

September 10, 2019

Dear Colleagues,

Infrastructure Ontario (IO) is pleased to join the Hon. Laurie Scott, Minister of Infrastructure, to launch Ontario's fall 2019 P3 Market Update.

This year's list confirms a number of new commitments made by the Ontario Government in its spring 2019 budget and during other announcements, including the Ontario Line and Toronto subway expansions. It includes a total of 32 P3 projects with 10 of these currently in procurement, and 22 in the pre-transaction phase.

The total estimated capital costs of the projects on the pipeline, including projects in pre-transaction and the transaction phase, is over \$65 billion. This is the largest project pipeline that IO has ever issued.

The new pipeline confirms Ontario's leadership and commitment toward building and renewing critical infrastructure. These projects generate jobs in the skilled trades as well as engineering, design and finance sectors. As in the past, this market update constitutes a challenge and invitation to the best in the industry – big and small, local and international – to team up, partner with IO and successfully deliver high quality investments that benefit the people of Ontario.

In order to enhance industry awareness and participation in the province's largest infrastructure procurements, IO intends to increase the frequency of its project pipeline updates to twice a year in the spring and fall. These updates will reflect announced and approved government projects. We will also update individual project details such as procurement scheduling on a quarterly basis.

Transit and Highways

The update confirms a schedule for the procurement of the Ontario Line being delivered by Infrastructure Ontario and Metrolinx. Planning work and engagement with the market is already well underway toward issuing an RFQ in Spring 2020 and releasing an RFP later that same year. We anticipate having a contract completed in the spring of 2022, providing the winning consortium more than five years to complete the historic new line by the end of 2027. As you will see from the details in our update, we intend to stage out the procurements of subway expansions in coordination with other significant transit projects in order to ensure each and every project is delivered successfully, competitively and efficiently on behalf of the government and taxpayers.

We are confident that our integrated team approach with Metrolinx and collaborative planning and engagement with industry will result in further successful procurements.

We also anticipate further work with the Ministry of Transportation on highways and bridges. Our work with the Ministry of Transportation on roads and bridges continues to be productive. Most recently, we launched the procurement for the Credit Valley Bridge reconstruction along the Queen Elizabeth Way. IO is now working with the Ministry of Transportation to identify new opportunities for highway projects, starting with the Garden City Skyway.

Health and Justice

Social infrastructure such as hospitals and justice facilities continue to be a major component of IO's P3 work going forward. This year's update includes 16 health projects and further confirmation of previously announced justice facilities, including the Ottawa Correctional Centre.

IO's work with hospitals will continue to strengthen and evolve. A great example of this includes two projects with Trillium Health Partners at their locations in west Toronto and Mississauga. At the Toronto location, there will be a new patient tower in addition to clinic renovations. This new space will increase capacity for post-acute care with a focus on urgent care, day surgery and ambulatory care. The project will also include construction of a new dedicated parking structure and relocated power plant. This market update also includes a new full service acute care hospital at Trillium's Mississauga site, with specialized regional programs in cardiac care and neurosciences.

Enhancements and Innovation

As the former Minister of Infrastructure, the Hon. Monte McNaughton, announced this spring, enhancements to our procurement model this year reinforce Ontario's emphasis on recognizing innovative and effective ideas. We invite bids from teams that include companies both local and international. Our open, fair and transparent competitive selection process for each of our projects seeks only to find the best partners to deliver our projects effectively and at best value for taxpayers' money.

We continuously seek to deliver these important public projects in ways that adopt lessons learned and recognize the changing nature of our projects and industry as a whole. As many of our projects become increasingly complex, we are working closely with our public and private sector partners to appropriately allocate or share the risks of these projects among those best equipped to manage them. Even before we sign a contract with our partners, we are designing some risk away and eliminating some risks from a project entirely.

IO is continuing to take the necessary steps in consultation with the industry to improve upon our project delivery approach. These changes increase competition and innovation on Ontario's major infrastructure projects. As an international leader in public private partnerships, IO believes it is critical to continue the evolution of the model to meet today's realities. These changes are being made to create a more competitive market and ensure that Ontario remains a destination for the global infrastructure community.

Highlights of these improvements include the rebalancing of bid scoring system to better reward innovation, moving toward more outcome-based specifications that will capitalize on private sector innovation and adjusting qualifications assessments to give fair weight to international experience.

Partnerships

It is important to note that the work of IO goes well beyond our international reputation for delivering P3 projects on budget (95%) and on schedule (69%), significantly above industry standards. In short, our vision is to build partnerships to modernize Ontario's public assets. As we continue to build upon our experience in strategically managing publicly-owned assets, executing transactions and delivering commercial solutions, our value to government continues to evolve.

We are identifying new partners and new types of partnerships that sit at the intersection of the public and private sector. For example, the government has tasked IO to work with our partner agency Metrolinx and use Transit Oriented Development (TOD) to maximize the investments the province is making in public transit.

On behalf of the skilled and dedicated team at Infrastructure Ontario, I look forward to working with all of our partners – current and future – to deliver the array of infrastructure and real estate projects that we oversee on behalf of the Government of Ontario.

