

# *What People Are Saying About Infrastructure Ontario & P3s*

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## **PROJECT PARTNERS & CLIENTS**

*"It has been four years since we celebrated with Infrastructure Ontario (IO) the official opening of our hospital. Four years have passed quickly and I can say now, as I did in December 2010, our 'new' hospital would not have been possible without the dedicated professionals at IO. [...] Having our project completed on budget and ahead of schedule was the best gift IO could have given us and the patients we care for."*

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Connie Dejak, President & CEO, Runnymede Healthcare Centre, Toronto  
December 3, 2014

*"The [National Governors Association State Resource Centre on Innovative Infrastructure Strategies] looked to Infrastructure Ontario because the Alternative Finance and Procurement (AFP) model is considered a modern approach to deliver infrastructure. Infrastructure Ontario has been a valuable partner to the NGA Centre."*

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David Moore, Director, National Governors Association Centre for Best Practices  
November 21, 2015

*"The expertise Infrastructure Ontario brought to the table ensured the design of our new hospital, which will open to patients in the spring of 2017, will be a welcoming place of recovery for our whole community."*

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Cathy Szabo, President & CEO, Providence Care, Kingston  
Nov. 27, 2014

*"Infrastructure Ontario and its partners have a strong track record of delivering infrastructure projects, within budget and in a timely manner."*

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Hon. Brian Tobin, Vice Chair  
BMO Capital Markets Press Release, Nov. 17, 2014

*"The concept of Infrastructure Ontario assembling and contracting the necessary expertise for such large scale public projects is essential and highly valuable.*

*In addition to that, having a centralized and standardized infrastructure program and procurement methodology has, in my mind, brought the scale of developers and contractors to Ontario and to these projects that are required to deliver high-quality, sustainable infrastructure. My observation of the outcome of that process for the \$1.2B Bridgepoint Hospital project is that the hospital got what it and our healthcare system needed - a state-of-the-art building that is delivering fantastic results for patients and our system. And the taxpayers got what they needed, a well-managed, fair and transparent procurement and delivery process that has delivered demonstrable value."*

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Marian Walsh, President & CEO, Bridgepoint Hospital  
Nov. 2014

*"The Region chose to engage Infrastructure Ontario (IO) from the outset as their procurement advisors, and IO brought a tried and true approach and set of well understood precedents for AFP projects. Municipalities simply are not experienced in dealing with large and complex P3 projects, especially the development of output specifications, payment mechanisms, the notion of risk transfer, financibility, etc. Transit projects have unique requirements. As advisors you need to understand those issues and draft appropriately."*

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Roger Watkiss, Sr. Partner, Norton Rose Fulbright Canada LLP  
Region of Waterloo's ION Rapid Transit Project  
ONBOARD Magazine, Fall 2014

*"Infrastructure Ontario has done some great jobs, great contracts, in the Province of Ontario and I think this is just another one. I know they will bring it in on-budget and on-time which is what the taxpayers appreciate. They've hired good architects, good contractors, and I believe that Infrastructure Ontario is building some great projects in the Province of Ontario."*

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Hazel McCallion, Mayor of Mississauga (from 1978 – 2014)  
Sheridan College Groundbreaking – Oct. 2014

*"The Ontario AFP program has transformed EllisDon from a medium-sized, conventional construction company into an enterprise capable of competing against anyone in the world, anywhere in the world. We have not only tripled in size, we have vastly broadened our capabilities: Directly as a result of the PPP marketplace, EllisDon now has Project Finance and Facilities Management Divisions. We've become experts in design management, building systems and energy management. We are tackling huge transportation projects such as Eglinton Crosstown that without P3s never have been available to us.*

*Perhaps just as importantly, EllisDon has already begun to export these new capabilities across the world, creating permanent highly skilled jobs (and tax revenue) in Ontario that would never have existed otherwise. Canada has always had a capable construction industry. Now, as a result of P3s, our industry is as strong, or perhaps stronger than, our international rivals and this can only be a good thing for Ontario and for Canada. Certainly P3s have transformed EllisDon, and have created terrific opportunities for our employees, suppliers and partners where none existed before.*

*Risk transfer is very real. Simply put, if we do not hit our schedule and quality commitments, the financial consequences are dire. AFP is a terrific discipline. There have been virtually no AFP project failures because the builders cannot afford to let them fail. That's the reality."*

