to or less than \$1.329B in year-of-expenditure (YOE) dollars after implementing risk mitigation strategies.

We will comment in our next report after receiving an updated risk analysis report.

#### 6.2.4 RISK REPORTING: INCORPORATION OF RISK REGISTER IN UPDATED SCHEDULE

We have been informed that Schedule related items have been included in the March risk analysis and in the revised baseline.

#### 6.2.5 IDENTIFICATION OF 'TOP RISKS' IN OTHER PROJECT ARTEFACTS (OVERALL)

The 'top risks' are 9 budget and 10 schedule risks, which were identified by WT CPMO in the PLFP Project Dashboard for the period ending June 30, 2022. We understand that identification of a 'top risk' is based on the likelihood of the risk occurring and largest impact.

This means that some of the risks with larger indicative cost and/or schedule impact, should the risk occur, may not feature in the 'top risks' if the probability of its occurrence is low. This approach is normal practice, and we note that the WT CPMO continually monitor all risks included within the Risk Register until each risk is realised, mitigated and/or retired. The following 'Top Risks' are identified in the Project Artefacts:

Risk ID	Risk Impact Key Risks / Opportunities by Category CPMO		BTY Comment / Observation	
	Roads & Services	Budget	Schedule Scope	
UTL 900.10	Enbridge Gas Main Alignment Issues		3.5 wks.	No changes
UTL 20.36	Toronto Hydro Ductbank Elevation (Spillway Crossing)	\$1.8	8.8wks.	No changes
UTL 20.38	Microtunneling Installation Issues		2.2wks	No changes
CTR 50.13	Don Roadway Dockwall sheet pile availability	2.0wks		New 'Top Risk'
	Bridges & Structures			
CNS 900.60	Steel Tonnage Reconciliation	-\$0.2M		Reduced by \$0.2M
CNS 900.67	Lakeshore Bridge pier width		2.6wks.	New 'Top Risk'
	Parks & Public Realm & Marine Structures			
CNS 70.74	Divert Interim Area Fill to Disposal	\$2.3M		Increased by \$0.5M

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CNS 30.05	Fisheries Window Issues		2.3wks.	No changes
ENV 60.01	Migratory Bird nesting		4.3wks.	Increased by 1.9 weeks
CNS 70.73	Increase offsite disposal does not meet quality criteria	\$4.9M		Increased by \$2.9M
Xxxxxx	Parks Overbudget	\$6.5M		New 'Top Risk'
CNS 70.72	Increase in Offsite disposal rate	\$2.5		New 'Top Risk'
CNS 50.40	Ship Channel Carp Gate settlement		2.2wks	New 'Top Risk'
FCCO 24	Site Preparation and Removals Closeout Credit	-\$0.4M		New 'Top Risk'
CNS 70.71	Table 9 soil import from less expensive source	-\$0.2M		New 'Top Risk'
	Other			
CTR 900.01	Coordination of Contract Activities		3.3wks.	No changes
CTR 70.02	Project Delays due to strikes		6.5wks.	Increased by 2.9 weeks
CNS 900.36	Opp: NRHST Rebate	-\$2.1M		Reduced by \$2.1M
CTR 50.01	External Market Forces in Excess of Cost Escalation	\$3.3M		New 'Top Risk'

#### 6.2.6 UNIDENTIFIED RISKS IN OTHER PROJECT ARTEFACTS

#### 6.2.6.1 Extraordinary Escalation

Though detailed Hard Cost increases were not identified in the current quarter EAC, we are aware that WT CPMO are tracking highly escalated costs. WT CPMO indicated that some escalation allowances are embedded within the current EAC; also, it has been confirmed that some tenders have returned higher than anticipated. Any extraordinary overages will need to be off-set or mitigated by contingency if the carried escalation allowance is insufficient, however due to the current discussions, potential for a budget increase to reflect escalation is expected.

#### 6.2.6.3 Heated Market

Detailed Hard Cost increases were not identified in the current quarter EAC forecast; however, we are aware that WT CPMO are tracking the impact of market response on tenders. WT CPMO has also indicated that more than 90% of the project has been procured at this stage and therefore the risk associated to the heated market has been addressed and accommodated in the current EAC.