Sincerely,



Ehren Cory
President and CEO
Infrastructure Ontario

Projects in Pre-Procurement

Project	Model	Issue RFQ	Issue RFP	Financial Close	Location	Estimated Total Capital Costs
SUBWAYS AND TRANSIT						
Ontario Line Subway	DBFM	Spring 2020	Summer / Fall 2020	Winter / Spring 2022	Toronto	> \$10B
Line 2 East Extension (Scarborough) Subway	TBD	Winter / Spring 2021	Summer / Fall 2021	Winter / Spring 2023	Toronto	> \$5B
Line 1 Extension (Yonge Street North) Subway	TBD	Fall 2021	Spring 2022	Fall 2023	Toronto	> \$5B
Eglinton Crosstown LRT – West Extension	TBD	TBD	TBD	TBD	Toronto	> \$4B
GO Expansion: Union Station Upgrade - Platform Expansion	TBD	Fall 2019	TBD	TBD	Toronto	\$200M - \$499M
HOSPITALS AND OTHER SOCIAL FACILITIES						
Kingston General Hospital	DBF	Spring 2020	Fall 2020	2021	Kingston	\$500M - \$1B
Lakeridge Health – Bowmanville Redevelopment	TBD	Summer 2020	Winter 2021	2022	Bowmanville	< \$200M
Trillium Health Partners Broader Redevelopment – Queensway Health Centre	DBFM	Fall 2020	Spring 2021	2022	Toronto	\$500M - \$1B
Niagara Falls Hospital	DBFM	Winter 2021	Summer 2021	2022	Niagara	\$500M - \$1B
Hamilton Health Sciences – West Lincoln	TBD	Winter 2021	Spring 2021	2022	Grimsby	< \$200M
Trillium Health Partners Broader Redevelopment – Mississauga Hospital Site	DBFM	Spring 2021	Fall 2021	2022	Mississauga	> \$2B
Centre for Addiction and Mental Health – Phase 1D Redevelopment	DBF	Summer 2021	Winter 2022	2023	Toronto	\$500M - \$1B
The Ottawa Hospital – Civic Redevelopment	DBFM	Winter 2022	Summer 2022	2023	Ottawa	> \$2B
North York General Hospital	DBF	Spring 2023	Fall 2023	2024	Toronto	\$500M - \$1B
William Osler Health System – Peel Memorial	TBD	Spring 2023	Summer 2023	2024	Brampton	< \$200M
Weeneebayko Area Health Authority	DBF	Summer 2023	Winter 2024	2025	Moosonee/ Moose Factory	\$200M - \$499M
Hamilton Health Sciences – Hamilton Redevelopment	DBF	Fall 2023	Spring 2024	2025	Hamilton	\$500M - \$1B
Windsor Regional Hospital	DBFM	> 5 years	> 5 years	> 5 years	Windsor	> \$1B
The Hospital for Sick Children	DBFM	> 5 years	> 5 years	> 5 years	Toronto	> \$2B
Lakeridge Health – Broader Redevelopment	TBD	> 5 years	> 5 years	> 5 years	TBD	TBD
Scarborough Health Network Broader Redevelopment	TBD	> 5 years	> 5 years	> 5 years	Toronto	TBD
Ottawa Correctional Complex	DBFM	TBD	TBD	TBD	Ottawa	TBD

Projects in Active Procurement

Project	Model	Issue RFQ	Issue RFP	Financial Close	Location	Estimated Total Capital Costs
Hamilton LRT	DBFOM	Feb. 2017	April 2018	Oct. 2020	Hamilton	> \$1B
GO Expansion: Lakeshore East – Central Corridor	BF	Aug. 2017	April 2018	TBD	Greater Toronto Area	\$200M - \$499M
GO Expansion: Milton Corridor Upgrades	DBF	Nov. 2017	April 2018	TBD	Greater Toronto Area	\$100M - \$199M
GO Expansion: Lakeshore West Corridor	DBF	Dec. 2017	April 2018	TBD	Greater Toronto Area	\$500M - \$1B
Hurontario LRT	DBFOM	Oct. 2016	Aug. 2018	Oct. 2019	Mississauga/Brampton	> \$2B
Halton Region Consolidated Courthouse	DBFM	Feb. 2018	Feb. 2019	April 2020	Halton	\$200M - \$499M
GO Expansion: OnCorr	DBFOM	March 2018	May 2019	2021	Greater Toronto Area	> \$10B
QEW Credit River Bridge	DBF	April 2019	Aug. 2019	May 2020	Toronto	\$200M - \$499M
GO Expansion: Lakeshore East – West Corridor	BF	Feb. 2018	TBD	TBD	Greater Toronto Area	\$200M - \$499M
Thunder Bay Correctional Complex	DBFM	July 2018	TBD	TBD	Thunder Bay	\$200M - \$499M

Projects in Planning

The government has also announced several projects that are early in the planning process. Details including delivery model, timing and scope are still being determined.

Health Projects

- Quinte Healthcare Corporation – Prince Edward County (Picton)
- Stevenson Memorial Hospital (Alliston)
- Collingwood General and Marine (Collingwood)
- Hotel Dieu Shaver (St Catharines)
- Lake of the Woods District Hospital (Kenora)
- Muskoka Algonquin Healthcare (Bracebridge and Huntsville)

Children's Treatment Centres

- Grandview Children's Treatment Centre (Ajax)
- Ottawa Children's Treatment Centre (Ottawa)

Subway

- Early and Enabling Works for Subway Program
- Line 4 Extension (Sheppard East) Subway

Highways

- Garden City Skyway

Models Used

BF – Build Finance
DBF – Design Build Finance
DBFM – Design Build Finance Maintain
DBFOM – Design Build Finance Operate Maintain
RFQ – Request for Qualifications
RFP – Request for Proposals
TBD - To be Determined