Value for Money Assessment

Joseph Brant Hospital Redevelopment Project

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PRIVATE & CONFIDENTIAL
Ms. Divya Shah
Infrastructure Ontario
777 Bay Street
Toronto, Ontario
M5G 2C8

Re: Value for Money Assessment – Joseph Brant Hospital

Dear Ms. Shah:

KPMG LLP ("KPMG") has prepared the Value for Money ("VFM") assessment for the Joseph Brant Hospital Project ("Project") at the Financial Close stage, in accordance with our letter of engagement with Infrastructure Ontario ("IO") and IO's methodology *Assessing Value for Money: A Guide to Infrastructure Ontario's Methodology*.

The VFM assessment is based on a comparison of the total project costs at substantial completion for the Project under:

1. The traditional delivery approach, as reflected in the Public Sector Comparator ("PSC") model; and
2. The Alternative Finance and Procurement approach ("AFP"), incorporating the Successful Bidder's proposed costs.

The VFM assessment was calculated using the following information (collectively the"Information") within the VFM model:

i. A Risk Matrix developed for IO by Altus Group and adapted by IO to reflect Project specific risks; and
ii. Cost and other input assumptions extracted from the bid submitted by the Successful Bidder and other VFM model assumptions as provided by IO.

We have not audited or attempted to independently verify the reasonableness, accuracy or completeness of the Information.

Based on our understanding of IO's VFM methodology, we can confirm that, the Information has been appropriately used in the VFM model, and that the VFM assessment demonstrates the AFP approach provides estimated cost savings of 14.2% in comparison to the traditional delivery approach.

Yours very truly,

Will Lipson

KPMG LLP
Will Lipson
Partner
Toronto, Ontario
October 5, 2015

22 September 2014

Infrastructure Ontario
1 Dundas Street West Suite 2000
Toronto Ontario
M5G 2L5

Attention: Michael Inch
Vice-President, Strategic Sourcing

Subject: Summary Fairness Report
Phase 1 - Joseph Brant Memorial Hospital Redevelopment Project

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Infrastructure Ontario ("IO") engaged SEG Management Consultants Inc. ("SEG") to provide Fairness Monitoring & Advisory Services, specifically to monitor IO's conduct of the procurement process for the Phase 1 - Joseph Brant Memorial Hospital Redevelopment Project ("Project") from the RFQ transition through the conclusion of the Project RFP process to ensure that the Sponsors meet the fairness and transparency requirements established in the Project RFP and other related policies of Infrastructure Ontario and the Government of Ontario.

Our findings are based on our first-hand observations of the process used, from a review of the RFP document prior to issuance, through to the completion of the RFP evaluation process and identification of the highest ranked Proponent, which subsequently upon approval shall be named as the First Negotiations Proponent as per RFP section 8.1 (1). Our review also took into account the documents, policies and provincial directives applied during the RFP processes and information issued to the Proponents or provided to us by the IO Project or procurement representatives.

In our role as Fairness Monitor, we:

- reviewed the Project RFP documents prior to issuance;
- attended and monitored all required briefing sessions, presentations, interviews, commercially confidential meetings with the proponents;
- attended and monitored the conduct of commercially confidential site visits to the Hospital;
- monitored written communications with Proponents made available to the fairness team, which included addenda, Requests for Information (RFI) issued prior to RFP close, and Requests for Clarification (RFC) issued post-submission to the Proponents and subsequent responses back to IO;
- reviewed the development of the Evaluation Framework, which included review of the structure of the evaluation teams, the approach and application of the evaluation criteria, and scoring worksheets to ensure consistency with Schedule 3, Part 4 of the RFP;
- attended the mandatory Evaluator Training Session presentation led by procurement, which guided and supported the RFP evaluation process, and indicated the standard for which the evaluation participants took their direction;
- attended and monitored the RFP evaluation consensus meetings (Technical, Design and Financial) to ensure that the evaluation criteria were applied diligently and consistently to the proponent submissions by the meeting participants;

- reviewed the official records of the evaluation teams; and
- attended and monitored presentations of recommendations to the Evaluation Committee.