#### 6.2.6.4 COVID-19

COVID-19 claims realised to-date are included in the EAC; whilst the pandemic is on-going the restrictions and protocols remain in place that have the potential to impact project costs and productivity. WT CPMO for the last quarter (to March 31, 2022) provided a copy of the COVID-19 Impact Update on Waterfront Toronto presentation for the current quarter indicating the impacts of COVID-19 on the project include claims totaling \$2.0M.

EllisDon's Monthly Report indicates there is a risk to increase the cost of Reinforcing Steel due to market conditions as well as supply chain challenges to get steel, cable, lighting and traffic light materials on time however they are implementing mitigation strategies including discussions with contractors and suppliers to expedite the delivery of materials and pre-order wherever possible.

#### **6.3 QUARTER-ON-QUARTER CHANGES IN RISK**

We understand that known risks with 100% probability have been incorporated into the 90% Stage Gate and allowances are reflected in the updated EAC to March 31, 2022. Changes Noted in Top EAC/Budget Risks (post-

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90% SG). We are aware that the WTCPMO is currently working on a revised EAC and the most up-to-date risk analysis will be incorporated.

#### **6.4 OTHER ISSUES**

WT CPMO are monitoring the following risks to the PLFP Project:

- 1. Enbridge Gas Relocation of 20" Gas Main over Don River: Existing 20-inch gas main on Lake Shore Rail Bridge to be permanently relocated. Require a solution that meets both PLFP budget and schedule constraints:
- 2. Purchase of the Cherry Street Lake Fill (CSLF) from Ports Toronto required by spring 2022: CreateTO purchase of the Cherry Street Lake Fill (CSLF) areas from Ports Toronto is required by spring 2022 so that new Cherry Street can be opened to the public in mid-2022;
- 3. THESL Cost sharing Risk retired: Cost sharing agreement with THESL for enhancements has been executed and is reflected in current EAC;
- 4. Keating Channel dredging Higher bed elevations in Keating Channel, due tot existing sedimentation that has not been dredged out;
- 5. Covid-19 Global pandemic with far reaching implications to health and safety;
- City Approval to Open New Roads Road openings require approval by City Council during election blackout period between July and December including Chery Street South of Commissioners Street (July 19, 2022) and Cherry Street North of Commissioners Street to Lake Shore Boulevard (November 4, 2022).
- 7. The WT Project Team has informed the Chair of the FARM that a strike by the Operators Union has the potential to result in delays and costs to the project.



# Finance, Audit and Risk Management Committee - September 22, 2022 Item 7 - Internal Audit Update V. Bila / MNP LLP

Purpose	For Committee Information.
Areas of note/  Key issues  Refer to attached Appendix outlining the status of the remaining two year the risk-based internal audit plan (2022/23 – 2023/24) approved by the F Committee in May 2022.	
	Also attached is the planning memo on the ERP system implementation lessons learned review, which is currently underway.
	Note: The status of previous internal audit recommendations is reported under the Audit Dashboard, Item 4 c) i c).
Resolution or Next Steps	MNP will report on the results of WT's ERP system implementation lessons learned review in the November 2022 FARM Committee meeting.



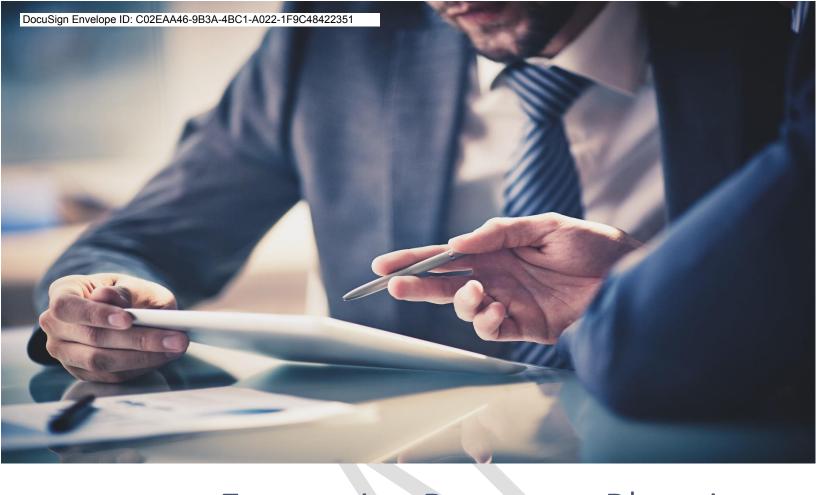
# Remaining Two Years of Internal Audit Plan – Status (FARM-Approved May 26, 2022)



