



METROLINX

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Bruce McCuaig Speech Canadian Value Symposium November 17, 2014

Introduction

Good morning and thank you Rakesh for that kind introduction. And thank you to everyone at the Canadian Society of Value Analysis for the invitation to speak at this year's Canadian Value Symposium.

Metrolinx incorporates Value Analysis principles – what we commonly refer to as value engineering – into each of our projects. I'll go into some detail on how we do this.

But first, I'll say a few words about Metrolinx: who we are, and why we're here, and give an overview of some of our major projects underway.

At Metrolinx, we have a huge challenge ahead of us to get the Greater Toronto and Hamilton Area moving again by transforming our transportation network, and we couldn't take on that challenge without strong partnerships – like the ones we have with many of the people in this room today.

Your professionalism, skill and creativity are essential foundations to the projects we need to build together.

I think it is hard to escape the realities that the public sector faces today.

Budgets are tighter than they've been in quite some time, not just in Ontario but at every level of government in Canada.

Layered on top of that is the fundamental reality – today's reality – that we have delayed many infrastructure decisions for far too long.

Estimates show that gridlock is costing our region between \$6 and \$11 billion in travel costs and lost productivity each year. These numbers will continue to grow, unless we sustain a growing investment in our transportation system.

Adding to this stress is the reality that our region is growing by 100,000 people per year on average.

Over the course of the next two decades, 3 million more people – the size of Montreal – will join the daily commute in the Greater Toronto and Hamilton Area.

And remember, even today about half of our GTHA population lives and works outside of the City of Toronto.

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Building transit for these families is a key part of building a successful region.

Depending on what we do to address the congestion we face, we could, on average, end up spending as much as 109 minutes in traffic every day – that adds up to more than 18 full days a year commuting.

Now some would say this is the price to pay for being in a city like Toronto, a growing, dynamic and diverse world-class city. But the truth is, there are very real reasons why we cannot let this happen.

The main reason, which all of you understand, is that it would make the GTHA far less competitive than other urban regions.

People will get fed up with gridlock and being robbed of time they could be spending with their families. We risk that the most mobile will move and take their skills to other regions that offer a higher quality of life.

Jobs will follow. We know that the economy follows closely behind skilled labour.

It would also be a poor legacy to leave to our children. A legacy that would increase costs for them in the future.

So if we want to grow and prosper across the GTHA, we need to reinvest in transit and transportation. And as our economy goes, so goes Ontario's, given that about half of the province's GDP is here.

This is a critical issue in terms of our national economy too. And it's an issue that is playing out in Canada's other global cities – Montreal and Vancouver.

Projects Underway

This is why our work together is so important. And it's why we need all levels of government to work together to invest in urban transportation systems.

We have begun transforming Toronto and the GTHA by implementing *The Big Move*, Metrolinx's bold, award-winning regional transportation plan that will guide transit investments over the next twenty-five years.

We have \$16 billion in transit and transportation priorities under construction right now, backed by signed contracts and dedicated funding.

We are tunneling, paving, digging and building projects across our region that will soon begin to deliver real, tangible benefits.

GO Transit is evolving from a commuter service, carrying customers between the suburbs and downtown in the mornings and evenings, to a true regional transit service, providing customers

along the entire network with frequent, two-way travel options, throughout the day, evenings and on weekends.

We've made the biggest investment in expanded train and bus service across the region in GO Transit's history.

This has allowed GO Transit ridership to grow nearly 50% in the past decade. We introduced 30-minute GO Train service on the Lakeshore lines, which immediately increased ridership by 30% in off-peak periods on those lines.

The next natural step in our progression is Regional Express Rail, which will transform the regional transportation system by providing significant new travel choices across the GTHA.

Regional express rail will provide:

- Electrified service with trains every 15 minutes in core areas;
- Service in both directions, throughout weekdays, in evenings and on weekends
- A mix of all-stop and express service, to meet demand and reduce travel times

In conjunction with the Province, Metrolinx staff have been working to prepare the regional express rail work plan, which includes four key elements:

1. Service Concept, in order to provide the foundation to determine infrastructure needs and develop a phasing plan
2. Infrastructure Needs, in order to be clear on the infrastructure and equipment that will be needed to deliver on the Service Concept
3. Phasing Plan, to identify the optimal sequencing of infrastructure and service, considering factors like ridership growth, congestion benefits and effective infrastructure delivery
4. Engagement Plan, to identify the work necessary to engage stakeholders that include the public, municipalities, and elected officials.

Implementing regional express rail in the region is one of the largest and most complex infrastructure projects in North America.

It affects seven operating rail corridors over 8,000 square kilometres that carry both freight and over 200,000 daily commuters through more than 30 municipalities.

And it presents significant planning challenges, most notably the infrastructure needs, which include:

- renovations at more than 60 rail stations
- up to 6 rail-rail grade separations and 40 rail-road grade separations
- around 130 expanded bridges
- 500 km of overhead catenary
- close to 340 new track miles

Staff will provide an update on the regional express rail work plan to the Metrolinx Board of Directors at its meeting next month.

Regional Express Rail is not the only project underway.

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We're implementing PRESTO -- the regional fare card. With nine transit systems serving a population of more than six million people, implementing PRESTO is one of the most complex fare card projects currently underway globally.

