

Head Office

One Dundas Street West
Suite 2000, Toronto, ON
M5G 1Z3

Siège de direction

1, rue Dundas Ouest
bureau 2000, Toronto, ON
M5G 1Z3



**Infrastructure
Ontario**

June 18, 2020

Infrastructure Ontario Spring 2020 Market Update

I am proud to share this spring's update to Infrastructure Ontario's procurement and planning pipeline. These regular Market Updates have been an important confirmation of the Province's commitment toward major infrastructure investment for more than a decade. We know that it is valued by our industry partners to better inform their own planning and preparation. Our transparent approach gives companies the time to team up and prepare competitive and innovative bids to take on the Province's largest, most complex projects.

This spring's update is also an important reassurance to industry and the people of Ontario. It provides as much certainty as possible to our industry partners regarding the Province's commitment to the many P3 projects in planning and procurement. Last fall, we released the largest pipeline of infrastructure projects in the Province's history, and since then we have continued to work towards delivering on this ambitious agenda. While we can never be certain of the exact speed or shape of the economic recovery in front of us, this updated version of the pipeline is meant to confirm the continued commitment to its core infrastructure priorities in transit, highways, healthcare and beyond.

The attached chart includes updates to timing and delivery model details for the projects announced in last fall's historic pipeline. It includes a total of 37 P3 projects, valued at more than \$60 billion. Of these projects, 13 are currently in procurement. Another 24 projects are in the pre-transaction phase. We are also providing early awareness of 13 additional projects that are too early in the planning process to be confirmed within the P3 pipeline itself.

Transit and Highways

The update confirms a schedule for the procurement of the Ontario Line, one of four priority transit projects being delivered by Infrastructure Ontario and Metrolinx as part of the largest subway expansion in the province's history. The RFQs for the first two of those projects were issued on June 2: the rolling stock, systems, operations and maintenance contract for the entire 15.5-kilometre line; and the first of two separate civil, stations and tunnel contracts (southern segment). The third major contract associated with the Ontario Line – the northern segment of civil infrastructure – is scheduled to come to market with its own RFQ in winter 2022. Creating three separate contracts of manageable size and acceptable risk will encourage active participation from the market during the procurement process and ensure that the right teams are in place to successfully deliver the line. The schedules for all three contracts will be aligned to allow for a single in-service date for the Ontario Line, and we have developed an innovative process for ensuring integration and coordination across the three.

In addition to the P3 contracts to deliver the Ontario Line, IO and Metrolinx continue to advance the other priority transit projects announced by the province last summer. In March, we issued RFQs for advance tunneling works on the Scarborough Subway Extension and the Eglinton Crosstown West Extension. The RFPs for these projects are set to be issued this summer, and pre-procurement activities continue for the stations, rails and systems contracts. The province also recently signed a

preliminary agreement with York Region to deliver the Yonge North Subway extension and we are on track to issue the RFQ next year.

We continue to be thoughtful, with our partners at Metrolinx, about the best approach to delivering scope associated with GO early works projects, particularly in view of opportunities presented by reduced traffic during the present circumstances. As you know – we have released several RFPs related to early works, and will continue to discuss these works with bidders.

Also new to this Market Update are Design-Build-Finance contracts for Highways 3 and 17, as previously announced by the Minister of Transportation. Both of these procurements are scheduled to be in market the first half of next year.

Health Facilities

The Ministry of Health is re-confirming its commitment to the projects as outlined in IO's January 2020 Market Update. The Ministry is continuing to review specific timing details for individual projects in light of the Province's ongoing response and recovery work regarding COVID-19. We expect additional updates for hospital / health care projects will be included in IO's Fall 2020 Market Update.

