

Value for Money Assessment

Highway 401 Rail Tunnel Project

March 2018

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I. EXECUTIVE SUMMARY

This report provides a summary of the procurement process for the Highway 401 Rail Tunnel project and demonstrates how value for money was achieved by delivering the project using Infrastructure Ontario's (IO) Alternative Financing and Procurement approach.

► Infrastructure Ontario

IO is a Crown agency owned by the Province of Ontario that provides a wide range of services to support the Ontario government's initiatives to modernize and maximize the value of public infrastructure and realty. Projects delivered by IO are guided by five key principles: transparency, accountability, value for money, public ownership and control, and public interest are paramount.

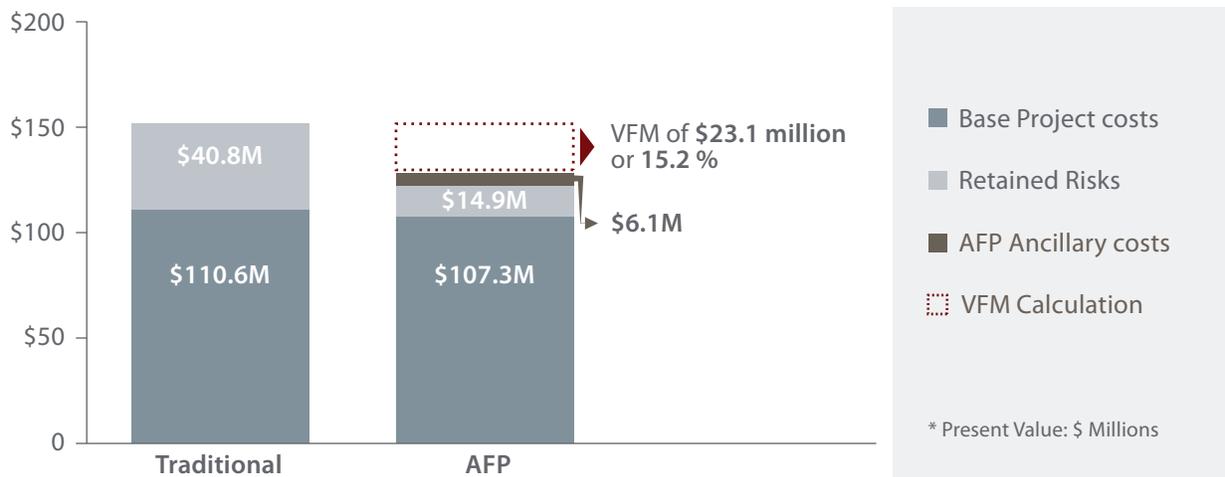
► Alternative Financing and Procurement in Ontario

IO delivers public infrastructure projects using a project delivery model called Alternative Financing and Procurement (AFP). The AFP model brings together private and public sector expertise in a unique structure that transfers to the private sector partner the risk of project cost increases and scheduling delays typically associated with traditional project delivery. 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.

All projects with a cost greater than \$100 million are screened for their suitability in being delivered as an AFP project. The decision to proceed with an AFP delivery model is based on both qualitative considerations (e.g., size and complexity of the project) and a quantitative assessment. The quantitative assessment, called Value for Money (VFM), is used to assess whether the AFP delivery model will achieve greater value to the public compared to a traditional public sector delivery model. VFM compares the estimated total project costs of delivering public infrastructure using AFP relative to the traditional delivery model.

► Achieving Value for Money

The VFM assessment of the Highway 401 Rail Tunnel project indicates an estimated cost savings of \$23.1 million or 15.2% (in present value terms) by using the AFP approach compared to traditional delivery.



I. EXECUTIVE SUMMARY

► External Review

As part of the procurement process and VFM assessment, external parties were retained by IO:

- Ernst & Young was retained to complete the VFM assessment; and,
- Lakeland Consulting Inc. acted as the Fairness Advisor for the project.

