

**Ministry of
Transportation**

Office of the Minister

Ferguson Block, 3rd Floor
77 Wellesley St. West
Toronto, Ontario
M7A 1Z8
416-327-9200
www.ontario.ca/transportation

**Ministère des
Transports**

Bureau du ministre

Édifice Ferguson, 3^e étage
77, rue Wellesley ouest
Toronto (Ontario)
M7A 1Z8
416-327-9200
www.ontario.ca/transport



November 23, 2016

Mr. J. Robert S. Prichard
Chairman of the Board of Directors
Metrolinx
97 Front Street West, 2nd Floor
Toronto ON M5J 1E6

Dear Mr. Prichard:

I am pleased to write to you in your capacity as Chair of Metrolinx. Ontario's board-governed agencies are vital partners in ensuring the delivery of high quality services to Ontarians. The people of Ontario depend on you to provide leadership to your agency's board, management and staff. Together with your fellow board members, the people of Ontario rely on you to establish the goals, objectives, and strategic direction for the agency consistent with your agency mandate, government priorities, and my directions, where appropriate. I thank you for your willingness to serve and the Board's commitment to delivering more transit to the people of Ontario.

Over the past year, the government has implemented a number of important measures to enhance agency accountability, transparency and governance, including revisions to the Agencies and Appointments Directive (AAD). A key change was the introduction of a new mandate letter requirement for board governed agencies. This new requirement fulfils the government's commitment in the 2016 Budget to have ministers issue annual mandate letters to the provincial agencies for which they are responsible. This new accountability measure will help Ontario increase the public's knowledge and awareness of agency mandates and government priorities, and further promote the principles of openness and transparency.

Pursuant to the new AAD requirement, this letter sets out my expectations for Metrolinx for the 2017-18 fiscal year, including priority actions and agency performance. The letter summarizes the progress made by Metrolinx in partnership with the ministry following my Letter of Direction, provided to you in March 2016, and has been designed and timed to inform Metrolinx's annual business planning cycle for 2017-18. This letter must be posted on Metrolinx's website along with the business plan and annual report.

The mandate letter provided to me by Premier Wynne provides clear direction and guidance for our ongoing efforts to build a regional transit network. Notably, the Ontario government is making historic investments in transportation through the *Moving Ontario Forward* plan and other initiatives that are creating jobs and enhancing quality of life for Ontarians. Metrolinx has been entrusted to lead the design and delivery of key transit projects that will help to transform the transportation system for commuters in the Greater Toronto and Hamilton Area (GTHA), including GO Regional Express Rail (RER) and other priority rapid transit initiatives. The focus on implementing these projects, and others, further reinforces Metrolinx's critical role in building and expanding the regional transit network, and providing high quality service to meet the needs and expectations of its customers, today and tomorrow.

In 2017-18, Metrolinx's specific priorities include the following:

Progress in the Implementation of Priority Rapid Transit Projects under *Moving Ontario Forward* and Other Next Generation Transit Investments

- Continuing to expand and optimize the GO Transit network by delivering GO RER by 2024-25, including a focus in the shorter-term on:
 - Integrating the procurement of GO RER, GO State of Good Repair and GO Optimization and Expansion capital projects;
 - Finalizing the overall procurement strategy and advancing the procurement of "early works" for GO rail capital projects, including station and platform improvements, grade separations, additional track and other works to implement GO RER;
 - Continuing to implement short-term GO rail service improvements to show progress towards full GO RER; and
 - Continuing to integrate, in partnership with the City of Toronto, the City's SmartTrack proposal with the broader GO RER program.
- Implementing a comprehensive community engagement strategy as part of GO RER, GO rail service expansions and extensions to Kitchener, Niagara and Bowmanville, and regional rapid transit projects, to ensure early and easy access to information, and the ability for the public and stakeholder groups to stay informed and provide feedback.
 - This strategy should reflect the unique needs of each municipality, as well as the various stages of development, funding levels, approvals and partnerships underway.
- Ensuring transparency to the public and GO users in relation to the progress of GO RER and light rail transit (LRT) projects by supporting the Government's development of web-based reporting on the status of each project including approvals, planning and construction.

- Reach agreements with Canadian National Railway (CN Rail) and Canadian Pacific Railway (CP Rail) to establish coordinated schedules and infrastructure requirements for extended GO rail services between Hamilton and Niagara Falls, and between Oshawa and Bowmanville, respectively.
 - Initiating the planning and design work to implement both of these expanded GO rail services.
 - As a further step towards implementing GO rail service between Hamilton and Niagara Falls, beginning construction on the new Confederation GO Station in Hamilton in 2017, with completion expected in 2019.
- Working with CN Rail under the agreement-in-principle to advance work for a proposed new freight by-pass in order to allow for increased GO rail service to Kitchener, including:
 - Initiating an environmental assessment process and other technical studies to support the proposed new corridor.
 - Progressing discussions towards a final agreement with CN Rail to enable enhanced GO rail service between Toronto and Kitchener.
 - Working with MTO to develop a comprehensive community engagement strategy for the proposed new freight by-pass.
- Advancing procurement of the Hurontario LRT and Hamilton LRT projects while continuing to work with the Region of Peel, and the cities of Mississauga, Brampton and Hamilton to integrate regional and local transit needs.
- In partnership with municipalities, finalizing work plans to advance planning and early design work for other “Next Wave” projects identified in the Metrolinx Regional Transportation Plan, including the Dundas Street bus rapid transit (BRT) line, Durham-Scarborough BRT line, Brampton Queen Street Rapid Transit line, the Regional Relief Line Subway and the Yonge North Subway Extension.

