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**Infrastructure
Ontario**

June 27, 2024

Colleagues,

I am pleased to present Infrastructure Ontario's (IO) Market Update for June 2024.

This update includes 25 projects in pre-procurement and active procurement (totalling more than \$30 billion in estimated design and construction costs). These projects support the provincial government's ambitious capital plan to build and expand public infrastructure, including highways, hospitals and other critical assets.

An additional 17 government-announced projects in the initial stages of planning have been included in this update. The scope, timing and delivery model for these projects are still being determined. Since our last update in December, three projects in our pipeline have advanced to construction and another three have been removed, as we have now signed agreements with development partners in the first step in our more collaborative Progressive P3 approach. Finally, four projects were removed as the Ministry of Transportation awarded a contract for one project and will be managing three other projects.

One new project has been added to the pipeline, the Volkswagen Battery Cell Plant- OPP Detachment, which will support the significant boost in economic and social activity being created in the area around St. Thomas' incoming VW electric vehicle battery manufacturing plant. All the activity demonstrated in this update demonstrates our relentless progress in advancing IO's roster of critical public infrastructure projects.

The past four years have been challenging, but I'm pleased to share that since 2020, IO has brought 37 projects to market, begun construction on 27 projects and achieved substantial completion of 32 projects. In that time, we have completed twelve hospitals, seven justice facilities, four public works and nine transit and transportation projects. The total value of contracts currently in construction is approximately \$46 billion. This total does not include the seven Progressive P3 projects for which we have now identified the development partners.

Different Models/Approaches:

To maintain the level of progress we are achieving, we also recognized a need to adapt our approach to the realities of the market and environment. We need to be thoughtful about capacity. We need to ensure that decisions we make about procurement approaches and models reflect discussions that we actively hold with industry.

Last December, we noted that there is a greater volatility associated with model selection than we've observed historically, and some of the most notable changes in today's Market Update include reviewing projects to ensure we are using the most appropriate procurement approach and

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delivery model, as well as diversifying the range of models in our toolkit, in particular as it applies to large and complex health projects.

Model selection takes into consideration project size, complexity, market fluctuation, competitiveness, risk allocation, a lifecycle approach to model selection, current infrastructure needs, and other qualitative risks and benefits associated with each option, leaning into the reality of the moment and making sure each social and transit project is using the right model for the right project.

In this update, we've indicated that IO is expanding on our toolkit with further use of a collaborative contracting delivery model for our healthcare and social infrastructure program, a Progressive Design Build model with target price regime for construction. In May 2024, IO and William Osler Health System issued a request for qualifications for the Peel Memorial Hospital Phase 2 Redevelopment project using the Progressive Design-Build (Target Price) model.

This model will build on our success in delivering Progressive Design Build, Alliance and Progressive P3 projects for the transit, transportation and healthcare sectors and will support our core objective of delivering projects that demonstrate value.

Advancing Healthcare

Continuing to support the tremendous growth of the healthcare system in Ontario remains at the forefront of IO's work. Some key accomplishments over the past four years include:

- Achieving substantial completion on West Park Health Centre's six-storey addition to its patient care in November 2023.
- Achieving financial close on Trillium Health Partner's Queensway redevelopment project, which broke ground in early April.
- Achieving financial close on the fourth and final part of CAMH's broader redevelopment program in February 2024.
- Achieving substantial completion on Mount Sinai Hospital's Phase 3A Redevelopment Project in June 2024.
- Completing construction on several other healthcare projects, including Hawkesbury & District General Hospital, Orleans Health Hub, London Laboratory Hub and Cortellucci Vaughan Hospital (formerly Mackenzie Vaughan Hospital).

Looking ahead, as we deliver increasingly complex healthcare projects, we will consider the use of collaborative contracting approaches that emphasizes alignment of goals and commercial objectives and prioritizes cooperation, transparency and flexibility. At its core, these models emphasize open communication and joint problem-solving throughout the contract lifecycle. By fostering a spirit of partnership, these models create an environment conducive to innovation, risk-sharing and continuous improvement.