As a result of the Evaluation Team consensus processes, and presentation to the Evaluation Committee on September 17, 2014, an approval of the RFP results and identification of the highest ranked Proponent was achieved. SEG confirms that the identified highest ranked Proponent did successfully satisfy the requirements of the RFP evaluation process and was the highest scoring Proponent in this process.

As the Fairness Monitor for the Phase 1 - Joseph Brant Memorial Hospital Redevelopment Project (RFP No. 13-362P), issued by the Infrastructure Ontario, we certify that the principles of openness, fairness, consistency and transparency have been, in our opinion, properly established and maintained throughout the procurement process. Furthermore, we were not made aware of any issues that emerged during the process that would impair the fairness of this initiative.

As Fairness Monitor, we attest that:

a) the Project RFP process was conducted in accordance with the provisions of the RFP, and met the fairness and transparency requirements established in the RFP and other related policies of Infrastructure Ontario and the Government of Ontario.
b) the Sponsors' personnel and external advisors adhered to Infrastructure Ontario's conflict of interest and confidentiality requirements, and
c) all proponents were treated consistently in the evaluation process and in accordance with the Project RFP and the established principles of fairness, openness and transparency.

SEG Management Consultants Inc.

Lead Fairness Monitor	Project Lead
Greg Dadd	Rob Lowry

Artist's concept of the Joseph Brant Hospital Redevelopment Project

Courtesy of Parkin and Adamson Architects

Project Highlights

Once the project is finished, the Burlington community will have improved access to a larger, modern hospital and more single patient rooms. The approach is consistent with the Ministry of Health and Long-Term Care's design guidelines to meet the highest standards for infection prevention and control and quality patient care.

The project includes a new seven-story tower with room for 172 beds, and renovations to the existing facility. The project will also include:

- A modern emergency department and new main entrance
- Additional beds in the Intensive Care Unit
- Expanded diagnostic imaging services
- Nine modern operating rooms and a post-anesthetic care unit
- An expanded cancer clinic
- Expanded ambulatory care programs
- An expanded and modernized laboratory
- A renovated level 2B Special Care Nursery

Table of Contents

Summary

The Joseph Brant Hospital Redevelopment Project supports the Province of Ontario's long-term infrastructure plan to repair, rebuild and renew the province's roads and highways, bridges, public transit, schools and post-secondary institutions, hospitals and courthouses in communities across Ontario.

Infrastructure Ontario plays a key role in procuring and delivering infrastructure projects, on behalf of the Province. When Infrastructure Ontario was created, its mandate included using an Alternative Financing and Procurement (AFP) method to deliver large, complex infrastructure projects. In June 2011, the Province expanded Infrastructure Ontario's role to deliver projects of various sizes, including ones suitable for an AFP delivery model, as well as other delivery models.

The Joseph Brant Hospital Redevelopment Project is being delivered under the Province's AFP model.

The public sector retains ownership, control and accountability for the Joseph Brant Hospital.

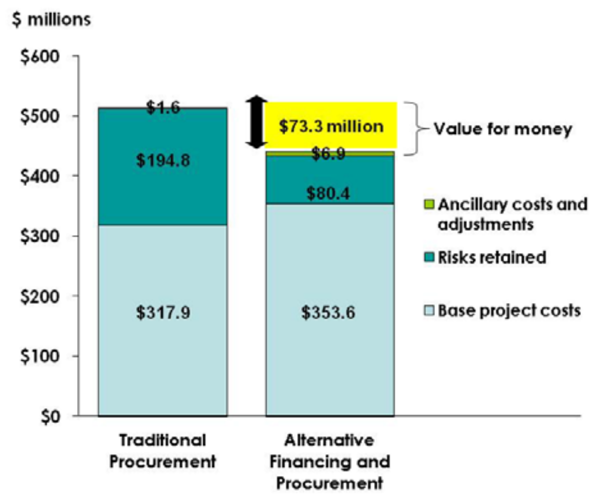
The purpose of this report is to provide a summary of the project scope, the procurement process and the project agreement, and to demonstrate how value for money was achieved by delivering the Joseph Brant Hospital Redevelopment Project through the AFP process.

