

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**

September 24, 2020

Ontario P3 Market Update – September 2020

In September of 2019, the Minister of Infrastructure announced a commitment to provide quarterly P3 Market Updates to industry. These more frequent updates add to Infrastructure Ontario's previous practice of providing market updates on an annual basis.

In June of 2020, we provided a comprehensive update including 37 P3 projects valued at more than \$60 billion. That update was an important affirmation of the Government of Ontario's historic commitment to P3s and public infrastructure generally, particularly in the midst of managing the unprecedented challenge of COVID-19.

This update primarily highlights changes to delivery models and timelines to projects listed in our Spring Market Update, along with select additional projects recently announced by the Government.

IO's P3 model is constantly evolving and improving to respond to market conditions and industry feedback to achieve the best possible bids from the market. We continue to participate in an ongoing healthy and productive dialogue with the industry as we move forward on this large portfolio of projects. These projects and the approaches we are taking with our partners represent a broader evolution of the diverse work IO is doing to support the government:

New approaches to contracting/procurement

IO continues to find solutions to the Province's needs in partnership with industry.

This includes embracing a broader set of contracting approaches, suitable to the characteristics and objectives of the projects we are asked to deliver.

Recent examples include:

- accelerated build for long-term care using an innovative approach to collaborative procurement and a construction management at-risk approach;
- an alliance delivery model for the Union Station Enhancement Project;
- a revised approach to the operator-led Go Expansion OnCorr procurement;
- an approach to subways projects that involves creating optimally sized packages, geared at specific technical expertise, with new processes to manage and incentivize integration between packages.

Simultaneously, we are seeking ways to promote a greater emphasis on technical and design quality in our evaluation process – honing our focus on schedule, innovation, design and delivery capabilities. Enhancements that will be reflected in upcoming projects include continued refinements to promote better dialogue and feedback during design presentation meetings, and increased flexibility in procurement scoring to balance between minimum technical scoring thresholds and financial price “gearing” in an effort to promote higher emphasis on technical and design quality.

New approaches to managing/mitigating risk

Our principle remains that there is great value in project risks being managed by those parties best able to manage them. As our projects become more complex, as industry conditions change, and as major unanticipated events impact our industry, we continue to evaluate the risk profiles of our projects to ensure that we are doing this consistently. We have worked with government in an attempt to reduce or mitigate those risks which have consistently hindered transit and transportation projects, such as third-party approvals and the relocation of utilities. We are also attempting to provide better and greater information at the time of an RFP in order to lower a project's overall risk profile accordingly. Finally, we are incorporating incentive structures, exposure limits, and greater shared mitigation of risks in an effort to strike the right balance of responsibilities across partners.

We have heard from our partners about the impacts of COVID-19 on construction – both here in Ontario and around the world. These insights, and our continuing dialogue, allow us to work with our partners within government. I would like to thank our Project Companies for their hard work in continuing to push projects forward, staying on schedule as much as possible while taking the necessary steps to protect the health and safety of workers.

Finally, I share the honour of releasing this Market Update with my long-time colleague Ehren Cory. As announced last week, I transition into his current role as IO's president and CEO starting November 1. I would like to thank Ehren for his exemplary leadership, partnership and support. I look forward to continuing to live the core values that our executive team set out under Ehren's leadership: attracting great people to our team, building great relationships with clients and partners, operating effectively on behalf of the people of Ontario and creating a culture of innovation and experimentation.

