



Without Prejudice

January 22, 2017

Mr. Antonio Estrada, CEO
 Rideau Transit Group GP
 1545 Carling Avenue
 Suite 406
 Ottawa, ON
 K1Z 8P9

Your reference: RTG-OTT-00-0-LET-0511 & RTG-OTT-02-0-LET-0517
Our reference: OTT-RTG-RLET -0337

RE: October Schedule Update

Dear Mr. Estrada;

We refer to your letters bearing reference RTG-OTT-00-0-LET-0511 received on November 30, 2017 (the **November Letter**) and RTG-OTT-02-0-LET-0517 received on December 7, 2017 (the **December Letter**)

Your November Letter provides an explanation for the ambiguous nature of your notice of November 24, 2017 (the **Notice**) implying that you cannot meet Revenue Service Availability (**RSA**) by the Required Revenue Service Availability Date (**RRSAD**) unless and until this date is extended due to "unresolved Delay Events and Variations".

Your December Letter reconfirms the Notice that you will achieve RSA by the RRSAD but further to the November Letter, you now state your expectations that the RRSAD will be extended "due to circumstances known of today's date" and then proceed to list the previously submitted Delay Event notices (the **Delay Events**).

It is now clear that the validity of your Notice relied heavily on the successful resolution of the Delay Events in your favour, despite our advice to the contrary. The Delay Events may well be unresolved contractually but we advised you prior to the submission of the Notice that, without prejudice, the City did not intend to treat the completion of the works associated with the Delay Events as critical to the requirements to meet RSA and that your Works Schedule update should reflect this. The purpose of this approach was to establish a date, with reasonable certainty, when the LRT System would be available for Revenue Service subject to Minor

City of Ottawa	Ville d'Ottawa
Transportation Services Department	Services des Transports
O-Train Construction	Construction de l'O-Train
110 Laurier Avenue West	110, avenue Laurier ouest
Ottawa, ON K1P 1J1	K1P1J1


-2-

Deficiencies as defined in the Project Agreement (PA). This could be considered the best case scenario. Instead, your response was to provide the updated Works Schedule for October 2017, attached to the December Letter, which continues to treat all works associated with the Delay Events as critical and makes no effort to mitigate the impacts of the Delay Events (the **Unmitigated Schedule**). The Unmitigated Schedule is the worst case scenario and the exact opposite of what we expected. We do not intend to comment further on the Unmitigated Schedule on the basis that it does not comply with your obligations under the PA and is hereby rejected.

It is clear that the parties need to work together towards a common objective of achieving RSA on time in accordance with a Works Schedule that is both realistic and provides reasonable certainty of success. The joint workshop that is currently underway is key to achieving that objective.

We look forward to your continued cooperation on these matters.

Yours Truly,



Steve Cripps, P.Eng.
Director, O-Train Construction

cc .

Gary Craig, Richard Holder, Claudio Colaiacovo, Lorne Gray, OTC
Eugene Creamer, Humberto Ferrer, OLRT-C