Continued Delivery of Priority Regional Transit Projects, PRESTO and GO Transit Services

- In partnership with Infrastructure Ontario and/or respective municipalities, continuing to advance the design, procurement and delivery of regional transit projects in the City of Toronto, York and Peel Regions, including:
 - *Eglinton Crosstown LRT*: Continuing construction work on the Eglinton Crosstown LRT towards a completion date of 2021;
 - *Finch West LRT*: Completing the procurement process and executing a Project Agreement with the successful proponent to design, build, finance and maintain the project;
 - *Sheppard East LRT*: advancing the procurement planning for the project to allow procurement to follow the Finch West LRT;
 - *York VIVA*: Continuing to progress on the construction of rapidway segments with completion of the Highway 7 Vaughan Metropolitan Centre BRT station interconnection with the Spadina Subway extension by the end of 2018; and
 - *Mississauga Transitway*: Completing construction of the Winston Churchill station and introducing service by early 2017.

- Continuing to work with the Toronto Transit Commission (TTC) on the roll-out of PRESTO throughout the TTC network. This will include:
 - Continuing to deliver enhanced business functionality and upgrades during 2017, and the provision of support as the TTC finalizes its installation of modern fare gates at all subway stations and entrances; and
 - Continuing to transition customers from legacy fare media to PRESTO, increasing adoption throughout the TTC.
- Exploring opportunities to expand the type and range of services that can be accessed with the PRESTO system, and provide recommendations by early 2017.
- Completing construction of the East Rail Maintenance Facility in Whitby to support and accommodate GO Transit system growth.
- Exploring further opportunities to provide enhanced GO bus connections across the GO rail network for communities in the region.
- Continuing to invest in parking infrastructure rehabilitation and expansion at GO stations to improve the customer experience.
- Maintaining high quality GO Transit and Union Pearson (UP) Express service, including meeting or exceeding targets for customer experience and ridership growth.

Supporting Government Initiatives to Optimize the Regional Transit Network

- In recognition of the significant provincial investments in new rapid transit projects and services in the region, supporting government in working with our municipal partners to establish appropriate cost-sharing arrangements on grade separations and the operating and maintenance costs of these projects.
- Continuing to support government in developing a strategy for regional fare integration. This includes implementation considerations and a plan to ensure ongoing engagement with our municipal partners, in order to allow for a seamless and transparent fare system.
- Recognizing that PRESTO is a critical enabler for regional fare integration, continuing negotiations to finalize a new, fiscally-sustainable PRESTO operating agreement with the GTHA service providers (excluding the TTC) and Ottawa, which builds upon the key business elements agreed to with our municipal partners.
- Engaging with GTHA municipalities on initiatives to enable and improve access and service connections to the regional transit network – including “first-mile, last-mile” connections – to support GO RER and other provincial transit investments.

- Building on the experience of the Toronto Transit Projects Community Benefits Program, ensuring provisions for a Community Benefits Program are included as part of project procurement for future rapid transit projects, to provide economic and social benefits for local communities, and local supplier and social procurement opportunities, where possible.
- Completing the legislated review of the Regional Transportation Plan, with the updated plan to be informed by municipal and community stakeholder engagement, and reflective of both the transportation priorities of the region and the policies of the Growth Plan for the Greater Golden Horseshoe (GGH).
 - This review process will also include continuing to work with municipalities to integrate local transit priorities, while balancing regional transit considerations, as well as supporting and working with the Ministry of Transportation to ensure alignment with its multi-modal transportation plan for the GGH.

Accountability and Finance

In implementing the projects and initiatives listed above, Metrolinx will ensure value for money and meet accountability and transparency best practices as set out in Metrolinx's response to my Letter of Direction of March 2016.

Metrolinx has already implemented or initiated a number of strategies that will enhance the optimization of resources, and ensure the ministry is provided with robust reporting on Metrolinx's finances and corporate performance as follows:

- Managing agency expenditures according to the government's fiscal objectives and priorities, strengthening third party contracts, focusing public funds on front line services and timely project delivery that ensure "value for money" while minimizing growth in non-front line expenditures.
- Development of processes to ensure appropriate oversight and approval of agreements with external parties related to promotional and marketing sponsorships.
- Standardized reporting into the Ministry with timely and accurate financial information that ensures alignment with government accountability directives.
- Creating a Vendor Performance Management system that will actively monitor (contractors and consultants) performance and provide regular feedback that will determine vendors' suitability for future bids.
- Development of Key Performance Indicators that will focus on areas like commute times, PRESTO system availability, and project progress including on-time and on-budget delivery.

The ministry and Metrolinx will support this government in building an integrated transit network across the GTHA, while ensuring exceptional regional transit service. Together, we will create the transit network commuters need and rely upon.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Steven Del Duca', with a stylized, cursive script.

Steven Del Duca
Minister