

9. **MOTION – LIGHT RAIL TRANSIT (LRT) – RIDEAU TRANSIT GROUP
DEFAULTS
MOTION – GROUPE DE TRANSPORT RIDEAU (GTR)- AVIS DE
MANQUEMENT**

COMMITTEE RECOMMENDATIONS

That City Council:

1. **Direct the Director, Rail Construction Program, to deliver a Notice of Dispute under the Project Agreement with respect to the Rideau Transit Group (RTG) Defaults; and**
2. **Direct the Director, Rail Construction Program to proceed promptly to have the Defaults confirmed through the contractual dispute resolution process in the Agreement including, as necessary, asking the Court to confirm the validity of the RTG defaults; and**
3. **Direct the City Manager to report back to Council on the outcome of these actions.**

RECOMMANDATIONS DU COMITÉ

Que le Conseil municipal prend les mesures suivantes :

1. **Demande au directeur, Programme de construction du train léger de présenter un avis de litige en vertu de l'accord de projet concernant les manquements du GTR;**
2. **Demande au directeur, Programme de construction du train léger de procéder rapidement à la confirmation des manquements par le biais du processus de règlement des conflits contractuels prévu dans l'accord, en demandant, si nécessaire, à la Cour de confirmer la validité des manquements du GTR;**
3. **Demande au directeur municipal de présenter un rapport au**

Conseil sur le résultat de ces mesures.

DOCUMENTATION/DOCUMENTATION

1. Finance and Economic Development Committee report, dated October 5, 2021, (ACS2021-OCC-FED-0014)

Rapport du Comité des finances et du développement économique daté le 5 octobre 2021, (ACS2021-OCC-FED-0014)

2. Extract of draft Minutes, Finance and Economic Development Committee, 5 October 2021.

Extrait de l'ébauche du procès-verbal, Comité des finances et du développement économique, le 5 octobre 2021.

3. Extract of draft In Camera Minutes, Finance and Economic Development Committee, 5 October 2021. (held on file with the City Clerk)

Extrait de l'ébauche du procès-verbal à huis clôt, Comité des finances et du développement économique, le 5 octobre 2021 (conservé dans les dossiers du greffier municipal)

SUBJECT: Motion – Light Rail Transit (LRT) – Rideau Transit Group Defaults

File Number: ACS2021-OCC-FED-0014

Report to Council 13 October 2021

Submitted on October 8, 2021 by Finance and Economic Development Committee

**Contact Person: Carole Legault, Committee Coordinator
613-580-2424 x28934, CaroleA.Legault@ottawa.ca**

Ward: Citywide

Objet : MOTION – Groupe de Transport Rideau (GTR)- Avis de manquement

Dossier : ACS2021-OCC-FED-0014

Rapport au Conseil le 13 octobre 2021

**Soumis le 8 octobre 2021 par Comité des finances et du développement
économique**

**Personne ressource : Carole Legault, Coordonnatrice du comité
613-580-2424 x28934, CaroleA.Legault@ottawa.ca**

Quartier : À l'échelle de la ville

REPORT RECOMMENDATIONS

That City Council:

- 1. Direct the Director, Rail Construction Program, to deliver a Notice of Dispute under the Project Agreement with respect to the Rideau Transit Group (RTG) Defaults; and**
- 2. Direct the Director, Rail Construction Program to proceed promptly to have the Defaults confirmed through the contractual dispute resolution process in the Agreement including, as necessary, asking the Court to confirm the validity of the RTG defaults; and**
- 3. Direct the City Manager to report back to Council on the outcome of these actions.**

RECOMMANDATIONS DU RAPPORT

Que le Conseil municipal prend les mesures suivantes :

1. Demande au directeur, Programme de construction du train léger de présenter un avis de litige en vertu de l'accord de projet concernant les manquements du GTR;
2. Demande au directeur, Programme de construction du train léger de procéder rapidement à la confirmation des manquements par le biais du processus de règlement des conflits contractuels prévu dans l'accord, en demandant, si nécessaire, à la Cour de confirmer la validité des manquements du GTR;
3. Demande au directeur municipal de présenter un rapport au Conseil sur le résultat de ces mesures.