Thank You,

Michael Lindsay
Incoming President and CEO
Infrastructure Ontario

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
*Scarborough Subway Extension – Stations, Railway, Systems	TBD	Winter/Spring 2021	Summer/Fall 2021	Winter/Spring 2023	Toronto	\$2B-\$4B
*Ontario Line – Northern Civil, Stations and Tunnel	DBF	Spring 2022	Fall 2022	Spring 2024	Toronto	>\$3B
*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	Amprior to Renfrew	\$200M - \$499M
JUSTICE						
Quinte Detention Centre	BF	Winter 2022	Summer 2023	TBD	Napanee	< \$200M
Greater Ottawa Correctional Complex	DBFM	Winter 2022	Summer 2023	TBD	Kemptville	\$200M - \$499M
Brockville Correctional Complex/ St Lawrence Valley Correctional and Treatment Centre	DBF	Summer 2022	Winter 2022	TBD	Elizabethtown -Kitley	\$200M - \$499M
*HEALTH CARE						
NHS South Niagara Hospital Capital Project (formerly Niagara Falls Hospital)	DBFM	Winter 2021	Fall 2021	2022	Niagara	> \$1B
Hamilton Health Sciences – West Lincoln	DBF	Winter 2021	Spring 2021	2022	Grimsby	\$200M - \$499M
Kingston Health Sciences - Kingston General Hospital Redevelopment	DBF	Spring 2021	Fall 2021	2022	Kingston	\$500M - \$1B
Quinte Healthcare Corporation – Prince Edward County Memorial Hospital Redevelopment	BF	Spring 2021	Winter 2022	2023	Picton	< \$200M
Trillium Health Partners Broader Redevelopment – Queensway Health Centre	DBFM	Fall 2021	Summer 2022	2022	Toronto	\$500M - \$1B
Centre for Addiction and Mental Health – Phase 1D Redevelopment	DBF	Fall 2021	Spring 2022	2023	Toronto	\$500M - \$1B
Trillium Health Partners Broader Redevelopment – Mississauga Hospital Site	DBFM	Winter 2022	Spring 2022	2023	Mississauga	> \$2B
Lakeridge Health – Bowmanville Redevelopment	TBD	Summer 2022	Winter 2023	2024	Bowmanville	\$200M - \$499M
Weeneebayko Area Health Authority – Health Campus Redevelopment	DBF	Summer 2022	Winter 2023	2024	Moosonee/ Moose Factory	\$200M - \$499M
The Ottawa Hospital – Civic Redevelopment	DBFM	Fall 2022	Spring 2023	2024	Ottawa	> \$2B
William Osler Health System – Peel Memorial Phase 2	TBD	Winter 2023	Summer 2023	2024	Brampton	\$200M - \$499M
North York General Hospital – Inpatient Redevelopment	DBF	Spring 2023	Fall 2023	2024	Toronto	\$500M - \$1B
Hamilton Health Sciences – Juravinski Redevelopment	DBF	Fall 2023	Spring 2024	2025	Hamilton	> \$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

*The Ministry of Health continues to review timing and cost details of each project in light of the Province’s ongoing COVID-19 response and recovery work.

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	Summer 2021	Toronto	\$200M - \$499M
GO Expansion: Milton Corridor Upgrades	DBF	November 2017	April 2018	Spring 2021	Milton/ Mississauga	\$100M - \$199M
GO Expansion: Lakeshore West Corridor	DBF	December 2017	April 2018	Spring 2021	Halton Region/Toronto	\$500M - \$1B
GO Expansion: OnCorr	DBOM	March 2018	May 2019	2022	Greater Toronto and Hamilton Area	> \$10B
GO Expansion: Lakeshore East – West Corridor	DBB	Delivery model was changed August 2020. Metrolinx will continue with the completion of procurement and contract through fall of 2020.			Toronto	\$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	August 2020	Spring 2021	Toronto	>\$1B
Advance Tunnel for Eglinton Crosstown West Extension	DBF	March 2020	August 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	November 2020	Toronto	\$200M - \$499M
JUSTICE						
Thunder Bay Correctional Complex	DBFM	July 2018	Winter 2021	TBD	Thunder Bay	\$500M - \$1B
Brampton Courthouse Addition Phase 2 & Toronto Region Bail Centre	DBF	January 2020	August 2020	Spring 2021	Brampton/ Toronto	< \$200M
CHILDREN'S TREATMENT CENTRES						
Grandview Children's Treatment Centre	DBF	September 2020	February 2021	Fall 2021	Ajax	< \$200M

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)

Health Care

- 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)
- Collingwood General and Marine – Hospital Redevelopment/Replacement
- Markham Stouffville Hospital – Uxbridge Site Redevelopment
- 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 and/or information estimated capital costs
Yellow boxed content represents updated delivery model
Green boxed content represents projects which have moved into new phases
BF – Build Finance
DBF – Design Build Finance
DBFM – Design Build Finance Maintain
DBFOM – Design Build Finance Operate Maintain
DBOM – Design Build Operate Maintain
RFQ – Request for Qualifications
RFP – Request for Proposals
TBD - To be Determined