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Geoff Smith, President and CEO, EllisDon  
Infrastructure Summit, Toronto – Aug. 2014

*“If you invest in union pension funds in a greenfield (AFP) project to build a hospital, it provides employment for the union members, as well as for other working men and women from other unions. Second, it provides long-term stable income to the pension fund through the P3 arrangement. Finally, it delivers valuable community projects in the health sector and in the administration of justice. So it is a win-win-win.”*

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David McFadden, Partner, Gowlings  
Infrastructure Summit, Toronto - Aug. 2014

*“It’s a very beneficial way of doing it,” Terry Maslen says, noting that the projects typically come in on, or ahead of schedule and on budget.*

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Terry Maslen, St. Joseph’s Health Care in London  
Daily Commercial News – Nov. 2013

*“We brought Infrastructure Ontario in to work with us as our procurement lead on LRT. They have the P3 experience, the templates, and the relationships with industry.”*

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Kent Kirkpatrick, City Manager, Ottawa  
Public Sector Digest – Apr. 2013

*“As the design builder, PCL is very proud to be part of the consortium that delivered the province’s first Design Build Finance Maintain Hospital. This project is a shining example of how the public and private sectors can work together.”*

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Jim Dougan, PCL President, Eastern Canada  
From: Niagara Health (Communications) Video – Nov. 2012

*"The Public-Private Partnership is really an approach that allows the public sector and the private sector to do what they do best. This leaves Niagara Healthcare free to focus on its priority which is serving patients and providing care."*

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Iain Campbell, Vice President & General Manager,  
Global Energy & WorkPlace Solutions, Johnson Controls  
From: Niagara Health (Communications) Video – Nov. 2012

*"Without the impetus of a public-private partnership program, many of these projects would have languished for years,"*

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Brad Nelson, COO and President, Canadian Buildings, PCL Constructors Inc.  
From: The Globe, Report on Business, "Hard-hat Heaven" – Feb. 25, 2010

## MEDIA – Specific to IO

*“In an era of fiscal constraint, how does the Ontario government get the biggest bang for its buck out of this fund? The answer is right under its nose: trust in the made-in-Ontario Alternative Financing and Procurement (AFP) model.”*

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Allan O'Dette, President and CEO of the Ontario Chamber of Commerce (OCC)  
The voice of 60,000 businesses from across Ontario.  
The Huffington Post, December 5, 2014

*“Whether it’s the internationally recognized expertise of Infrastructure Ontario, the provincial government agency running P3 projects in health care and transportation; the global thought leadership of the Canadian Council for Public-Private Partnerships; or the growing international reputation of our major pension plans as savvy investors in infrastructure projects, we have an asset that we should leverage more for the benefit of not just Toronto, but for the country as well.”*

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Janet Ecker, President and CEO, Toronto Financial Services Alliance  
National Post, December 2, 2014

*“There is a solution at hand. One that not only generates much needed benefits at home, but also helps forge our global reputation as financial and infrastructure experts. It is something we can truly shout about, we can “own the podium”. So together – government and industry – let’s get on with it.”*

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Toronto Financial Sector Alliance President Janet Ecker speaking to the Empire Club, on IO’s AFP model  
Dec. 2014

*“Ontario’s AFP program has transformed how government and the private sector work together to build complex public infrastructure projects on time and on budget. Ontario’s approach has caught the attention of developers, constructors and financiers from around the world.”*

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Manuel Rivaya Fernandez-Santa Eulalia  
EVP, Eastern Canada, Dragados Canada  
ONBOARD Magazine, Fall 2014

*“We have PPP Canada at the federal level, while entities such as Infrastructure Ontario and Partnership B.C. have developed significant know-how at the provincial level. Without this expertise on the public sector side, these projects would not have been as successful and many would likely have never seen the light of day.”*

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Marc-André Hawkes, Canadian Consulate General in Miami,  
JD Supra Business Advisor – Oct. 2014

*“One of the things that agencies like Infrastructure Ontario and Partnerships BC... have been able to do is play a really important role in delivering a P3 project. They’re not the experts in the end product; they’re the expert on concessionaires, in putting together the risk transfer... they essentially give assurance to the private sector that the papering is consistent and fair.*