BACKGROUND

The Finance and Economic Development Committee, at its meeting of October 5, 2021, met in closed session to receive a briefing from the City's external legal counsel, on Light Rail Transit (LRT) – Legal Update. Upon resuming in open session, the Committee approved the following motion:

WHEREAS the City delivered a Notice of Default on September 24, 2021, to the Rideau Transit Group (RTG) in relation to the August 8th Derailment outside the Tunney's Pasture Station and the September 19th Derailment near the Tremblay Station; and

WHEREAS the City acted promptly in delivering this Notice of Default in light of the seriousness of the events and the consequences under the Project Agreement (the "Agreement"); and

WHEREAS in response to the Notice of Default, RTG was required to submit to the City a plan and schedule for the remediation of its breaches under the Agreement; and

WHEREAS on October 3, 2021, RTG submitted its purported plan and schedule to the City to remedy its breaches while at the same time disputing the Default; and

WHEREAS the City has reviewed RTG's purported plan and schedule and continues to find both are unsatisfactory under all of the circumstances; and

WHEREAS the City is not waiving any contemplation of litigation privilege, lawyer-client privilege or public interest privilege;

THEREFORE BE IT RESOLVED THAT the Finance and Economic Development Committee recommend that City Council:

- 1. Direct the Director, Rail Construction Program, to deliver a Notice of Dispute under the Project Agreement with respect to the RTG Defaults; and**
- 2. Direct the Director, Rail Construction Program to proceed promptly to have the Defaults confirmed through the contractual dispute resolution process in the Agreement including, as necessary, asking the Court to confirm the validity of the RTG defaults; and**
- 3. Direct the City Manager to report back to Council on the outcome of these actions.**

DISCUSSION

This above Motion, introduced by Councillor Hubley, was approved at the Finance and Economic Development Committee meeting of October 5, 2021, It is now before Council for consideration.

FINANCIAL IMPLICATIONS

There are no financial implications to approving the recommendations in this report.

LEGAL IMPLICATIONS

At its meeting on October 5, 2021, Finance and Economic Development Committee received an *in camera* briefing from the City's external legal counsel regarding the Light Rail Transit (LRT) – Legal Update. These matters will not be reported out as they relate to advice that is subject to solicitor-client privilege.

COMMENTS BY THE WARD COUNCILLOR(S)

This is a City-Wide issue.

ADVISORY COMMITTEE(S) COMMENTS

Not applicable.

CONSULTATION

This report was drafted to transmit the Motion approved at Committee to Council for consideration. No public consultation was undertaken in the preparation of this report. Discussions regarding the LRT Legal Update took place in closed session at the Finance and Economic Development Committee meeting on October 5, 2021.

ACCESSIBILITY IMPACTS

This report was drafted to transmit the Motion approved at Committee to Council for consideration. No specific impacts have been identified in the Motion. Staff will be available at the Council meeting to respond to questions, as necessary.

RISK MANAGEMENT IMPLICATIONS

This report was drafted to transmit the Motion approved at Committee to Council for consideration. No specific Risk Management Implications have been identified. Staff will be available at the Council meeting to respond to questions, as necessary.

RURAL IMPLICATIONS

This report was drafted to transmit the Motion approved at Committee to Council for consideration. No specific Rural Implications have been identified. Staff will be available at the Council meeting to respond to questions, as necessary.

TERM OF COUNCIL PRIORITIES

This report was drafted to transmit the Motion approved at Committee to Council for consideration. No specific Term of Council Strategic Priorities have been identified. Staff will be available at the Council meeting to respond to questions, as necessary.

DISPOSITION

Staff will implement Council's decision(s), as directed.