

Infrastructure Ontario

Delivering the Province of Ontario's large infrastructure projects



Regional Express Rail Update & Outlook

Nov. 14, 2016

IO's AFP Program



All AFP projects	Number	Capital cost
Completed	55	\$18.34 billion
Under construction	21	\$14.01 billion
Pipeline	29	\$11.8 billion
Total	105	\$44.15 billion


(as of November 7, 2016)

2016 Project Pipeline

- Project pipeline valued at \$11.8B
 - 9 build-finance
 - 13 design-build-finance
 - 4 design-build-finance-maintain
 - 3 model tbc
- IO will continue to deliver social projects including health care, justice and educational facilities

2016 Market Update

Government of Ontario Ministry Major Projects



Project ¹	Model	Issue RFP	Issue RFP	Location	S ²
Highway 427 Expansion	DBFM	July 2015	March 2016	York Region	B*
Mount Sinai Hospital – Phase 3A Redevelopment Project	BF	August 2015	June 2016	Toronto	C*
Graves Memorial Community Hospital	DBF	September 2015	June 2016	Fergus	E*
New Toronto Courthouse	DBF	April 2016	Fall 2016*	Toronto	B*
Michael Gerson Hospital – Phase 1 (New General Hospital)	DBFM	June 2016	Winter 2017*	Toronto	C*
West Park Healthcare Centre – Replacement Patient Care Building and Renovation of Main Building	DBFM	September 2016	Winter 2017*	Toronto	B*
Port Credit Mobility Hub	TCO	March 2015	Spring 2017*	Mississauga	G*
GPP Modernization Phase 2	DBF*	Winter 2017*	Summer 2017*	Multiple locations	E*
Highway 401 Widening / HCV ³	TBD*	Spring 2017*	Spring 2016*	Peel / Halton Regions	I*
Queen's Park Reconstruction Project	DBF*	June 2015	Fall 2016*	Toronto	B*
Women and Youth Justice Facilities Redevelopment	BF*	June 2015	Fall 2016*	Greater Toronto Area and Eastern Ontario	D*
Stockville General Hospital Redevelopment Project	BF*	TBD*	TBD*	Stockville	G*
Ottawa Family Health Hub ⁴	BF*	TBD*	TBD*	Ottawa	F*
Highway 7 ⁵	TBD*	TBD*	TBD*	Kitchener to Guelph	I*
Northwest Transmission Line ⁶	TBD*	TBD*	TBD*	Thunder Bay Area	I*

General Outlook

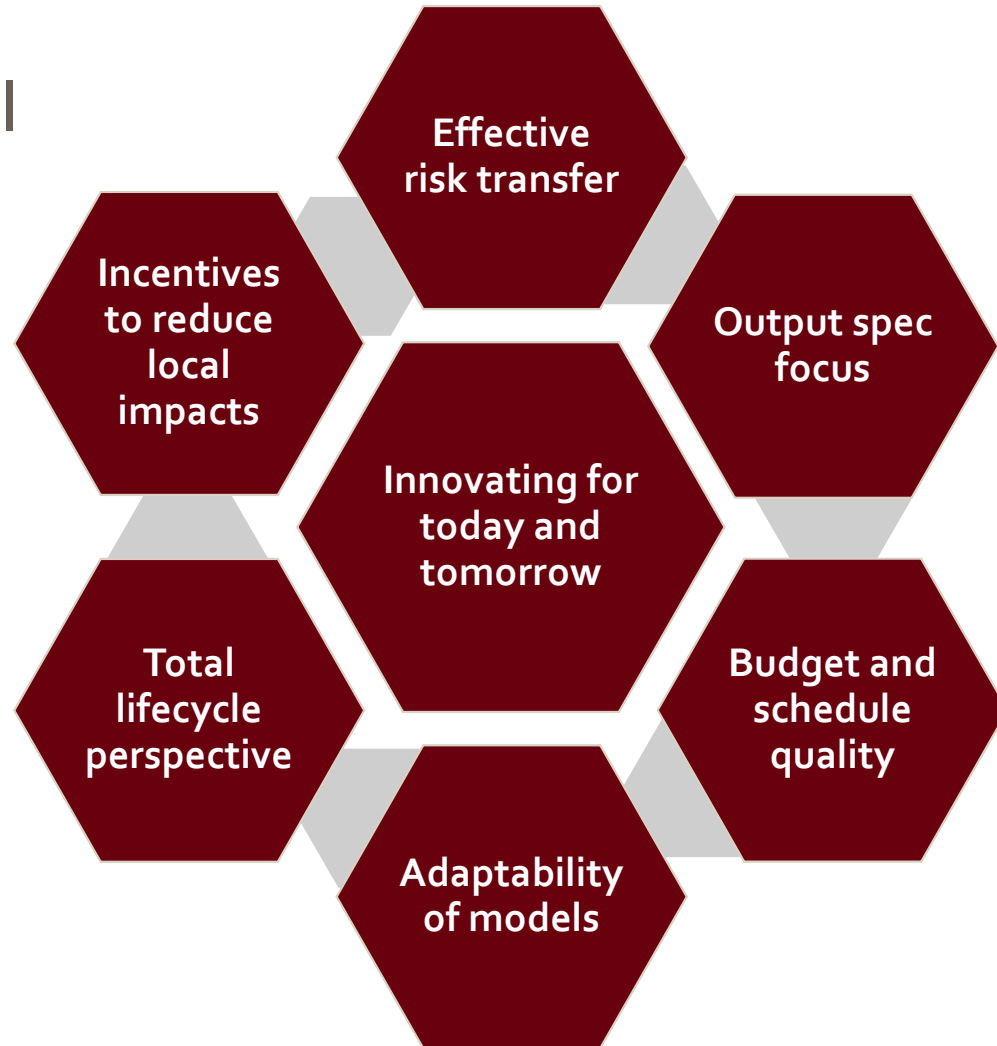
- A shift from social to transit and transportation projects
- New opportunities for industry to partner, innovate, bid and deliver results
- Balance the importance of market competition and capacity
- Work together to help deliver our mandate while managing costs