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Opportunities through partnerships & supporting government

Through a \$5 million investment by the Ontario government, IO is excited to be embarking on a new initiative in the field of digital modelling technology by exploring the application and benefits of digital twins.

These virtual models of existing and planned assets, when applied to construction, can help deliver infrastructure projects more efficiently. Identifying risks and processes in a virtual environment before work commences on the ground can help reduce the risk of delays and cost overruns and optimize for improved outcomes.

IO has partnered with key stakeholders and looks forward to exploring what is possible in the digital twin space.

IO continues to make progress toward the government commitment of making high-speed internet accessible in every community by the end of 2025. An Internet Service Provider that was formed to participate in the Accelerated High-Speed Internet Program has now provided access for the first 250 of those underserved homes and businesses in White River. We expect to see construction associated with delivering high-speed internet access to another 140,000 homes and businesses to begin this calendar year.

We have achieved important milestones on the first two transit-oriented community sites on the Ontario Line for which we are holding a competitive process. We are also working directly with existing landowners on other transit sites along the subway lines and elsewhere on the GO Transit network to deliver more housing and jobs around these critical transportation hubs. Working with our partners at Metrolinx, we have now contracted every component element of the Ontario Line.

This past April, IO welcomed two new service providers who will support maintaining and modernizing the Ontario government's General Real Estate Portfolio, the largest provincial real estate portfolio in the country. Following an open and competitive process, IO awarded new Master Service Agreements for Real Property Services to BGIS Canada and Project Management Services Provider to Colliers Project Leaders.

Conclusion

IO employees are incredibly proud to support the government's initiatives to modernize and maximize the value of public infrastructure and real estate. In co-operation with our clients and stakeholders, we continue to uphold the government's commitment to renew public services.

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I look forward to continuing to build on opportunities with all our partners and ensure a legacy of success in 2024 and onward as we contribute toward a connected, competitive, and modern Ontario.

Thank you.