The value for money analysis refers to the process of developing and comparing the total project costs under two different delivery models expressed in dollar values measured at the same point in time.

Value for money is determined by directly comparing the cost estimates for the following two delivery models:

Model #1 Traditional project delivery (Public sector comparator)	Model #2 Alternative Financing and Procurement
Total project costs that would have been incurred by the public sector to deliver an infrastructure project under traditional procurement processes.	Total project costs incurred by the public sector to deliver the same infrastructure project with identical specifications using the AFP approach.

The cost difference between model #1 and model #2 is the estimated value for money for this project.



The value for money assessment of the Joseph Brant Hospital project indicates estimated cost savings of 14.2 per cent or $73.3 million, by using the AFP approach in comparison to traditional delivery.

KPMG completed the value for money assessment of the Joseph Brant Hospital project. Their assessment demonstrates projected cost savings of 14.2 per cent by delivering the project using the AFP model, versus what it would have cost to deliver the project using a traditional delivery model.

SEG Management Consultants acted as the Fairness Monitor for the project. They reviewed and monitored the communications, evaluations and decision-making processes associated with the Joseph Brant Hospital project, ensuring the fairness, equity, objectivity, transparency and adequate documentation of the process. SEG Management Consultants certified that these principles were maintained throughout the procurement process (see letter on page 3).

Infrastructure Ontario is working with Ministry of Health and Long-Term Care to expand and renovate the Joseph Brant Hospital, which will remain publicly owned, controlled and accountable.

Project description

Background

Ontario's public infrastructure projects are guided by the five principles set out in the provincial government's *Building a Better Tomorrow Framework,* which include:

1. public interest is paramount;
2. value for money must be demonstrable;
3. appropriate public control and ownership must be preserved;
4. accountability must be maintained; and
5. all processes must be fair, transparent and efficient.

Joseph Brant Hospital

Joseph Brant Hospital is a community hospital serving the City of Burlington and surrounding area since 1961. The hospital provides a range of services including medicine, surgery, emergency, maternal/child, mental health and rehabilitation/complex continuing care. The hospital currently accommodates over 170,000 patient visits, 13,318 admissions, 45,716 emergency visits and 1,451 births each year. Its team includes 141 physicians, 1,554 full and part-time professional health care staff and 667 active volunteers.

Project Scope

Once the project is finished, the Burlington community will have improved access to a larger, modern hospital and more single patient rooms. The approach is consistent with the Ministry of Health and Long-Term Care's design guidelines to meet the highest standards for infection prevention and control and quality patient care.

The project includes a new seven-story tower with room for 172 beds, and renovations to the existing hospital. The project includes:

- A modern emergency department and new main entrance
- Additional beds in the Intensive Care Unit
- Expanded diagnostic imaging services
- Nine modern operating rooms and a post-anesthetic care unit
- An expanded cancer clinic
- Expanded ambulatory care programs
- An expanded and modernized laboratory
- A renovated level 2B Special Care Nursery

One of the design principles for the project is to maximize natural lighting and views throughout. The current plan provides spaces and treatment rooms that maximize the views of the outdoors.

Job Creation

The project will help provide economic stimulus by creating and supporting hundreds of jobs. At the peak of construction, it is estimated that between 250 and 300 workers will be on site daily.

Competitive selection process timeline

The Joseph Brant Hospital redevelopment project underwent an open, fair and transparent procurement process to design, build and finance the project and EllisDon Infrastructure JBH Inc. submitted the proposal which delivers the best value. The procurement stages for the project were as follows:

April 16, 2013 – August 18, 2013

Request for Qualifications

In 2013, Infrastructure Ontario and Joseph Brant Hospital issued a request for qualifications for the project, which resulted in three building teams being pre-qualified:

innovaCARE Partners

- Kasian Architecture Ontario Inc.
- Graham Walsh Joint Venture
- Scotiabank

Integrated Team Solutions

- Parkin Architects Limited
- EllisDon Corporation
- Fengate Capital Management Ltd.