Fiscal Year	Audit Name and Summary Audit Scope	Status
2022/2023 – Q2	ERP System Implementation Lessons Learned Review* – In pursuit of continuous improvement, this lessons learned review will assess the recent ERP system implementation to better understand and determine:  - what lessons can be learned to inform future projects;  - implementation strengths;  - implementation gaps;  - root cause factors for implementation delays and additional expenditures; and  - opportunities for improvement.	In Progress  (Audit planning completed in July 2022. Audit execution started in August 2022. Target FARM Committee reporting in November 2022.)
2022/2023 – Q3	<b>Procurement Process*</b> – A review of current procurement practices focusing on approval workflows and thresholds in order to identify possible efficiencies and opportunities to streamline procurement processes.	Not Yet Started  (Audit planning to commence in September 2022.)
2022/2023 – Q4	Robotic Process Automation* – A review to identify and assess opportunities to enhance the use of RPA across the organization, with a specific focus on the areas of Finance and Accounting and PMO.	Not Yet Started
2023/2024 – Q1	Cyber Security Audit – A targeted review of WT's cybersecurity program, policies and standards, outstanding audit recommendation implementation, ability to respond to cyber threats, vulnerabilities, risk reporting, risk awareness and culture. This audit will also consider components of privacy and records management.	Not Yet Started
2023/2024 – Q2	Accessibility – Assess WT's compliance with the Accessibility for Ontarians with Disabilities Act ("AODA") and the standards defined in the Integrated Accessibility Standards Regulation ("IASR") to determine any gaps in compliance, the associated risks with non-compliance, and recommendations for improvement prior to the AODA compliance deadline of January 1, 2025.	Not Yet Started

<sup>\*</sup>Note. The three internal audits in 2022/23 are linked as they focus on interrelated aspects of the ERP system.







# Enterprise Resource Planning ("ERP") System Lessons Learned Review

Planning Memorandum

July 27, 2022

Veronica Bila

Partner, Enterprise Risk Services



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Suite 300, 111 Richmond Street West, Toronto, ON M5H 2G4



# **Background**

Learning occurs on every project. Sharing lessons learned among project team members prevents an organization from repeating the same mistakes and also allows them to take advantage of organizational best practices. Innovative approaches and good work practices can be shared with others and lessons learned can be used to improve future projects and future stages of current projects.

In September 2017, Waterfront Toronto ("WT") began the implementation of Microsoft Dynamics D365 Finance & Operations ("D365") to replace the organization's existing end-of-life system. The implementation of D365 was identified as a key component of WT's Organizational Resiliency Plan as it was noted that WT requires a modern and comprehensive cloud-based ERP solution that better aligns to current and future business needs.

A Professional Services agreement was entered into with Thinkmax (a company that implements ERP solutions), to support WT in this initiative. The total contract value for implementation services was approximately \$2 million and project implementation was delivered through a joint governance model including WT functional stream leads and Thinkmax delivery subject matter experts. The system was fully implemented in early December 2019. Subsequent to final implementation of D365, Thinkmax provided ongoing support services for the solution into 2022.

In pursuit of continuous improvement, WT has identified the opportunity to review the initiative that was undertaken to implement D365 to gather and better understand the root causes and other factors that hindered the system's implementation and post-implementation functionality. The risk of the ERP system not being able to meet WT's operational and financial needs has been rated HIGH through the enterprise risk management program and has been included for review within WT's approved Internal Audit Plan for fiscal year 2022/2023.

# Objective

The objective of this review is to assess the recent ERP system implementation to better understand and determine:

- · Implementation strengths;
- Implementation shortcomings and possible root cause factors (including, for example implementation delays, system functionality not working as designed, additional expenditures, etc.);
   and.
- Lessons learned and opportunities for improvement in relation to leading practices that can inform future projects.

# Scope

In order to perform a comprehensive project lessons learned review, MNP will utilize a framework that guides the evaluation into three elements – People, Process, and Technology. This framework has been successful in understanding all aspects and outcomes related to digital transformation. MNP recognizes that digital

transformation is not just about technology - MNP's framework (shown below) prioritizes how these three elements work together to enable organizational success through the strategic use of technology.