*It really is the best in class in North America... What’s happening in Toronto (region) as far as P3s are concerned, is the best kept secret in North America, frankly.”*

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Angela Iannuzziello, AECOM  
ONBOARD Magazine, Summer 2014

*"The system, called alternative financing and procurement (AFP) in Canada, is now a government standard for infrastructure projects in countries like Australia and Britain. And IO has spent about the last seven years developing this public-private partnership (P3) to attract the private sector to help build new hospital infrastructure."*

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The Globe and Mail – Jan. 2014

*"It sounds too good to be true – but it's not. Over the past eight years, Ontario's alternative financing and procurement (AFP) system has delivered [...] projects. And the entire process, from request for proposals through to the signed contract, is conducted in full public view, with contracts posted online."*

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Ashley Csanady, QP Briefing – Nov. 2013

*"The risk transfer that the P3 model brings makes a company a lot more astute to risk management, which in turn raises the quality of construction in the province."*

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Tim Smith, Executive Vice-President, EllisDon  
Daily Commercial News – Nov. 2013

*Infrastructure Ontario drafting Certificate of Recognition-use guidelines  
'...the move by Infrastructure Ontario "is a tremendous step forward" and one that demonstrates leadership by one of the largest owners of construction in the province.'*

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Daily Commercial News – Apr. 2013

*“IO is recognized as an international leader in leveraging private-sector expertise to deliver projects on time and on budget, while maintaining proper public ownership and control of core public infrastructure assets”*

*“Collectively, IO’s professionals have significant construction and project management expertise across various sectors, including, hospitals, courthouses, detention centres, roads, transit, highway service centres, data centre, sports facilities, education facilities and police station.”*

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HM Treasury: A New Approach to Public Private Partnerships – Dec. 2012

*“For years the Ontario government struggled to get capital projects done on-time and on-budget. The challenge created by irregular levels of ability with the government to manage complex project and their sky-high costs became more acute when the public/private partnership trend revolutionized the delivery of infrastructure. By establishing Infrastructure Ontario, the government set up an agency that was sophisticated to manage these sometimes complex and first-of-a-kind partnerships. This innovation brings to Ontario the best expertise in lending and project delivery, saving the government billions and resulting in better public facilities.”*

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The Globe and Mail – Oct. 2012

*“Infrastructure Ontario will continue to play a vital role in helping the province to deliver new and modernized infrastructure across the province, with a proven track record of delivering world class projects on schedule and on budget.”*

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Canadian Business Journal – Oct. 2011

*“IO is recognized by international infrastructure organizations as being world leaders thanks to a diligent focus on budget, quality, schedule and investing wisely.”*

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The Canadian Business Journal – Sept. 2010

*"Roy McMurtry Youth Centre When this sprawling 192-bed centre in Brampton, built for youth in legal trouble, officially opened last summer, the presiding cabinet minister offered "a big shout-out for Infrastructure Ontario, who, my aide just whispered in my ear, saved us millions of dollars." Infrastructure Ontario is the agency that had the centre built at a cost of \$93 million, which was provided through loans to a construction company from private lenders. That actually meant that the financing costs were higher than they would have been had the government borrowed the money at its own preferential rate. And because the builder agreed to accept all risks of cost overruns and delays, the province paid about \$7 million more than it might have in a traditional contract. But according to an audit of unverified figures provided by the government to PriceWaterhouseCoopers, Ontario taxpayers actually saved about \$9.4 million using this approach. How so? Escaping the risk of cost overruns and construction delays was valued at \$18.2 million. By paying its private partners more to accept risks that have often inflicted big costs on the public in the past, Ontario arguably came out ahead."*

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The Globe and Mail, Report on Business, "Hard-hat Heaven" – Feb. 25, 2010

*"Infrastructure Ontario is the deal flow leader"*

*"Infrastructure Ontario has become the single largest Canadian agency in commissioning P3 projects. It has worked on setting up P3 systems to cut the time it takes to procure projects, and reduce costs and uncertainty. Bidders like predictability, and IO has worked to standardize procedures, documents and even specifications for hospital rooms."*

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Public Works Financing – Dec. 2009

## MEDIA – On AFP/P3s in General

*“Canada is internationally recognized as best in class in P3s, we took the very best practices of others, added a little of that secret Canadian sauce and now we’ve got a model which outperforms those other countries.”*