PCL Partnerships

- HDR Architecture Associates, Inc.
- PCL Canada Inc.
- TD Securities Inc.

January 15, 2014

Request for Proposals

A request for proposals (RFP) was issued to the pre-qualified proponents, setting out the bid process and proposed project agreements to design, build, and finance the project.

Proposal submission

The RFP period closed on July 15, 2014. Three bids were received. The bids were evaluated using the criteria set out in the RFP.

Preferred proponent notification

EllisDon Infrastructure JBH Inc. was selected as the successful RFP proponent based on predetermined criteria, including technical requirements such as project management and construction plan, works schedule, equipment procurement and coordination plan, transition and commissioning plan. Their selection was also based on operation plan, design requirements such as clinical functionality, general functionality, design quality and technical quality, as well as price and financial backing, in accordance with the evaluation criteria set out in the RFP.

December 15, 2014

Commercial and Financial Close

A project agreement between EllisDon Infrastructure JBH Inc. (EllisDon) and Joseph Brant Hospital was announced.

December 2014 – fall 2018

Construction

During the construction period, the builder's construction costs will be funded by its lenders in monthly instalments based on the construction program set out by EllisDon. Construction will be carried out in accordance with the project agreement. The project will be overseen by a joint building committee made up of representatives from Infrastructure Ontario and Joseph Brant Hospital.

Completion and payment

EllisDon will be paid using both an interim completion payment and substantial completion payment, which is expected in fall 2018.

Project agreement

Legal and commercial structure

Joseph Brant Hospital entered into a project agreement with EllisDon, comprising approximately 45 months of construction. Under the terms of the project agreement, EllisDon will:

- design and build the facility;
- finance the construction and capital costs of the new facility over the term of the project;
- obtain a third-party independent certification that the hospital is built; and
- ensure that, at the end of the contract term, the building meets the conditions specified in the project agreement.

The province will make both an interim completion payment and substantial completion payment for the facility

Joseph Brant Hospital will be publicly owned and controlled. The hospital will continue to be publicly funded and publicly administered – this is non-negotiable for the Government of Ontario and more importantly, for the people of Ontario.

Construction and completion risk

All construction projects have risks. Some project risks are retained in varying magnitude by the public sector. Examples of risks retained by the public sector under either the AFP or traditional model include planning, unknown site conditions, changes in law, public sector initiated scope change, and force majeure (shared risk).

Under the AFP model, some key risks that would have been retained by the public sector are contractually transferred to EllisDon. On a traditional project, these risks and resource availability can lead to cost overruns and delays. Examples of risks transferred to the private sector under the AFP project agreement include:

<u>Construction price certainty</u>

EllisDon will finance and construct the new facility. EllisDon will be paid using both an interim completion payment and substantial completion payment, which is expected in fall 2018.

EllisDon's payment may only be adjusted in very specific circumstances, agreed to in advance and in accordance with the detailed variation (or change order) procedures set out in the project documents.

<u>Scheduling, project completion and delays</u>

EllisDon shall reach substantial completion of the hospital by fall 2018.

The construction schedule can only be modified in very limited circumstances, in accordance with the project agreement. EllisDon's final payment will not commence until substantial completion (i.e., until it has completed building the new facility and it has been certified as complete by an independent consultant).

Costs associated with delays that are the responsibility of EllisDon must be paid by EllisDon.

<u>Site conditions and contamination</u>

EllisDon accepted the site and the site conditions and shall not be entitled to make claims against the Province on any grounds relating to the site. Furthermore, EllisDon is responsible for remediation of any contamination at the site that was disclosed in or could have been reasonably anticipated from the environmental report or any of the geotechnical reports, or that is caused by EllisDon or any of its parties.