Michael Lindsay
President and CEO
Infrastructure Ontario

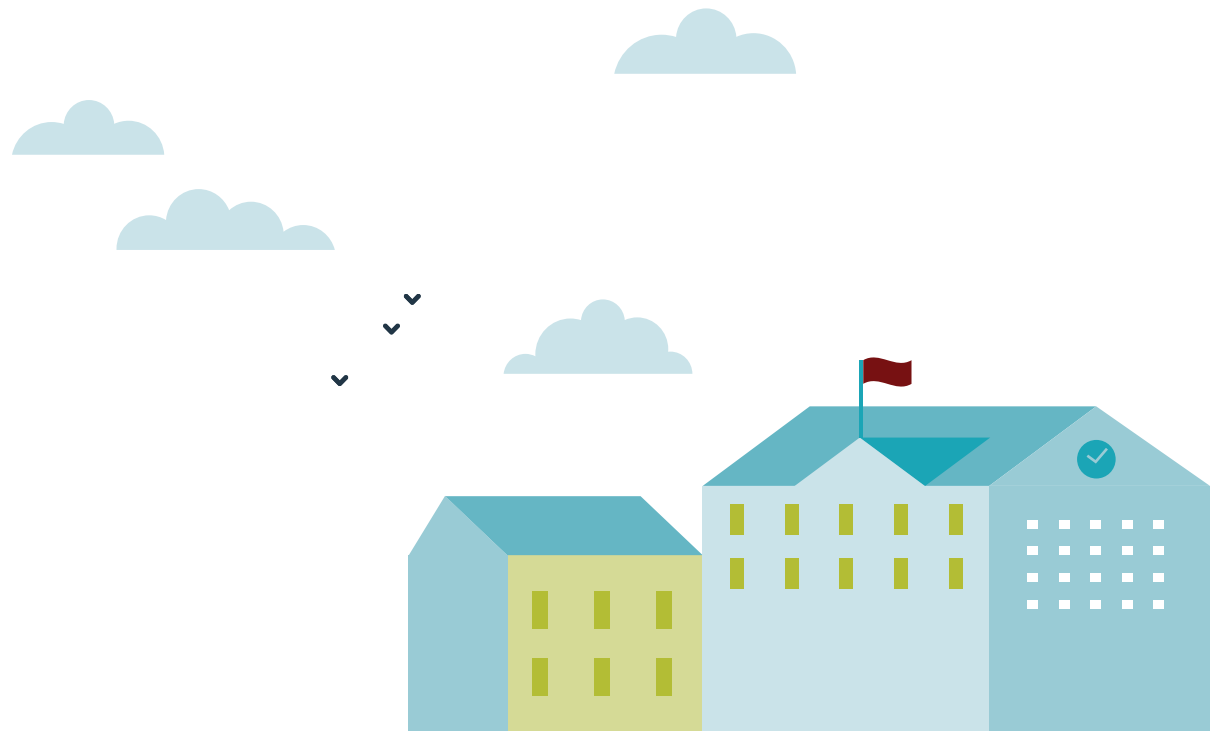
Market UPDATE

June 2024



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Infrastructure Ontario's (IO) Market Update is an invitation to our industry, local and international partners, to participate in the planning to build strong, competitive teams that will foster collaboration that will ultimately result in better value for taxpayers on essential public projects.

IO is leading the procurement and delivery of 25 projects currently in pre-procurement and active procurement. These projects will support the provincial government's ambitious capital plan to build and expand public infrastructure, including highways, public transit, hospitals, schools, and justice facilities. The total estimated design and construction value of the projects in this Market Update is more than \$30 billion.

In addition to the pipeline of projects in pre-procurement and procurement, there are 17 projects in the initial stages of planning, for which scope, timing and delivery model are still being determined.

Significant Changes

IO is pleased to provide the following updates since the last Market Update from December 2023:

- Achieved contract execution on three projects:
 - Centre for Addiction and Mental Health – Phase 1D Redevelopment

- Eglinton Crosstown West Extension – Advance Tunnel (Jane to Mt. Dennis)
- Trillium Health Partners Broader Redevelopment
- Executed three development phase agreements:
 - Ontario Line – Elevated Guideway and Stations
 - Ontario Line – Pape Tunnel and Underground Stations
 - The Ottawa Hospital – New Civic Redevelopment
- Achieved substantial completion for three projects:
 - Brampton Courthouse Addition Phase 2 and Toronto Region Bail Centre (BCA II / TRBC)
 - GO Expansion – Davenport Diamond Rail Grade Separation
 - Mount Sinai Hospital Phase 3A Redevelopment Project

This demonstrates continued progress in successfully concluding procurements and executing on the government's priorities.

While the Market Update focuses on projects that have not yet achieved contract execution, with the growing relevance of collaborative and progressive approaches to contracting, Seven projects for a total estimated design and construction value of \$27.5 billion are in a development phase with a development partner.

Transit and Transportation

Projects	Project Phase	Model	PDC/TA/AOR Procurement	Issue RFQ	Issue RFP	Contract Execution	Location	Estimated Design & Construction Cost
Garden City Skyway Twinning	Active Procurement	Progressive DB (target price)	Awarded	Dec 2022	Mar 2024	DPA: Apr-Jun 2025 CE: Oct-Dec 2026	St. Catharines	\$1B - \$2B
Yonge North Subway Extension - Advance Tunnel	Active Procurement	DBF	Awarded	Apr 2023	Dec 2023	Oct - Dec 2024	Toronto / York Region	\$1B - \$2B
Eglinton Crosstown West Extension - Stations, Rail and Systems	Active Procurement	Progressive DB (target price)	Awarded	Mar 2024	Jul - Sep 2024	DPA: Apr - Jun 2025 CE: Jan - Mar 2027	Toronto	\$2B - \$4B
Yonge North Subway Extension - Stations, Rail and Systems	Pre-Procurement	TBD	Awarded	TBD	TBD	TBD	Toronto / York Region	\$2B - \$4B