Infrastructure Ontario and the Ministries of Infrastructure and Health have been working closely to identify ways to enhance the capacity of health care services as the Province confronts the unprecedented challenge of COVID-19. Brockville General Hospital and Mackenzie Vaughan Hospital are both tracking to finish construction and open to patients in the coming months. IO has also been supporting the construction and fit-outs of field hospitals across the province as hospitals work to manage the need for added capacity. This includes a 25-bed clinic in Moosonee, a field hospital at Barrie's Royal Victoria Hospital, planning support to fit-up the Kingston arena for additional patient care, and leasing 5,000 square feet of additional space for use by the Sault Area Hospital.

We expect to provide a more comprehensive update on our health care projects in the fall to reflect any future decisions and commitments from government as part of its overall prevention and recovery efforts.

IO's Partnerships

The work of IO goes well beyond our international reputation of success for delivering P3 projects.

Our vision is to build partnerships to modernize Ontario's public assets. Our experience in strategically managing publicly-owned assets, executing transactions and delivering commercial solutions offers a much more comprehensive range of services and solutions for government as a whole.

We are identifying new partners and new types of partnerships that sit at the intersection of the public and private sector. IO worked with the Ministry of Housing on the design of the Provincial Affordable Housing Lands Program. The program leverages the value of surplus provincial lands to support the development of new affordable housing. IO's process resulted in two developments of new affordable housing projects in Toronto.

An example of our ongoing partnerships involves the Transit Oriented Communities (TOC) Program integrated into the Province's four priority subway projects. TOC aims to increase transit ridership and reduce traffic congestion, increase housing supply and jobs, catalyze the creation of complete communities based on good planning principles and deliver transit infrastructure at a lower cost to taxpayers.

Building off these successful projects, IO continues to look for opportunities to partner with the private sector on critical infrastructure development opportunities. We hope to reflect more of that work in our future Market Updates. This will not only better reflect the breadth of activity we are supporting as a team, but also provide a more complete picture to industry of the partnership opportunities we are offering in support of the Province more generally.

We look forward to building on our successful partnerships and growing the impact of that work as we support Ontario's ambitious infrastructure agenda.

Thank You,

A handwritten signature in black ink, appearing to read 'Ehren Cory', with a stylized flourish at the end.

Ehren Cory

Projects in Pre-Procurement

Project	Model	Issue RFQ	Issue RFP	Financial Close	Location	Estimated Total Capital Costs
TRANSIT						
Yonge North Subway Extension	TBD	Fall 2021	Spring 2022	Fall 2023	Toronto	> \$5B
*Ontario Line – Northern Civil, Stations and Tunnel	DBF	Winter 2022	Spring 2022	Fall 2023	Toronto	>\$3B
*Scarborough Subway Extension – Stations, Railway, Systems	TBD	Winter 2022	Summer 2022	2023	Toronto	\$2B-\$4B
*Eglinton Crosstown West Extension - Stations, Railway, Systems	TBD	TBD	TBD	TBD	Toronto	\$2B-\$4B
*Please also refer to the “Projects in Active Procurement” table below for an overview of the contract packages for the Ontario Line, Scarborough Subway Extension and Eglinton West LRT Extension that are currently in-market.						
TRANSPORTATION						
Highway 3	DBF	Winter 2021	TBD	TBD	Town of Essex to Leamington	< \$200M
Highway 17	DBF	Fall 2021	TBD	TBD	Arnprior to Renfrew	\$200M - \$499M
JUSTICE						
Correctional Eastern Capital Strategy	DBFM	TBD	TBD	TBD	Greater Ottawa Area	TBD
CHILDREN’S TREATMENT CENTRES						
Grandview Children’s Treatment Centre	DBF	August 2020	December 2020	Fall 2021	Ajax	< \$200M
*HEALTH CARE						
Kingston Health Sciences - Kingston General Hospital Redevelopment	DBF	Spring 2020	Fall 2020	Fall 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
NHS South Niagara Hospital Capital Project (formerly 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 – Inpatient Redevelopment	DBF	Spring 2023	Fall 2023	2024	Toronto	\$500M - \$1B
William Osler Health System – Peel Memorial Phase 2	TBD	Spring 2023	Summer 2023	2024	Brampton	< \$200M
Weeneebayko Area Health Authority – Health Campus Redevelopment	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 – New Windsor Essex Acute Care Hospital	DBFM	> 5 years	> 5 years	> 5 years	Windsor	> \$1B
The Hospital for Sick Children – Project Horizon	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