<u>Development approvals</u>

EllisDon is responsible for applying, obtaining, maintaining, renewing and complying with all development approvals.

<u>Construction financing</u>

EllisDon is required to finance the construction of the project until the hospital is substantially complete. EllisDon will be responsible for all increased financing costs should there be any delay in EllisDon reaching substantial completion.

This shifts significant financial risk to EllisDon in the case of late delivery.

Commissioning and facility readiness

EllisDon must achieve a prescribed level of commissioning of the new hospital at substantial completion and must co-ordinate the commissioning activity within the agreed-upon construction schedule. This ensures Joseph Brant Hospital will receive a functional building facility at the time payments to EllisDon commence. EllisDon will work closely with Joseph Brant Hospital to facilitate transition from other facilities.

Activity protocols

EllisDon and Infrastructure Ontario have established a schedule for project submittals taking into account the time for review needed by Infrastructure Ontario's compliance architect.

This protocol mitigates against EllisDon alleging delay as a result of an inability to receive responses in a timely manner in the course of the work.

Change order protocol

In addition to the variation procedure set out in the project documents, Infrastructure Ontario's protocols set out the principles for any changes to the project work/scope during the construction period, including:

- requiring approval and processing of change orders from Infrastructure Ontario and Joseph Brant Hospital;
- specifying the limited criteria under which change orders will be processed and applied;
- timely notification of change orders to Infrastructure Ontario;
- approval by Infrastructure Ontario for owner-initiated scope changes; and
- approval by Infrastructure Ontario for any change order.

In addition to the transfer of the above key risks to EllisDon under the project documents, the financing arrangement entered into between EllisDon and its lenders ensures that the project is subject to additional oversight, which may include:

- an independent budget review by a third-party cost consultant;
- monthly reporting and project monitoring by a third-party cost consultant; and
- the requirement that prior approval be secured for any changes made to the project budget in excess of a pre-determined threshold.

Achieving value for money

For the Joseph Brant Hospital project, KPMG's value for money assessment demonstrates a projected cost savings of 14.2 per cent, or $73.3 million, by using the alternative financing and procurement approach, as compared to the traditional procurement approach.

KPMG was engaged by Infrastructure Ontario to independently assess whether – and, if so, the extent to which – value for money will be achieved by delivering this project using the AFP method. Their assessment was based on the value for money assessment methodology outlined in *Assessing Value for Money: A Guide to Infrastructure Ontario's Methodology*, which can be found at www.infrastructureontario.ca. The approach was developed in accordance with best practices used internationally and in other Canadian provinces, and was designed to ensure a conservative, accurate and transparent assessment. Please refer to the letter from KPMG on page 2.

Value for money concept

The goal of the AFP approach is to deliver a project on time and on budget and to provide real cost savings for the public sector.

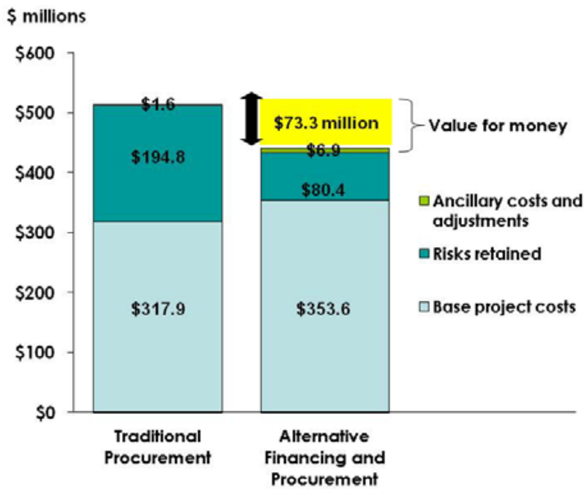
The value for money analysis compares the total estimated costs, expressed in today's dollars and measured at the same point in time, of delivering the same infrastructure project under two delivery models - the traditional delivery model (public sector comparator or "PSC") and the AFP model.