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Mark Romoff, President and CEO, CCPPP  
ONBOARD Magazine, Summer 2014

*“Three years after Sault Area Hospital opened the doors of its new facility on Great Northern Road, officials say financing of the hospital’s construction and ongoing maintenance has been a success. The hospital was built under what is known as a public-private partnership, or P3.”*

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Darren Taylor, Soo Today – April 2014

*“Around the world, P3 projects are fast becoming the route to providing lower-cost, higher-quality public infrastructure. Combining private financing with user-pay fees would help cash-strapped governments be able to pay for them.”*

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Gwyn Morgan, Globe and Mail March 2014

*“Ontario's PPP market is one of the greatest infrastructure triumphs of the last decade, having successfully procured a number of deals in social infra – particularly healthcare. The Canadian province is now looking at investing in the transport sector, and with a fresh pipeline of deals announced in 2013, there are no signs of it slowing.”*

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Ila Halai, Inspiratia – Jan. 2014

*“Public-Private Partnerships (P3), particularly as practiced in Canada, have the potential to improve the outcomes of public investment in lifeline infrastructure.”*

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Charles Whatley, Saporta Report – Jan. 2014

*"P3 is a generational approach that determines the value of money, pays for performance, and value engineers for lifecycle cost and performance. A region that wants to be competitive and efficient must think and act strategically about infrastructure."*

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Charles Whatley, Saporta Report – Jan. 2014

*"Isn't it glorious to behold a market where the need to invest in infrastructure is matched by a mature and intelligent approach – guaranteeing future growth across the province. Infrastructure Ontario has identified projects valued at a total of at least \$6.8 billion over the next 5 years or so, on top of an already active market."*

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Angus Leslie Melville, Inspiratia – Nov. 2013

*"Premier Kathleen Wynne says public-private partnerships are "critical" to making Ontario a better place to live."*

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The Toronto Star – Nov. 2013

*Coun. Tom Galloway said light rail was right for the region's first major public-private venture.*

*"There's risk to a huge infrastructure project like this so transferring the risk from the taxpayer to the private companies is really, I think, the key motivation to doing the P3," he said.*

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Philip Walker, Waterloo Region Record – Aug. 2013

*"...[the] report shows in Canada the P3 approach to building these large infrastructure projects has a pretty darn good track record..."*

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Coun. Sean Strickland, The Waterloo Region Record – Aug. 2013

*"As the Canadian model gets adopted internationally, then it puts in place provisions that should enable Canadian companies to at least compete on a level footing in those jurisdictions."*

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Mark Romoff, President/CEO, Canadian Council for Public-Private Partnerships  
HSBC Global Connections – Jun. 17, 2013

*"Canada has an opportunity to leverage its domestic experience in public-private partnerships in new opportunities abroad."*

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HSBC Global Connections – Jun. 17, 2013

*"Windsor parkway construction proves public-private partnerships work"*

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Dave Battagello, The Windsor Star – Jun. 2013

*"...Bridgepoint is among the most important projects to have been realized in Toronto in some time. Not only does it argue for radically new hospital architecture, it was constructed under a new private-public partnership arrangement requires the private sector to assume the financial risk of construction and maintenance...If this case is any measure, the process works brilliantly."*

*"Hospitals are the most expensive buildings we construct," says Bridgepoint president and CEO Marian Walsh, "so they should be beautiful. The provincial government is using Bridgepoint as an exemplar for what rehabilitation hospitals should be like." Dividends such as shorter hospital stays, which could ultimately save the province billions of dollars, are hoped-for.*

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Toronto Star – Apr. 2013  
InfraAmericas – Feb. 2013

*"The Sault Ste. Marie Economic Development Corporation has a long-standing history of forming partnerships for the betterment of the community, and further developing P3s is a logical next step."*

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Randy Tallon, SSMEDC Business Sault Ste. Marie – May. 2012

*"Public-Private Partnerships (P3s) are being heralded as an innovative way to maintain and advance infrastructure development in Ontario. In comparison to conventional procurement methods and partnerships, P3 projects can yield greater efficiencies and cost savings, reaping rewards for society, the economy, and the engineers who are at the heart of building change."*

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Water Canada – Jun. 2011

*"Ontario is a leading international market for PPPs with other provinces looking to it for guidance."*