II. PROJECT HIGHLIGHTS

➤ Highway 401 Rail Tunnel Project



Purpose	To deliver the Highway 401 Rail Tunnel project, an integral component of Metrolinx's long-term plan for Regional Express Rail – an integrated transportation network in the Greater Toronto and Hamilton Area.
Project Owner	Metrolinx
Private Partner	Toronto Tunnel Partners (TTP)
Location	Toronto
Project Type	Design-Build-Finance (DBF)
Infrastructure Type	Transit
Contract Value	\$116.9 million (nominal/including inflation)
Construction Period	2017 to 2021
Length of Project Agreement	4 years
Estimated Value for Money (Present Value)	\$23.1 million or 15.2%

➤ Background

The Province announced the GO Transit RER program in 2014, which will provide faster and more frequent service across the GO rail network, and will include the electrification on core segments by 2024-25. GO RER is a transformative initiative that will change the GO rail network from being a commuter-focused rail service into an all-day, two-way regional transit service that will provide new transit options across the Greater Toronto and Hamilton Area (GTHA).

II. PROJECT HIGHLIGHTS

► Objectives

Work on the Highway 401 Rail Tunnel along the Kitchener GO corridor, is part of a larger, system-wide plan to improve overall GO Transit service, including the delivery of the Province's GO Regional Express Rail program (RER) by 2024-25.

Key objectives of RER projects includes:

- Increase urban transit capacity
- Manage congestion
- Seamless customer experience
- Minimize disruption during construction
- Design excellence
- Deliver on-time, on budget
- Public ownership

GO RER will provide faster and more frequent service on the GO Rail network, with electrified service on core segments:

- Electric trains running every 15 minutes or better, all day and in both directions, within the most heavily travelled sections of the network
- Four times the number of trips outside of weekday rush-hour periods, including evenings and weekends
- Twice the number of trips during weekday rush-hour periods

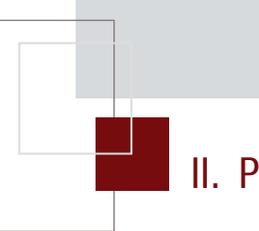
► Project Scope

The scope of work includes:

- Design and construction of a new tunnel two metres north of an existing tunnel under Highway 401/409 to accommodate additional tracks as required for the Regional Express Rail Program.
- The new tunnel (approximately 176 meters in length, 10.7 meters wide and 8.6 meters high) will pass under 21 lanes of traffic and will carry two tracks that permit operating speeds of up to 90 mph for passenger traffic and up to 35 mph for freight traffic.
- One track from the existing tunnel will be moved into the new tunnel after construction is complete.
- Replacement of retaining wall footings that support the ramp from eastbound Highway 409 to eastbound Highway 401.

The project agreement with TTP contains their requirements to:

- Design and Construct – lead the design and construction of the Highway 401 Rail Tunnel for completion in July 2021;
- Finance – secure sufficient financing to finance the construction and capital costs over the term of the project;



II. PROJECT HIGHLIGHTS

- ▶ Third-Party Certification – obtain a third-party independent certification that the system is built to the requirements of the Province as outlined in the project agreement.

- ▶ Economic Benefits & Job Creation

The project is generating economic stimulus by creating and supporting jobs. At the peak of construction, TTP estimates that 250 workers will be on the site daily.

III. ACHIEVING VALUE FOR MONEY

Value for money assessment for the Highway 401 Rail Tunnel project demonstrates a project costs savings of:

\$23.1 million or 15.2%

The VFM assessment methodology is outlined in *Assessing Value for Money – An Updated Guide to Infrastructure Ontario’s Methodology*, which can be found at www.infrastructureontario.ca.

► Value for Money Concept

The VFM compares the estimated total risk adjusted project costs, expressed in dollars measured at the same point in time, of delivering the same infrastructure project under two delivery models: the traditional Design, Bid Build (DBB) model and the AFP model.

