

**Green Line Report to
Executive Committee
2022 October 18**

**ISC: UNRESTRICTED
EC2022-1149
Page 1 of 5**

Green Line Board Report Q4 2022

RECOMMENDATION(S):

That Executive Committee of Council receive this report for the Corporate Record.

HIGHLIGHTS

- This quarterly report provides an update by the Green Line Board as required by the Green Line Board Bylaw 21M2020.
- What does this mean to Calgarians? Quarterly reports from the Green Line Board (the “Board”) to Executive Committee of Council keep Calgarians informed on the progress and governance of the Green Line LRT project. In addition, the Board publishes monthly reports which are provided to members of Council and the public.
- Why does this matter? This demonstrates that the largest publicly funded project in Calgary’s history is being well managed, which contributes to confidence in the Board’s ability to deliver the Green Line project goals and objectives.
- Strategic Alignment to Council’s Citizen Priorities: A city that moves.
- The Green Line Board has approved the release of the Request for Proposals (RFP) to the two shortlisted proponents from the Request for Qualifications (RFQ) stage. One of the two proponents will be selected in early 2023 as the Development Partner. Following the approximately 12-month long Development Phase, with Green Line Board approval, Green Line will award the main contract for construction.
- Enabling works to relocate deep and shallow utilities in the Beltline and Downtown are underway. Coordination for ongoing detours between partners in the East Beltline continues in preparation for the upcoming sports and events season.
- The Business Support Program continues to work with businesses in the Beltline and Downtown who may be impacted by Green Line construction. Specific initiatives, such as the addition of temporary short-term loading zones, have been implemented and are described in Attachment 1.
- Green Line continues to undertake appropriate due diligence on all elements of the Program to identify, understand, and manage risks.

DISCUSSION

In compliance with Council direction, the Green Line Board reports the project’s progress in six Functional Areas as identified in Attachment 1 - Green Line Board August 2022 Progress Report (among other reporting metrics) that include: Health & Safety, Environmental, Stakeholder Relations, Schedule, Cost and Quality. The project remains on-plan and we continue to proactively monitor and manage risks.

Procurements

Green Line is committed to responsible procurement and the Green Line Board is entrusted to achieving the best value for money with taxpayer dollars. Procurements are conducted in accordance with internal and external governance requirements (e.g., trade agreements, laws, etc.) and overseen by an external Fairness Monitor to uphold the integrity of the procurement process.

Green Line Board Report Q4 2022

Request for Proposal (RFP)

With approval from the Green Line Board, the RFP for the main contract was released on September 26, 2022, to the two proponent teams, Bow Transit Connectors (Barnard Constructors of Canada LP, Flatiron Constructors Canada Ltd, and WSP Canada Inc) and City Link Partners (Aecon Infrastructure Management Inc, Dragados Canada Inc, Acciona Infrastructure Canada Inc, Parsons Inc, and AECOM Canada Ltd), shortlisted through the RFQ stage. At the conclusion of the RFP evaluation, one of the proponent teams will be selected to become the Development Partner. The Development Partner will collaborate with the Green Line team during an approximately 12-month long Development Phase to advance design, determine the risk allocation, establish price, and confirm a project schedule. During this phase, potential opportunities for smaller, specific work packages and long lead procurement items to advance the schedule and to further de-risk the project, will also be considered.

During the Development Phase, regular reporting to the Green Line Board will continue. After the successful completion of the Development Phase, with Green Line Board approval, the contract will be awarded, and main construction will begin.

Connecting with Industry

On November 15, 2022, Green Line will host an event to provide local suppliers, contractors, and businesses with information on the procurement process while also introducing them to the two proponent teams. While Phase 1 construction will be led by a large consortium with international partners with previous experience delivering projects of similar size and complexity, the actual work will rely on local trades.

Delivery Partner

Green Line released an RFP for a Delivery Partner on August 4, 2022, following approval from the Green Line Board in July 2022. The Delivery Partner will supplement the Green Line team in support of delivering Phase 1 across a range of project functions, including commercial management and technical support leveraging their expertise from complex megaprojects. The Delivery Partner RFP is expected to close in Q4 2022 with the contract awarded in the same quarter.

LRV Mock-up

As part of the LRV contract, Construcciones y Auxiliar de Ferrocarriles (CAF) is providing an LRV mock-up, expected to arrive in Q4 2022. The mock-up has been built to scale and will have a similar look and feel inside and out of the future Green Line vehicle. The mock-up is being transported to Calgary. Once received, Green Line will review the LRV mock-up, and following that, it will be used at information sessions for Calgarians to view and interact with.

Enabling Works

To enable a large amount of deep and shallow utilities to be relocated and upgraded in advance of the construction of the Green Line tunnel, the intersection of 12 Avenue and Olympic Way SE was closed on July 23, 2022. The intersection is on schedule to reopen in November 2022. Construction to relocate deep and shallow utilities in other areas of the Beltline and Downtown will continue.

Green Line Board Report Q4 2022

Stakeholder coordination meetings continue to support pedestrian and traffic movement in all construction areas including event management in Beltline East. For example, planning for ongoing detours between Green Line, City and area partners continued in preparation for the Calgary Flames, Calgary Hitmen seasons and additional events in the Fall.