Data Governance and Records Management Business Intelligence and Data Analytics

In addition to the elements shown in the framework above, we will evaluate the financial components of the project including fiscal monitoring, budget to actual variances, and cost over-run contributing factors. MNP will also provide a comparison of findings to lessons learned from other organizations to identify future considerations.

### **Risks**

Given the stated objective, the following sample of inherent risks<sup>1</sup> have been identified that may be considered typical in the scope of a review of this nature. We have categorized these risks according to the three elements of the framework – People, Process, and Technology.

#### People

- Lack of end user and overall organizational acceptance of the new technology;
- Insufficient knowledge transfer from external service providers to internal staff;
- Insufficient end user training;
- Misalignment between current and future state employee roles and responsibilities;
- Lack of effective project management governance;
- Lack of senior management support / senior project champion; and,
- Ineffective communication regarding overall transformation objectives and value.

#### **Process**

- Challenges of re-engineering business processes to fit the processes within the new technology;
- Misalignment between regulated / legislated requirements and system capabilities;
- Ineffective reporting capabilities;
- Requirement for revised role definition; and,

 $<sup>^{1}</sup>$  The risk derived from the environment without the mitigating effects of internal controls – Institute of Internal Auditors.

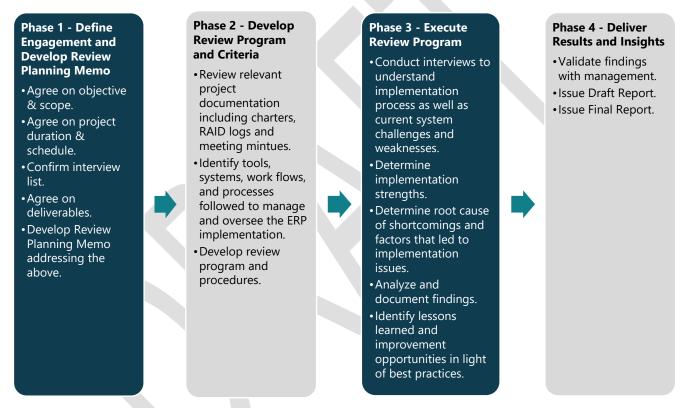
• Lack of overall system business owner including on-going accountability.

#### Technology

- Development of complex system integrations due to technology integration limitations;
- Ineffective data conversion plan resulting in data migration issues;
- Multiple instances of a single data record resulting in no one 'source of truth'; and,
- Unclear organizational records management practices.

# **Approach**

In accordance with MNP's internal audit methodology, the high-level work plan for the lessons learned review includes the following phases:



# **Assumptions**

To develop a project work plan and determine resource needs, MNP will:

- Conduct interviews/discussions with staff, who will be available to participate in interviews and respond to inquiries on a timely basis;
- Obtain records, documentation, samples and other information we request for our review in a timely manner while maintaining the confidentiality of privileged information contained within; and,
- Not be responsible for any delay or other consequences resulting from the WT's failure to perform any of its obligations.

Wherever business takes you

# **Timeline and Deliverables**

Key activities, deliverables and the general timeline are outlined in the table below:

Phase	Activity / Deliverable	Dates*
	Kick-off meeting	Completion by July 29,
Phase 1	Planning Memo preparation and submission	
	Finalize scope and approve Planning Memo	2022
	Review of documentation, tools, systems, workflows and processes followed to manage and oversee the ERP implementation	
	Interviews with key WT staff	August to
Phase 2 and Phase 3	Evaluation and assessment to determine implementation strengths as well as root cause of gaps and factors that led to implementation issues	September 2022
	Identify lessons learned and improvement opportunities	
	Validation of findings	
	Draft report submitted	September to October 2022
Phase 4	Meeting to discuss draft report	
	Issuance of final report, with management responses	
	FARM Committee Meeting	November 24, 2022

<sup>\*</sup>Note: The above timeline may be revised due to unanticipated events and the availability of key stakeholders. MNP will keep WT Management apprised of any delays as they become known and will revise the timeline accordingly.

# **Budget**

The budget for the ERP Lessons Learned review has been estimated to be \$38,400 (exclusive of HST), including presentation to the FARM Committee. The hours for each team member are estimated below.