Projects in Planning Phase: Transit and Transportation

Highway 17 (through Renfrew)	Line 4 Extension (Sheppard East) Subway
Eglinton Crosstown West Extension Airport Segment	

Health

Projects	Project Phase	Model	PDC/TA/AOR Procurement	Issue RFQ	Issue RFP	Contract Execution	Location	Estimated Design & Construction Cost
Quinte Health – Prince Edward County Memorial Hospital Redevelopment	Active Procurement	DBB	N/A	Mar 2023	Nov 2023	Jul - Sep 2024	Picton	< \$200M
William Osler Health System – Peel Memorial Centre for Integrated Health and Wellness Phase 2	Active Procurement	Progressive DB (target price)	Awarded	May 2024	Oct - Dec 2024	DPA: Jul - Sep 2025 CE: Oct - Dec 2026	Brampton	\$1B - \$2B
Stevenson Memorial Hospital – Redevelopment	Pre-Procurement	DBB	N/A	Jul - Sep 2024	Jan - Mar 2025	Oct - Dec 2025	Alliston	\$200M - \$499M
Lakeridge Health – Bowmanville Hospital Redevelopment	Pre-Procurement	DBF	Awarded	Jul - Sep 2024	Jan - Mar 2025	TBD	Bowmanville	\$200M - \$499M
Windsor Regional Hospital – New Windsor Essex Regional Hospital	Pre-Procurement	TBD**	Awarded	Apr - Jun 2025	Oct - Dec 2025	Jul - Sep 2026	Windsor	\$1B - \$2B
North York General Hospital – Inpatient Redevelopment	Pre-Procurement	TBD*	TBD	Oct - Dec 2025	Apr - Jun 2026	Apr - Jun 2027	Toronto	\$500M - \$1B
Oak Valley Healthcare – Uxbridge Redevelopment	Pre-Procurement	TBD*	N/A	Oct - Dec 2025	Apr - Jun 2026	Oct - Dec 2026	Uxbridge	< \$200M
Hamilton Health Sciences – Juravinski Hospital Redevelopment	Pre-Procurement	TBD*	Awarded	Apr - Jun 2026	Oct - Dec 2026	Oct - Dec 2027	Hamilton	\$500M - \$1B
Scarborough Health Network Birchmount Redevelopment Phase 1A	Pre-Procurement	DBF*	Jan - Mar 2025	Jul - Sep 2026	Jan - Mar 2027	Jan - Mar 2028	Toronto	\$500M - \$1B
Collingwood General and Marine – Hospital Redevelopment	Pre-Procurement	DBF*	Jan - Mar 2025	Jan - Mar 2027	Jul - Sep 2027	Jul - Sep 2028	Collingwood	\$200M - \$499M
Unity Health Toronto – St. Joseph's Health Centre Redevelopment	Pre-Procurement	DBF*	Jul - Sep 2025	Jan - Mar 2027	Jul - Sep 2027	Apr - Jun 2028	Toronto	\$1B - \$2B

Projects	Project Phase	Model	PDC/TA/AOR Procurement	Issue RFQ	Issue RFP	Contract Execution	Location	Estimated Design & Construction Cost
The Hospital for Sick Children – Project Horizon	Pre-Procurement	DBFM*	Jan - Mar 2026	Apr - Jun 2027	Oct - Dec 2027	Jul - Sep 2028	Toronto	\$1B - \$2B
Muskoka Algonquin Healthcare – Bracebridge and Huntsville Redevelopments	Pre-Procurement	DBF*	Apr - Jun 2026	Oct - Dec 2027	Apr - Jun 2028	Apr - Jun 2029	Bracebridge and Huntsville	\$500M - \$1B
Lakeridge Health – Broader Redevelopment	Pre-Procurement	TBD*	> 5 years	> 5 years	> 5 years	> 5 years	TBD	TBD

* Infrastructure Ontario continues to review these projects for the most suitable delivery model (inclusive of procurement strategy and contract form) in recognition of continuing market feedback and other recently approved changes.