Business Support Program

With the increased construction in the Beltline and Downtown, Green Line continues to support businesses in these areas. Examples of business support initiatives are described in Attachment 1

These initiatives are being coordinated between Green Line, The City and area partners as well as local businesses with the intent to reduce and manage impacts that will come with building Green Line.

Look Ahead

Green Line continues to proactively advance works prior to the award of the main contract. Examples of this work is below:

- River Crossings - In August 2022, Green line proactively submitted the river crossing applications to the required agencies to ensure timely approvals.
- Third Party Utility Work – Work in Downtown began in August 2022 and will substantially increase moving forward. This work will enable a large amount of deep and shallow utilities to be relocated in advance of the construction of the Green Line.
- Land - Negotiations for the lands in the Beltline and Downtown that are required to support the main contract are progressing well.

Financial Update

Table 1 below provides the previous 6-month spend rate up to August 31, 2022.

Category	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
Owner's Cost	\$ 1,532,269	\$ 1,074,861	\$ 1,367,197	\$ 1,128,520	\$ 1,242,551	\$ 1,184,271
Design & Engineering	\$ 2,578,893	\$ 3,768,240	\$ 3,077,176	\$ 2,645,973	\$ 2,933,847	\$ 1,909,873
Construction, Land & Other Assets	\$ 4,207,636	\$ 2,337,942	\$ 8,980,420	\$ 3,726,575	\$ 2,220,709	\$ 3,856,904
Bus Rapid Transit	\$ 13,297	\$ 114,787	\$ 520,502	\$ 233,141	\$ 275,489	\$ 8,617
Grand Total	\$ 8,332,096	\$ 7,295,831	\$ 13,945,295	\$ 7,734,208	\$ 6,672,595	\$ 6,959,666

Table 1 – Green Line Previous 6-month Spend Rate

The monthly variability in expenditures in the Construction, Land & Other Assets category is related to the LRV contract payments (March 2022) and land acquisition (May 2022).

Table 2 below provides the Cost to Date and Cost Year to Date.

Category	Committed Cost	Cost to Date	Cost Year to Date
Owner's Cost	\$ 75,172,376	\$ 74,692,749	\$ 9,416,663
Design & Engineering	\$ 280,259,026	\$ 258,253,267	\$ 21,802,001
Construction, Land & Other Assets	\$ 534,864,055	\$ 428,709,672	\$ 26,189,542
Bus Rapid Transit	\$ 4,499,112	\$ 4,499,112	\$ 1,205,205
Grand Total	\$ 894,794,569	\$ 766,154,800	\$ 58,613,411

Table 2 – Financial Summary as of the end of March 31, 2022 (Costs for May are preliminary)

Green Line Board Report Q4 2022

As shown in Table 2, \$58,613,411 has been spent in 2022 up to August 31, 2022, with an overall spend of \$766,154,800 as of August 31, 2022.

Attachment 1 - Green Line Board August 2022 Progress Report, is attached for information. The October 2022 Green Line Board Progress Report is being finalized concurrently with this report and will be issued prior to the November 30, 2022, Green Line Board meeting.

Market Trends

Green Line continues to undertake significant due diligence on the cost, schedule and risk of delivering the program in light of current financial and construction market conditions. In addition, Green Line's procurement strategy to include a Development Phase allows for collaboration, design progression and a better understanding of costs and risk in an open and transparent manner while working with the Development Partner.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- ☐ Public Engagement was undertaken
- ☐ Public Communication or Engagement was not required
- ☐ Public/Stakeholders were informed
- ☒ Stakeholder dialogue/relations were undertaken

During development of the RFQ and RFP, potential bidders were engaged through market soundings to ensure a balanced and attractive procurement was released.

In addition, Green Line continues to focus on building relationships with businesses, residents and community partners in the Beltline and Downtown areas impacted by BDURP. These valuable interactions have been achieved through calls, meetings, and on-site visits.

IMPLICATIONS

Social

The Green Line will extend Calgary's public transit network, providing increased access for all Calgarians. The Green Line will help connect Calgarians from across the city to employment hubs and destinations and Phase 1 will serve up to 55,000 customers per day.

Environmental

Green Line will reduce emissions to mitigate climate change. Phase 1 is anticipated to save up to 27,500 tons of Greenhouse Gas emissions a year in support of municipal, provincial, and federal environmental goals.

Economic

The Green Line project is expected to create almost 20,000 jobs throughout construction.

**Green Line Report to
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**ISC: UNRESTRICTED
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Page 5 of 5**

Green Line Board Report Q4 2022

Service and Financial Implications

No anticipated financial impact

There are no anticipated financial impacts to current budgets as a result of this report.

RISK

Green Line continues to monitor financial market changes due to the current economic climate and regular due diligence is ongoing.

The market is unwilling to accept certain risks that have been transferred to the private sector in similar projects. Green Line is proceeding with a strategy to utilize a DBF with Development Phase to best allocate, mitigate, and manage risks. This strategy takes into consideration successful market precedents.

Additional risks are discussed in Attachment 1.

ATTACHMENT(S)

1. Green Line Board August 2022 Progress Report

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Don Fairbairn	Chair, Green Line Board	Approve
Darshpreet Bhatti	Green Line, CEO	Approve