

**Rutherford Road and the Canadian National Railway
MacMillan Rail Yard Rail Grade Separation
City of Vaughan**

**Construction and Long-Term Maintenance
Principles of Agreement**

Objective

To develop an agreement for the Rutherford Road and Canadian National Railway (CNR) MacMillan Yard grade-separation to establish CNR's and the Region's (Parties) respective roles, responsibilities, cost apportionment principles, mutual expectations, governance and accountability mechanisms.

Scope of Work

The grade separation shall include:

- Any work associated with the rehabilitation and widening of the existing Rutherford Road structure over the CNR tracks, including sidewalks, bike lanes and median
- Any work necessary to ensure the grade separation meets applicable laws and standards in effect in the Province of Ontario
- Any work necessary to create vertical and lateral clearances as per current standards for grade separations in the Province of Ontario

Cost Apportionment

Unless otherwise agreed between the Parties, the estimated cost of the grade separation project shall be allocated as follows:

- CNR shall pay 15% and the Region shall pay 85% of the construction costs associated with the widening of the existing structure, including track monitoring and CNR flagging
- The Region shall pay 100% of the construction costs associated with the rehabilitation of the existing structure, including track monitoring and CNR flagging
- The Parties shall each pay 100% of their ineligible costs
- CNR shall be responsible for paying 6% administration, 6% design and 6% construction and inspection fees (based on their portion of the construction costs) to the Region for the administration of the construction contract

- The Region shall be responsible for paying CNR's 'Design and Construction' (D&C) fees based on actual time and expenses incurred
- The estimated cost of construction is \$7.3Million. Payments will be based on actual costs incurred during construction, with the Region invoicing CNR at the beginning of each year until total performance of the construction

The grade separation shall not include any work and corresponding costs that would otherwise be incurred by CNR or the Region associated with the discussion and negotiation of the agreement.

Either Party shall be entitled to audit any costs payable pursuant to the grade separation agreement upon reasonable notice to the other party.

Ownership and Maintenance

Ownership, maintenance and repair of the structure shall be allocated as follows:

- The Region shall remain the owner of the structure, including the widened portion
- The Region shall undertake inspection of the structure every two years
- The Region shall be responsible, at its sole cost and expense, for all future maintenance and repairs of the structure, including the sub-structure, super-structure, roadway, road approaches and road surface beyond the structure
- CNR shall be responsible for the track structure, railway approaches and railway drainage beneath the bridge.

Construction

The Region shall be responsible for the management of the delivery of the structure rehabilitation and widening, including procurement of services, regulatory approvals/permits, utility coordination and construction.

Both Parties shall be provided the opportunity to access the construction of all works related to the structure rehabilitation and widening.

Substantial completion and acceptance of all works related to the widened structure shall be agreed by the Region and CNR.

Dispute Resolution

The Parties agree to resolve disputes through dispute resolution and escalation protocol/procedures.

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