Model #1 Traditional project delivery (Public sector comparator)	Model #2 Alternative Financing and Procurement
Total project costs that would have been incurred by the public sector to deliver an infrastructure project under traditional procurement processes.	Total project costs incurred by the public sector to deliver the same infrastructure project with identical specifications using the AFP approach.

The cost difference between model #1 and model #2 is referred to as the value for money. If the total cost to deliver a project under the AFP approach (model #2) is less than the total cost to deliver a project under the traditional delivery approach (model #1), there is said to be positive value for money. The value for money assessment is completed to determine which project delivery method provides the greatest level of cost savings to the public sector.

The cost components in the VFM analysis include only the portions of the project costs that are being delivered using AFP. Project costs that would be the same under both models, such as land acquisition costs, furniture, fixtures and equipment, are excluded from this VFM calculation.

The value for money assessment is developed by obtaining detailed project information and input from multiple stakeholders, including internal and external experts in project management and construction project management. Components of the total project costs under each delivery model are illustrated below:



The VFM assessment of the Joseph Brant Hospital project indicates estimated cost savings of 14.2 per cent, or $73.3 million, by using the AFP approach in comparison to traditional delivery.

It is important to keep in mind that Infrastructure Ontario's value for money calculation methodology does not attempt to quantify a broad range of qualitative benefits that may result from using the AFP delivery approach. For example, the use of the AFP approach will more likely result in a project being delivered on time and on budget. The benefits of having a project delivered on time cannot always be accurately quantified.

These qualitative benefits, while not expressly quantified in this value for money analysis, are additional benefits of the AFP approach that should be acknowledged.

Value for money analysis

For a fair and accurate comparison, the traditional delivery costs and AFP costs are present-valued to the date of financial close to compare the two methods of delivering a design, build, finance and maintain project at the same point in time. It is Infrastructure Ontario's policy to use the current public sector rate of borrowing for this purpose to ensure a conservative and transparent analysis. For more information on how project costs are time-valued and the value for money methodology, please refer to *Assessing Value for Money: A Guide to Infrastructure Ontario's Methodology*, which is available online at www.infrastructureontario.ca.

Base costs

Base project costs are taken from the price of the contract signed with EllisDon and include all construction and financing costs. The base costs between AFP and the traditional delivery model mainly differ as follows:

1. Under the AFP model, the private party charges an additional premium as compensation for the risks that the public sector transfers to them under the AFP project documents. In the case of traditional delivery, the private party risk premium is not included in the base costs as the public sector retains these risks.
2. The financing rate that the private sector is charged under AFP is higher than the financing rate of the public sector and is not included in the traditional delivery base costs.

In the case of the AFP model, the base costs are extracted from the price agreed among the parties under the project agreement. For the hospital project, these were $353.6 million.

If the traditional model had been used for the hospital project, base costs are estimated to be $317.9 million.

Risks retained

Historically, on traditional projects, the public sector had to bear costs that go beyond a project's base costs.

Project risks are defined as potential adverse events that may have a direct impact on project costs. To the extent that the public sector retains these risks, they are included in the estimated project cost.

The concept of risk transfer and mitigation are keys to understanding the overall value for money assessment. To estimate and compare the total cost of delivering a project under the traditional delivery versus the AFP method, the risks borne by the public sector (which are called "retained risks") should be identified and accurately quantified.

Comprehensive risk assessment not only allows for a detailed value for money analysis, but also helps Infrastructure Ontario and the public sector sponsors to determine the party best able to manage, mitigate and/or eliminate the project risks and to appropriately allocate those risks under the project documents.

Under the traditional delivery method, the risks retained by the public sector are significant. As discussed on pages 11-12, the following are examples of risks retained by the public sector under the traditional delivery method that have been transferred under the project agreement to EllisDon:

- design compliance with the output specifications;
- construction price certainty;
- scheduling, project completion and potential delays;
- design co-ordination;
- site conditions and contamination;
- development approvals;
- construction financing;
- schedule contingency;
- commissioning and facility readiness; and
- activity protocols.