We have reached 1.3 million PRESTO cardholders who now travel throughout the region and we are beginning to rollout PRESTO on the TTC, starting in the fall with new streetcars and a total of 25 subway stations as part of Wave One.

The Union Pearson Express will open in spring of next year, offering a reliable and comfortable – and how could I forget, predictable – way to get to Pearson on time and stress free.

No more playing stressful guessing games with how much time you should leave to get to Pearson without missing your flight.

UP Express is in its final months to launch: infrastructure (tracks and stations) is nearing completion and the vehicles are here and going through testing. I'm sure some of you have even spotted an UP Express vehicle being tested on our tracks throughout the region.

As we speak, we are tunneling beneath Eglinton Avenue as part of the Eglinton Crosstown LRT. Toronto's first LRT project will carry passengers along 19 kilometres of dedicated LRT track.

Valued at \$5.3 billion, the Crosstown is the largest transportation project currently underway in Canada.

For those of you not familiar with the Crosstown, we are tunneling 10 kilometres of the route through the centre of the city. It's no small job.

As you can imagine, this is tricky and delicate business.

We are doing this work not in wide-open spaces, but in a very densely-populated area filled with homes, multi-unit buildings, small businesses and some significant major intersections, including access to the Allen Expressway.

While we tunnel, we need to make sure that cars, pedestrians and transit can still get through.

Add into the mix heavily-used subways that intersect in two places – at Eglinton West Station and Yonge/Eglinton, as well as three connections to GO service – at Mt. Dennis and Kennedy and a future integrated Caledonia station.

The next phase of the project – once the tunnels have been completed – is to be delivered under the Province's Alternative Financing and Procurement, or AFP, model.

As well as the projects we're in the middle of building and implementing, we also have several major planning initiatives underway in order to ensure we keep up the momentum on creating a transportation network that will continue to meet the region's needs.

Torontonians recently celebrated the 60th anniversary of the opening of the Yonge subway line.

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If you asked people who struggle every day to squeeze in and find a place to stand on their way to work on the Yonge line, they'd tell you that, in this case, 60 is not the new 50.

That's a long time – 60 years – to not have added any relief in terms of access on this main North-South corridor.

That's why Metrolinx's Yonge Relief Network Study is evaluating – along with the City of Toronto, the TTC and York Region – a range of regional transit network and policy alternatives to relieve the Yonge subway.

The Yonge line is certainly not the only obstacle travelers face. Other examples of aging, stressed transit and transportation systems can be found across the entire GTHA.

Transit users often find it complicated to move across municipal boundaries which are served by separate transit agencies: there are additional fares, inconsistent fare policies and disjointed service.

Metrolinx is working with GTHA municipalities to complete a plan by 2016 that will propose greater integration to improve the customer experience.

Fare integration between GO and TTC is a key option under consideration.

Maximizing Value

So as you can see, Metrolinx is busy. We are delivering a lot of projects – and they are major projects.

In many cases, they carry titles to prove it: largest, most complex, most expensive...

To ensure that these projects provide benefits to the travelling public that are in line with the investments we are asking the public to make, we must ensure that we are extracting the maximum value out of these investments.

We have processes in place across our organization, and in partnership with our shareholder, the Province of Ontario, to build in accountability for maximizing value.

At Metrolinx, we define value as the reliable performance of functions to meet customer needs at the lowest overall cost.

Value engineering, relating to the infrastructure that we build, is demonstrated by our processes and decisions made thereof, to get the best value from our projects based on life cycle cost, operational considerations, and customer service.

Tomorrow, John Jensen, Metrolinx's Vice President for Capital Program Delivery, will go into much greater detail about our value analysis processes, specifically the Alternative Financing and Procurement Model by which all of our major projects are assessed.

For now, though, I'll share just a few examples to demonstrate how the principle of value analysis is woven throughout every phase in the lifecycle of Metrolinx projects:

- We use a business case approach to ensure we select the right projects at the outset;
- We employ an end-to-end, integrated design process that includes:
 - cross functional scope development,
 - design excellence panel review based on the principle that good design leads to long-term durability over short-term expediency, reducing whole life costs,
 - and detail design technical review that considers alternate and new ways to drive value into the project;
- We consider sustainability standards and principles that protect environmental, economic, and social development, as well as reduce long term operational costs;
- We follow procurement strategies that ensure market opportunity, industry leaders and appropriate resources have the opportunity to propose innovative solutions that support delivering a project at the best value;
- We conduct a risk management process to be able to mitigate issues before they arise, and to have a plan for corrective action when they do;
- And we have a focused program and project management approach that is consistent, agile, and efficient.

Conclusion

The investments Metrolinx is making in transportation are investments for the next generation.

The infrastructure we build now will be with us for a century – or more.

This carries a big responsibility.

A responsibility to build systems and services that keep a strong eye on the future, as well as our needs in the here and now.

A responsibility to deliver value for the dollars we are investing.

And a responsibility to leave behind a better region, a higher quality of life, and more opportunities for generations to come.

And we cannot do it without all of you.

If I have one thought to leave you with today, one idea that we should all take back with us, it's a call for action. Action to do what our parents and their parents did for us. Build the transportation system that will serve us, our children and grandchildren. A system that will catch up with the growth, and more importantly, keep up with the growth.

Thank you.