MODEL # 1:

Traditional DBB Delivery (PSC)

Estimated costs to the public sector of delivering an infrastructure project using a traditional procurement delivery model. Total risk-adjusted costs are known as the Public Sector Comparator or PSC Costs.

MODEL # 2:

AFP Delivery

Estimated costs to the public sector of delivering the same project to the identical specifications using the AFP delivery model. Total risk-adjusted costs are known as AFP Costs.

$$\left\{ \text{Value for Money \$} = \text{PSC Costs} - \text{AFP Costs} \text{ or } \text{Value for Money \%} = \frac{(\text{PSC Costs} - \text{AFP Costs})}{\text{PSC Cost Costs}} \right\}$$

The difference between the total estimated PSC costs and the total estimated AFP costs is referred to as VFM. Positive VFM is demonstrated when the cost of delivery under AFP is less than PSC.

► Calculating Value for Money – Inputs & Assumptions

The VFM is assessed and refined throughout the entire procurement process to reflect updated information and TTP’s actual bid costs. All costs and risks in this report are expressed in present value terms and have been discounted back to present terms.

The VFM assessment relies on a number of inputs and assumptions, including:

1. Base Project Costs
 - 1.1. Adjusted Base Costs (design, construction)
 - 1.2. Financing Costs
2. AFP Ancillary Costs
3. Retained Risks

III. ACHIEVING VALUE FOR MONEY

1. Base Project Costs

▼ 1.1. Calculation of Base Costs

Traditional Delivery Model (PSC)		AFP Delivery Model	
Base Costs adjusted for:	(\$)	Base Costs adjusted for:	(\$)
Innovation Factor	N/A	Innovation Factor	↓ to Construction
Lifecycle Cost Adjustment Factor	↓ to Lifecycle Costs	Lifecycle Cost Adjustment Factor	N/A
Competitive Neutrality	↑ to Base Costs	Competitive Neutrality	N/A
Adjusted Base Costs	Base Costs (\$) +/- Adjustments	Adjusted Base Costs	Base Costs (\$) +/- Adjustments
Estimated Savings / (Costs) in Base Costs under the AFP Model			PSC – AFP

Base costs include design and construction costs. In the estimation of base costs, IO relies on external cost consultants to estimate the costs of the project. This becomes the starting point for both the PSC and AFP models. These costs are then adjusted for:

- ▶ An innovation factor – the VFM methodology includes an innovation factor which recognizes that the base cost of the AFP model will be lower than the PSC model as a result of:
 - ▶ the use of performance based specifications in AFP projects allow contractors to consider innovative and alternative ways to deliver a project, such that project costs are lower as compared to a traditional delivery which uses more prescriptive specifications; and,
 - ▶ increased competitive environment on AFP projects which have resulted in cost reductions.
- ▶ A lifecycle cost adjustment factor – experience suggests that typically governments will under-spend on lifecycle maintenance for projects delivered under traditional delivery methods. Whereas, for DBFM projects, the AFP model requires the private sector partner to meet specifications which ensures the asset is well maintained over the project term. The VFM methodology captures this by reducing the actual spend on lifecycle costs in the PSC model over the 30-year operating term and quantifying the expected impact and costs of this deferred maintenance in the risk assessment. The net impact results in an overall increase in PSC costs.
- ▶ Competitive neutrality – the base costs under AFP delivery will also include a provision for certain taxes payable by the private sector, namely taxes paid by the equity developers. The equivalent costs will not appear under the PSC. These perceived cost advantages could be misleading. As a result, an adjustment called the “competitive neutrality adjustment” is required to negate this potentially misleading cost of AFP delivery. The adjustment consists of adding such costs to the PSC.