*Health care table as shown in the Winter 2020 P3 Market Update. The Ministry of Health is currently reviewing timing and cost details of each project in light of the Province’s ongoing COVID-19 response and recovery work. Project updates are to be expected in IO’s Fall 2020 P3 Market Update.

Projects in Active Procurement

Project	Model	Issue RFQ	Issue RFP	Financial Close	Location	Estimated Total Capital Costs
TRANSIT						
GO Expansion: Lakeshore East – Central Corridor	BF	August 2017	April 2018	TBD	Greater Toronto Area	\$200M - \$499M
GO Expansion: Milton Corridor Upgrades	DBF	November 2017	April 2018	Winter 2021	Greater Toronto Area	\$100M - \$199M
GO Expansion: Lakeshore West Corridor	DBF	December 2017	April 2018	Winter 2021	Greater Toronto Area	\$500M - \$1B
GO Expansion: OnCorr	DBFOM	March 2018	May 2019	2022	Greater Toronto and Hamilton Area	> \$10B
GO Expansion: Lakeshore East – West Corridor	BF	February 2018	TBD	TBD	Greater Toronto Area	\$200M - \$499M
GO Expansion: Union Station Upgrade - Platform Expansion	Alliance	October 2019	February 2020	Fall 2021	Toronto	\$200M - \$499M
Advance Tunnel for Scarborough Subway Extension	DBF	March 2020	Summer 2020	Spring 2021	Toronto	>\$1B
Advance Tunnel for Eglinton Crosstown West Extension	DBF	March 2020	Summer 2020	Spring 2021	Toronto	>\$1B
Ontario Line – Rolling Stock, Systems, Operations and Maintenance	DBFOM	June 2020	Fall 2020	Fall 2022	Toronto	>\$2B
Ontario Line – Southern Civil, Stations and Tunnel	DBF	June 2020	Fall 2020	Fall 2022	Toronto	>\$4B
TRANSPORTATION						
QEW Credit River Bridge	DBF	April 2019	August 2019	October 2020	Toronto	\$200M - \$499M
JUSTICE						
Thunder Bay Correctional Complex	DBFM	July 2018	Winter 2021	TBD	Thunder Bay	\$200M - \$499M
Brampton Courthouse Addition Phase 2 & Toronto Region Bail Centre	DBF	January 2020	TBD	TBD	Brampton/ Toronto	TBD

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.

- Transit
 - Line 4 Extension (Sheppard East) Subway
 - Smart Track Stations
- Transportation
 - Garden City Skyway
- Children’s Treatment Centres
 - CHEO Integrated Treatment Centre - 1Door4Care (Ottawa)
- Healthcare
 - Lake of the Woods District Hospital (Kenora) – Redevelopment Project
 - Muskoka Algonquin Healthcare (Bracebridge and Huntsville) – Hospital Redevelopment Projects
 - Stevenson Memorial Hospital (Alliston) – Redevelopment Projects
 - Hotel Dieu Shaver (St Catharines)
 - Markham Stouffville Hospital – Uxbridge Site Redevelopment
 - Quinte Healthcare Corporation – Prince Edward County Memorial Hospital Redevelopment
 - Collingwood General and Marine - Hospital Redevelopment/Replacement
 - Unity Health Toronto - St Joseph's Health Centre Redevelopment
- Public Works
 - Grosvenor Office Tower

Glossary

 Red boxed content represents new projects
 Blue bordered represents updated procurement information
 Yellow boxed content represents updated delivery model
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