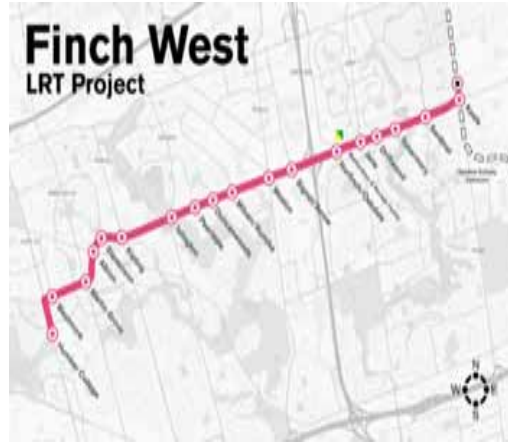
Key Ingredients of Modern Project Delivery

- Public sector centre of excellence for major project delivery
- Proper upfront planning and scope definition
- Rigorous private sector partner selection, vendor performance
- Effective risk definition and transfer as appropriate
- Sufficient private sector 'skin in the game' throughout project to incent performance
- Enhanced health and safety requirements
- Ethical bidding practices

Strengths of AFP Model For Civil Projects



AFP in the Transit Sector



Metrolinx / IO Partnership



Rail and transit expertise

Procurement

- Performance requirements (PSOS)
- Reference concept design
- Technical due diligence

Construction

- Project Management Oversight
- Quality Management Oversight
- Technical oversight
- Acceptance of work

AFP contract expertise

Procurement

- Procurement lead
- RFQ/RFP evaluation
- Legal and financial support, including joint signatory

Construction

- Commercial advisor
- AFP process support (legal/financial)

RER Packages of Work

Package 1 – enabling works

- small to mid-size
- BF and DBF models
- 3 in market
- 11 more in 2017

Package 2 – stations and off corridor

- stations, platforms, parking, customer flow, bus terminals
- model TBC, exploring DBFM potential

Package 3 – in corridor

- tracks, civil works, electrification, rolling stock
- models TBC, exploring DBFM potential
- one or multiple projects

RER Pipeline – Package 1

Project	Model	Issue RFQ	Issue RFP
1. Stouffville Stations Project + Grade Separation	DBF	Summer 2016	Summer 2016
2. HWY 401 / 409 Rail Tunnel	DBF	Summer 2016	Winter 2017*
3. Cooksville Station	DBF	Summer 2016	Winter 2017*
4. Kipling Bus Terminal	DBF*	Fall 2016*	Winter 2017*
5. Union Station upgrades	DBF*	Fall 2016*	Spring 2017*
6. Barrie Corridor Grading	BF*	Winter 2017*	Spring 2017*
7. Lakeshore East Grading Package East Corridor Expansion + Two Rail Bridges	BF*	Winter 2017*	Spring 2017*

RER Pipeline – Package 1

Project	Model	Issue RFQ	Issue RFP
8. Rutherford separation and station works	DBF*	Winter 2017*	Summer 2017*
9. Lakeshore East Grading Package Central Corridor Expansion + Grade Separations	BF*	Spring 2017*	Summer 2017*
10. Lakeshore West Corridor (Burloak Grade Separation and station upgrades)	DBF*	Summer 2017*	Fall 2017*
11. Davenport Diamond Grade Separation	DBF*	Summer 2017*	Winter 2018*
12. Lakeshore East Grading Package West Corridor Expansion	BF*	Fall 2017*	Spring 2018*
13. Lake Shore Eastern Stations	BF*	Winter 2018 *	Spring 2018*
14. Milton Station	DBF*	TBD*	TBD*

RER Market Engagement Process

RER Market Engagement – Packages 2+3 – Goals

Over the coming months

- Learn about opportunities and challenges on the structure of RER's procurement
- Engage industry leaders, a two-way information exchange
- Where applicable adopt global best practices
- Understand market preferences, constraints and trends
- Assess market's capability to deliver RER

Key considerations – RER Procurement

- The size and scale of the procurement considering
 - Financing
 - Industry expertise and capacity
 - Impact of procurement teaming
- Approach to integration risk
 - Rolling stock, signals and communications
 - Electrification, vehicle and track
 - Construction, rolling stock, operations

Significance of the above on procurement competitiveness

Questions to the Market

We will be asking you:

1. What are the risks/challenges associated with procuring package 3 (electrification, signalling, rolling stock, operations & maintenance) as a single, integrated DBFOM?
2. How do you propose these elements be procured together? How do we manage the integration risk?
3. In your opinion, what components should be integrated in a single procurement?



To submit any inquiries on the RER Program, please email: rer@infrastructureontario.ca