III. ACHIEVING VALUE FOR MONEY

▼ 1.2. Financing Costs

Traditional Delivery Model (PSC)		AFP Delivery Model	
Financing Costs	Public sector notional financing costs	Financing Costs	Private sector financing costs
Estimated Savings / (Costs) from Financing under the AFP Model			PSC – AFP

One of the common elements of the AFP model is the use of private finance for some or all of the project period. Under the traditional delivery model, the public sector makes progress payments throughout construction. Whereas under the AFP model, the government pays a portion of construction costs during construction as interim payments and/or pays the entire amount at the end of the construction period. Financing costs are reflected as follows:

- ▶ Traditional Delivery Model or PSC - the public sector notionally incurs an “opportunity cost” for having paid earlier as compared to the AFP model. The notional public sector financing cost is calculated at the current Provincial cost of borrowing or weighted average cost of capital. This cost is also reflected in the discount rate used to assess and compare the project costs.
- ▶ AFP Delivery Model – the private sector party borrows at private financing rates to pay for the project costs during construction and carries that financing until fully repaid by the public sector. This private sector financing cost is ultimately passed through to the public sector as a cost and reflected in the AFP model.

2. AFP Ancillary Costs

Traditional Delivery Model (PSC)		AFP Delivery Model	
AFP Ancillary Costs	N/A	AFP Ancillary Costs	AFP costs
Estimated Savings / (Costs) from Financing under the AFP Model			PSC – AFP

There are significant costs associated with the planning and delivery of a large complex project. The VFM methodology quantifies the incremental ancillary costs arising under the AFP delivery model only. Ancillary costs typically incurred include legal, capital markets, fairness, transaction, and the cost of IO services.

3. Retained Risks

Traditional Delivery Model (PSC)		AFP Delivery Model	
Retained Risks	PSC costs	Retained Risks	AFP costs
Estimated Savings / (Costs) from Retained Risks under the AFP Model			PSC – AFP

The concepts of risk transfer and mitigation are key to understanding the overall VFM assessment. To estimate and compare the total cost of delivering a project under the traditional delivery model versus the AFP model, the risks borne by the public sector, which are called “retained risks,” are identified and quantified.

III. ACHIEVING VALUE FOR MONEY

Details on how retained risks are identified and quantified are in Assessing Value for Money – An Updated Guide to Infrastructure Ontario’s Methodology, which can be found at www.infrastructureontario.ca.

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 under both delivery models, they are included in the estimated cost under the PSC and AFP model as “retained risks”. Risks retained under the AFP model are lower than risks retained by the public sector under the PSC model. This reflects the transfer of certain project risks from the public sector to the private sector and the appropriate allocation of risk between the public and private sectors based on the party best able to manage, mitigate, and/or eliminate the project risk.

As a result of a comprehensive risk assessment, the following are examples of key project risks that have been transferred or mitigated under the project agreement to TTP:

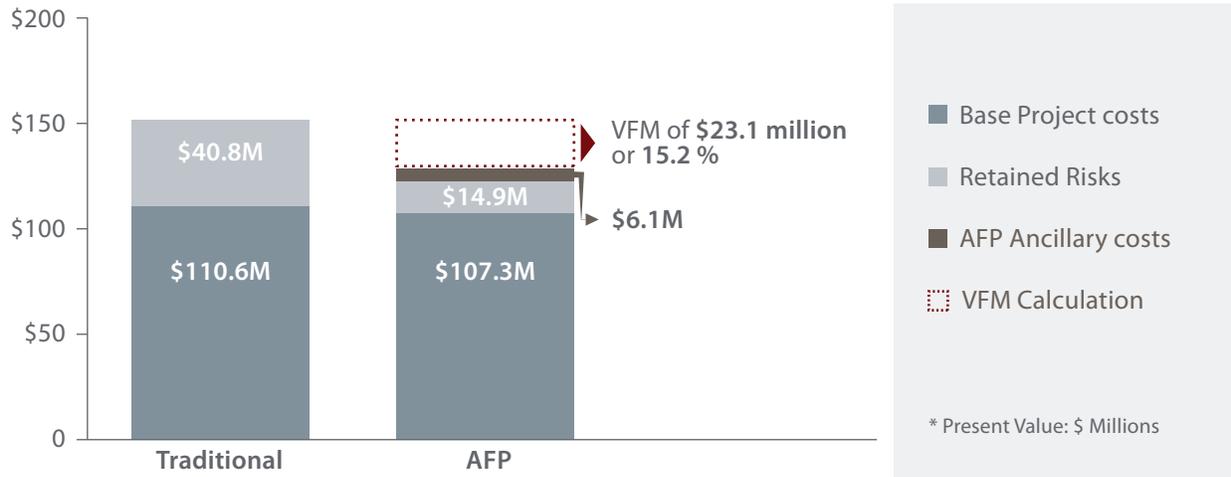
- ▶ Project Schedule – risk of a longer construction period and resulting in a higher total program cost.
- ▶ Scope Changes During Construction (directed by owner) – risk that the scope of work is changed by the owner during the construction.
- ▶ Asset Residual Risk – risk that at the end of the lifecycle, the asset residual value is less than expected because the quality of the asset is not equivalent to the handback requirements under a concession contract.
- ▶ Due Diligence (by the owner in preparation of tender in RFP) – risk that an insufficient level of due diligence is undertaken and communicated to the proponents resulting in reduced tolerance to risk and higher bid price.
- ▶ Quality Management – risk associated with meeting design standards and codes as they relate to long-term asset performance.

▶ Highway 401 Rail Tunnel Value for Money Results

The VFM assessment of the Brockville General Hospital Phase 2 Redevelopment Project indicates an estimated cost savings of \$3.1 million or 5.2% by using the AFP approach compared to traditional delivery.

Traditional Delivery Model (PSC)	\$ Millions Present Value	AFP Delivery Model	\$ Millions Present Value
I. Base Project Costs (Adjusted Base Costs + Financing)	\$110.6	I. Base Project Costs (Adjusted Base Costs + Financing)	\$107.3
II. AFP Ancillary Costs	N/A	II. AFP Ancillary Costs	\$6.1
III. Retained Risks	\$40.8	III. Retained Risks	\$14.9
Total	\$151.4	Total	\$128.3
Estimated Value for Money (cost difference)		\$23.1	
Estimated Percentage Savings		15.2%	

III. ACHIEVING VALUE FOR MONEY



➤ External Review

Ernst & Young completed the VFM assessment for the project. Their assessment demonstrates projected cost savings of 15.2% by delivering the project using the AFP model versus what it would have cost to deliver the project using a traditional delivery model (see letter on page 16).

Lakeland Consulting acted as the Fairness Monitor for the project. They reviewed and monitored the communications, evaluations and decision-making processes associated with the project, ensuring the fairness, equity, objectivity, transparency and adequate documentation of the process. Lakeland certified that these principles were maintained throughout the procurement process (see letter on page 17).

IV. PROJECT AGREEMENT

► Highlights of the Project Agreement

The Project Agreement signed between IO, Metrolinx and TTP defines the obligations and risks of all parties involved. Key highlights that pertain to the construction terms are below:

- **Contract Price Certainty** – A \$116.9 million fixed-price contract (includes inflation at contractually determined rate) to design, build and finance the Highway 401 Rail Tunnel project. Any extra costs incurred as a result of a schedule overrun caused by the contractor will not be paid by the Province.
- **Scheduling, Project Completion and Delays** – TTP has agreed to a substantial completion date of July 2021. The schedule can be modified in limited circumstances in accordance with the project agreement. A sizeable payment will be made by the Province at substantial completion, providing further incentive for TTP to complete construction on time.
- **Site conditions and contamination** – TTP is responsible for managing and where required, remediating any contamination at the site. This includes contamination that was disclosed or reasonably anticipated from site condition reports, or that is caused by TTP or any of its parties.
- **Construction Financing** – TTP is required to finance the construction of the project and is responsible for any additional financing costs if there is a delay reaching substantial completion of the project.
- **Commission and Facility Readiness** – TTP must achieve a prescribed level of commissioning at substantial completion within the agreed-to schedule. This ensures Metrolinx will be able to achieve in-revenue service in July 2021.