** IO continues to determine specific optimal contract packaging strategies.

Projects in Planning Phase: Health		
Brant Community Health Care - Redevelopment	Kingston Health Sciences Centre - Kingston General Hospital Redevelopment	Southlake Regional Health Sciences - Phase 1 Redevelopment
Grand River Hospital and St. Mary's General Hospital - Joint Redevelopment Project	Lake of the Woods District Hospital (Kenora) – Redevelopment Project	Sunnybrook Health Sciences - Critical Care Tower
Hotel Dieu Shaver (St. Catharines)	Royal Victoria Health Centre - Phase 1 Redevelopment	William Osler Health System - Radiation Oncology Project

Public Works and Justice

Projects	Project Phase	Model	PDC/TA/AOR Procurement	Issue RFQ	Issue RFP	Contract Execution	Location	Estimated Design & Construction Cost
Relocation of Ontario Science Centre to Ontario Place	Active Procurement	DBFM	Awarded	May 2024	Oct - Dec 2024	Oct - Dec 2025	Toronto	\$200M - \$499M
OPP Modernization Phase 3 - Part 1	Pre-Procurement	DBF	Closed	Jul - Sep 2024	Apr - Jun 2025	Apr - Jun 2026	Various	\$500M - \$1B
Quinte Detention Centre	Pre-Procurement	DBB	Awarded	Jul - Sep 2024	Apr - Jun 2025	Jan - Mar 2026	Napanee	< \$200M
OPP Modernization Phase 3 - Part 2	Pre-Procurement	DBF	Closed	Oct - Dec 2025	Apr - Jun 2026	Jul - Sep 2027	Various	\$500M - \$1B
Brockville Correctional Complex / St. Lawrence Valley Correctional and Treatment Centre	Pre-Procurement	DBB	Jul - Sep 2024	Jan - Mar 2026	Oct - Dec 2026	Apr - Jun 2027	Elizabethtown-Kitley	< \$200M
Volkswagen Battery Cell Plant-OPP Detachment	Pre-Procurement	CCDC 2	Apr 2024	N/A	Apr - Jun 2025	Jul - Sep 2025	St. Thomas	< \$100M
Eastern Ontario Correctional Complex	Pre-Procurement	TBD*	Awarded	TBD	TBD	TBD	Kemptville	\$200M - \$499M

* Infrastructure Ontario continues to review these projects for the most suitable delivery model (inclusive of procurement strategy and contract form) in recognition of continuing market feedback and other recently approved changes.

Projects in Planning Phase: Public Works and Justice	
Milton Courthouse User Experience Hub Plus	MECP / MLITSD Science Complex
Bigwind Lake Provincial Park	Ontario Place Landscape and Public Realm Construction
Grosvenor Office Tower	

Definitions and Chart Legend

General Definitions	
Note: Bold-face text denotes a change from the previous Market Update	
AOR	Architect of Record
CE	Contract Execution
DPA	Development Phase Agreement
PDC	Planning and Design Consultant
RFP	Request for Proposals
RFQ	Request for Qualifications
TA	Technical Advisor

Delivery Model Definitions	
Note: The progressive procurement strategy may be compatible with various contract forms and pricing approaches. Where applicable, notations have been made to indicate:	
- whether the contract form is being procured in a progressive fashion involving a development phase prior to construction and/or - whether the contract for construction is intended shall be bid a target-price basis.	
BF	Build Finance
DB	Design Build
DBB	Design Bid Build
DBF	Design Build Finance
DBFM	Design Build Finance Maintain
CCDC 2	Canadian Construction Documents Committee 2

Estimated Design & Construction Cost
Note: The range values shown are inclusive of the estimated design and construction values within approved project budgets only .
The range values shown exclude the following :
- other contract costs such as financing and long-term maintenance costs; and - costs to be paid by the Contracting Authority outside of the construction contract such as land, equipment, third party advisors, and contingencies.



IO's market update is published throughout the year as part of the Ministry of Infrastructure's transparent engagement with the market with respect to the government's pipeline of major projects.

For more information



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