It is important to note that these hours are solely based on the assumptions, tasks and deliverables outlined in the above sections, using the rates as per our Internal Audit Services Contract. Should any of these items change, the estimated hours (and possibly budget) will need to be adjusted to reflect the change.

Team Member	Engagement Role	Hours
Veronica Bila	Engagement Partner	10
Scott Crowley	Quality Assurance Partner	3
Deepak Jaswal	Engagement Manager	6
Wendy Gnenz	ERP Implementation Subject Matter Expert Partner	48
Thomas Luedersdorf	ERP Implementation Subject Matter Expert Manager	68.5
	TOTAL	135.5

# **Subject Matter Expert Bios**

#### **Wendy Gnenz**

Wendy Gnenz is a Partner in MNP's Digital Advisory practice. She is a proven innovative strategist and transformation leader with over 25 years of progressively responsible expertise in setting innovative, practical strategic direction for numerous organizations in technology strategic planning, data governance, analytics and artificial intelligence. As a visionary leader, she drives digital transformation through developing, motivating and leadings teams.

Described as inspirational, collaborative and intuitive, Wendy is known for her ability to be a growth change catalyst who infuses productive energy to strategically drive transformation and deliver measurable results. With her unique combination of financial and technology expertise, Wendy is able to provide practical business advice to improve and transform businesses. Wendy has experience developing strategies and conducting technology reviews in support of Digital Transformation Programs and in conducting reviews of ERP systems.

#### **Thomas Luedersdorf**

Thomas Luedersdorf is a Manager in MNP's Digital Advisory practice. Thomas leverages over 12 years of hands-on experience and multi-faceted expertise in technology implementation, project management, and solution design. His background includes solution design and implementation for products within the Microsoft ERP technology stack: Dynamics 365 CRM, Dynamics 365 Finance and Operations, and Dynamics 365 Business Central.

In addition to his technical expertise, Thomas is experienced in auditing systems against current best practices and managing the remediation of any risks or issues uncovered. One of his most recent projects was migrating a large Alberta-based logistics company from legacy Dynamics systems to a modern cloud-based solution leveraging Microsoft Azure and Dynamics 365 Business Central.

# **Client Acceptance**

Please confirm your acceptance to proceed with this planning memorandum by signing in the space provided and returning a copy to the attention of Veronica Bila.

I hereby authorize MNP to proceed with and provide the services as described herein,



8/5/2022 | 3:00 PM EDT Date:

Name: Lisa Taylor

Title: Chief Financial Officer



# **Our Values**

- We exemplify integrity in all we do
- We are one firm/one pot/one team
- We are entrepreneurial
- Profit optimization
  - We run our business like a business
  - o Balanced lifestyle
  - o 'Fun' is important

- We insist on quality client service
- We perform to high quality standards
- We operate on guidelines
- We conduct ourselves with humility and respect
- We value our professions and our communities
- We value diversity

Best Employer

**CANADA 2019** 





# Finance, Audit and Risk Management Committee - September 22, 2022 Item 8 - WT Insurance Program Independent Review Lisa Taylor / Ian Ness

Purpose	For Committee Information.  To ensure adequacy of Waterfront Toronto's insurance program as part of		
	the Corporation's Enterprise Risk Management framework.		
Areas of note/ Key issues	In May 2022, Management shared the results of the Corporation's 2022/23 corporate insurance program renewals with the FARM Committee.  Management also noted that a third-party insurance risk advisor (Intech Risk Management Inc "Intech") had been engaged to review and assess the adequacy of WTs insurance program (similar review last done 2019) and that these results will be reported to the Committee in September.		
	The final report from Intech was issued in August 2022 and the following key conclusions and recommendations are highlighted:		
	Overall, WTs insurance coverages and limits appear sufficient when compared to other entities with similar risk exposures		
	WTs insurance program encompasses the types of insurance coverage, terms and conditions that would ordinarily be maintained by prudent organizations with similar operations in Canada		
	The hard insurance market and poor insurer profitability has forced insurers to increase premiums and deductibles		
	<ul> <li>WT deductible levels benchmark average-to-low depending on type coverage when compared to similar risks</li> </ul>		
	WT should complete a cost-benefit analysis to weigh if an increase in deductible or retention levels would lessen premium impacts in 2023 and be appropriate for the Corporation		
	WT could consider increasing its Commercial General Liability limit from \$10M to \$15M in 2023		
	WT could consider increasing its social engineering fraud coverage from \$1M to \$1.25M (and options for additional amounts)		
	Coverage/limits for directors and officers (D&O) liability insurance benchmark as superior relative to similar organizations		
	Management supports Intech's conclusions and recommendations and will incorporate these into the 2023 insurance renewal process, as appropriate.		
	Refer to attached confidential attachment for Intech's full report.		
Resolution or Next Steps	Management and the FARM Chair will update the Board regarding Waterfront Toronto's independent insurance program adequacy review at the October 2022 Board meeting.		