Examples of these risks include:

- *Design coordination/completion:* Under the AFP approach, the builder is responsible for design coordination activities to ensure that the facility is constructed in full accordance with the design in the project agreement. The builder is responsible for inconsistencies, conflicts, interferences or gaps in these design documents, particularly in the plans drawings and specifications; and for design completion issues that are specified in these design documents but erroneously left out in the drawings and specifications.

- *Scheduling, project completion and delays:* Under the AFP approach, the builder has agreed that it will provide the facility for use by Joseph Brant Hospital by a fixed date and at a pre-determined price. Therefore, any extra cost (financing or otherwise) incurred as a result of a schedule overrun caused by the builder will not be paid by the province, thus providing the builder a clear motivation to maintain the project's schedule. Further oversight includes increased upfront due diligence and project management controls imposed by the builder and the builder's lender.

Infrastructure Ontario retained an experienced, third-party construction consulting firm, Altus Helyar, to develop a template for assessing the project risks that the public sector relinquishes under AFP compared to the traditional approach. Using data from actual projects as well as its own knowledge base, the firm established a risk profile under both approaches for infrastructure facilities.

It is this generic risk matrix that has been used for validating the risk allocation for the specific conditions of the hospital project.

Using the AFP model reduces these risks to the public sector. For example, had this project been delivered using the traditional approach, design coordination risks that arise would be carried out through a series of change orders issued during construction. Such change orders would, therefore, be issued in a non-competitive environment, and would typically result in a significant increase in overall project costs for the public sector.

The added due diligence brought by the private party's lenders, together with the risk transfer provisions in the project documents result in overall cost savings as these transferred risks will either be better managed or completely mitigated by EllisDon.

A detailed risk analysis of the project concluded that the average value of project risks retained by the public sector under traditional delivery is $194.8 million. The analysis also concluded that the average value of project risks retained by the public sector under the AFP delivery model decreases to $80.4 million.

For more information on the risk assessment methodology used by Infrastructure Ontario, please refer to Altus Helyar's Risk Assessment Template, available at www.infrastructureontario.ca.

Ancillary costs and adjustments

There are significant ancillary costs associated with the planning and delivery of a large complex project that vary depending on the project delivery method.

For example, there are costs related to each of the following:

- *Project management:* These are essentially fees to manage the entire project. Under the AFP approach, these fees will also include Infrastructure Ontario costs.

- *Transaction costs:* These are costs associated with delivering a project and consist of legal, fairness and transaction advisory fees. Architectural and engineering advisory fees are also incurred to ensure the facility is being designed and built according to the output specifications.

The ancillary costs are quantified and added to both models for the value for money comparison assessment. Both project management and transaction costs are likely to be higher under AFP given the greater degree of up-front due diligence. The ancillary costs for the project under the traditional delivery method are estimated to be $1.6 million as compared to $4.6 million under the AFP approach.

An adjustment of $2.3 million has been made under the AFP model. This adjustment is for the notional public financing costs resulting from interim payment to the builder. The notional public financing costs will cover the period between the interim payment, expected in 2017, and the project substantial completion, expected in fall 2018.

For a detailed explanation of ancillary costs, please refer to *Assessing Value for Money: A Guide to Infrastructure Ontario's Methodology*, which is available online at www.infrastructureontario.ca

Calculating value for money

The analysis completed by KPMG concludes that the additional costs associated with the AFP model are more than offset by the benefits which include: a much more rigorous upfront due diligence process, reduced risk to the public sector, and controls imposed by both the lenders and Infrastructure Ontario's standardized AFP procurement process.

Once all the cost components and adjustments are determined, the aggregate costs associated with each delivery model (i.e., traditional delivery and AFP) are calculated, and expressed in Canadian dollars, as at financial close. In the case of the Joseph Brant Hospital project, the estimated traditional delivery cost (i.e. PSC) is $514.3 million as compared to $441.0 million under the AFP delivery approach.

The positive difference of $73.3 million or 14.2 per cent represents the estimated value for money by using the AFP delivery approach in comparison to the traditional delivery model.