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Inspiratia Market Insight Newsletter – Nov. 2010

*"While private-sector investment chokes up thanks to the recession, scores of Canadian construction companies—not just the giants but also small and medium-sized firms—are being buoyed by the infrastructure wave."*

*"What recession? Thanks to the quiet victory of public-private partnerships, Canada's construction sector is in Hard Hat Heaven."*

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From: The Globe, Report on Business, "Hard-hat Heaven" – Feb. 25, 2010

*"The two major benefits of P3s are cost-savings and time-savings. When all the project risks that the public sector bears are fully costed and included in the total cost of the project—and transferred in part to the private sector partners—cost and time savings can be achieved."*

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Mario Iacobacci, The Conference Board of Canada – Feb. 2010

*"Public-private partnerships working as intended, new report finds."*

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Journal of Commerce – Feb. 2010

*"Public private partnerships (PPPs) have become an increasingly important procurement vehicle for Canadian governments seeking to build new or to upgrade infrastructure assets... from hospitals, bridges, and highways through to courthouses, wastewater facilities, and concert halls."*

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The Conference Board of Canada – Jan. 2010

*"Public-private partnerships (P3s) for infrastructure projects are delivering savings in costs and time compared to conventional procurement approaches used by Canadian governments."*

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Journal of Commerce – Jan. 2010

*"Transferring the aspect of design and construction risk inherent in developing infrastructure to the private sector creates a powerful incentive to effective performance."*

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Canadian Public Administration, Vo 51 – Mar. 2008

*"This is a win\win for all stakeholders and was handled in a positive manner by multiple levels of Government working with private enterprise."*

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Bob Nicholson, spokesperson for Pensionfund Realty Limited

## REPORTS

*“IO’s mandate and responsibilities are expanding to maximize the value of assets, transform approaches to service delivery, and introduce private sector capital and discipline to deliver better public services.”*

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Drummond and Jobs Prosperity Council Report

*Third-party assessment of IO’s performance for 30 AFP projects that reached substantial completion:*

*30 AFP projects totaling \$12.9 billion in awarded contracts, delivering \$2.65 billion in savings for Treasury Board approved budgets*

*29 of 30 projects were completed below their established contract budget*

*22 of 30 projects were delivered on or ahead of schedule, with three projects delayed by less than three months*

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MNP AFP Project Track Record Review – Aug. 2013

*“Public-private partnerships can deliver badly needed infrastructure on time and on budget and Ontario is leading the way, a Conference Board of Canada report says.”*

*“In terms of volume, Ontario is definitely in the forefront,” Vijay Gill, the report’s author said in an interview.*

*“P3s as they are commonly known, have been used in Ontario longer and more frequently than elsewhere in Canada, although Quebec, Alberta and British Columbia are also making use of the technique.”*

*“Governments have always contracted out much of their construction work to private firms but the difference with P3s is the private sector brings in financing of its own, and often design work as well. Gill says this puts the risk for delays and cost overruns more on the private firm’s balance sheet and helps keep them from ballooning.”*

*“The result is P3s are completed on schedule and less likely to go over budget, Gill said. Of 42 projects he studied, 35 were on time or early 40 were finished within six months of their expected finish date”.*

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QP Briefing – Aug. 2013

*“The Canadian model may be of considerable interest for other countries and notably the approach developed by Infrastructure Ontario and Partnerships BC.”*

*There was an agreement amongst several witnesses that P3s can in fact provide better value for money, and as stated by Matti Siemiatycki, Assistant Professor, University of Toronto, “[w]e can say that public-private partnerships are not necessarily the cheapest way to deliver infrastructure, but they might deliver the best value, and that's really where we have to understand from a policy perspective the projects for which this actually makes sense.”*

*“Given the fact that the consortium also is going to be responsible for that asset over a 30-year life ... You're going to ensure that for the 30 years or 35 years that you have this, you haven't set yourself up for a drain on your purse either. You're going to want to make sure that the school is properly designed and properly built, so that the maintenance and operation of that facility isn't a burden.”*

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Public-Private Partnerships: A tool in the tool box  
Report on the Standing Committee on Government Operations and Estimates  
Mar. 2013

*“Ontario has built an international reputation in P3 infrastructure projects.”*

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Unlocking the Public Service Economy  
Ontario Chamber of Commerce  
Nov. 2012