# Closed Session



# Finance, Audit and Risk Management (FARM) Committee September 22, 2022 Item 17 – Draft Resolution(s) Arising from the Closed Session FARM Committee Members

**Item 10** Draft Minutes of the Closed Session – May 26, 2022 FARM Committee Meeting

**ON MOTION** duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the Minutes of the Closed Session of the Finance, Audit and Risk Management Committee held on May 26, 2022 be approved as tabled.

Item 13 Line of Credit Strategy & Liquidity Review

**ON MOTION** duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the FARM Committee recommends that the Board of Directors approve, at the October 13, 2022 meeting, the Revised Line of Credit Strategy.



# CALENDAR YEAR 2022 UPCOMING MEETING SCHEDULE BOARD / COMMITTEES

S/N	Date	Board/Committee	Key Agenda Item(s) include:
1.	Thursday, February 3 Revised date: Friday, February 11	IREC	Quayside
2.	Tuesday, February 15	Board	Quayside
3.	Thursday, February 24	FARM	Per FARM Work Plan
4.	Thursday, March 3	HRGSR	Per HRGSR Work Plan
5.	Thursday, March 10	IREC	<ul> <li>Detailed Status Report on all Development Projects</li> <li>Other Projects (if any)</li> <li>Real Estate Acquisitions and Divestitures (if any)</li> <li>Other Acquisitions (if any)</li> </ul>
6.	Thursday, March 24	Board	Reports of the IREC, FARM and HRGSR committees
7.	Thursday, May 26	FARM	Per FARM Work Plan
8.	Thursday, June 2	IREC	<ul> <li>Development Projects Dashboard</li> <li>Other Projects (if any)</li> <li>Real Estate Acquisitions and Divestitures (if any)</li> <li>Other Acquisitions (if any)</li> <li>ESG Update</li> </ul>
9.	Thursday, June 9	HRGSR	Per HRGSR Work Plan
10.	Thursday, June 16	Board Strategic Session	
11.	Thursday, June 23	Board	<ul> <li>Reports of the HRGSR, IREC, and FARM committees</li> <li>Approve 2021/22 Annual Report</li> <li>Approve 2021/22 audited financial statements</li> <li>Year-end Performance Assessment for CEO and approval of compensation for 2022/23</li> </ul>
12.	Wednesday, July 20 (Added July 2022)	IREC	Quayside Update
13.	Tuesday, August 30 (Added August 2022)	IREC	WT Office Space Lease
14.	Thursday, September 8 (Added August 2022)	Board	WT Office Space Lease
15.	Thursday, September 15	HRGSR	Per HRGSR Work Plan

16.	Thursday, September 22	FARM	Per FARM Work Plan
17.	Thursday, September 29	IREC	<ul> <li>Development Projects Dashboard</li> <li>Other Projects (if any)</li> <li>Real Estate Acquisitions and Divestitures (if any)</li> <li>Other Acquisitions (if any)</li> </ul>
18.	Thursday, October 13	Board	Report of the HRGSR, IREC, and FARM committees     2023 Board and Committee Meeting Calendar
19.	Thursday, November 10	HRGSR	Per HRGSR Work Plan
20.	Thursday, November 17	IREC	<ul> <li>Development Projects Dashboard</li> <li>Other Projects (if any)</li> <li>Real Estate Acquisitions and Divestitures (if any)</li> <li>Other Acquisitions (if any)</li> </ul>
21.	Thursday, November 24	FARM	Per FARM Work Plan
22.	Thursday, December 8	Board	Report of the HRGSR, IREC, and FARM committees     Approval of 2022/23 Corporate Plan