V. COMPETITIVE SELECTION PROCESS

The procurement process for the Highway 401 Rail Tunnel project, from RFQ to Financial Close, took 15 months to complete.

After concluding a fair and competitive procurement process, Metrolinx and IO entered into a project agreement with TTP to design, build and finance the project.

► Procurement Process

i. Request for Qualifications | September 13, 2016

- Metrolinx and IO issued a request for qualifications (RFQ) to solicit interested parties to design, build and finance the project.
- On November 14, 2016, the RFQ period closed and the Sponsors received statements of qualifications from three teams.
- RFQ submissions were evaluated by IO and Metrolinx. High standards were set to ensure the pre-qualified consortia exceeded the technical and financial standards required for this complex and large project. The evaluation process resulted in three proponents being pre-qualified.
 - Kiewit
 - Proponent Lead: Peter Kiewit Infrastructure Co.
 - Constructor: Peter Kiewit Infrastructure Co., Kenaidan Contracting Ltd., Obayashi Canada Ltd.
 - Design: Hatch Corporation, Jacked Structures Ltd.
 - Financial Advisor: Kiewit Canada Development Corp., TD Securities
 - TK Linx
 - Proponent Lead: Aecon Infrastructure Management Inc., Dragados Canada Inc.
 - Constructor: Aecon Infrastructure Management Inc., Dragados Canada Inc., Technicore Underground Corp.
 - Design: Arup Canada Inc, Morrison Hershfield, Peto MacCallum Ltd.
 - Financial Advisor: ACS Infrastructure Canada Inc., Aecon Concessions
 - Toronto Tunnel Partners
 - Proponent Lead: EllisDon Capital Inc, STRABAG Inc.
 - Constructor: EllisDon Civil, STRABAG
 - Design: WSP Canada Inc., Dr. Sauer & Partners, Amec Foster Wheeler
 - Financial Advisor: EllisDon Capital Inc, STRABAG Inc.

ii. Request for Proposals | February 15, 2017

- A Request for Proposals (RFP) was issued to the prequalified proponents, setting out the bid process and proposed project agreement for the project.
- The proponents spent approximately five months to prepare high-quality, competitive submissions.

V. COMPETITIVE SELECTION PROCESS

iii. Proposal Submission | July 20, 2017

- ▶ The RFP period closed on July 20, 2017. All proponents submitted bids on time.
- ▶ July-October 2017: bids were evaluated using criteria as set out in the RFP by an Evaluation Committee comprised of subject matter experts from IO, Metrolinx and technical consultants enlisted by the Sponsors. The extensive evaluation process resulted in TTP receiving the highest score.
- ▶ In October 2017, the 'first-ranked proponent' – also referred to as the First Negotiations Proponent – TTP, was then notified of their standing.

iv. Preferred Proponent Notification | October 20, 2018

- ▶ After successful negotiations with the First Negotiations Proponent, TTP was selected as the preferred proponent. TTP best demonstrated the ability to meet the specifications outlined in the RFP, including technical requirements, construction schedule, price and financial backing.

v. Commercial and Financial Close | December 14, 2017

- ▶ Upon conclusion of negotiations and once a financing rate was set, a Project Agreement (contract) was executed between TTP, Metrolinx and IO on December 14, 2017.
 - ▶ Toronto Tunnel Partners
 - Proponent Lead: EllisDon Capital Inc, STRABAG Inc.
 - Constructor: EllisDon Civil, STRABAG
 - Design: WSP Canada Inc., Dr. Sauer & Partners, Amec Foster Wheeler
 - Financial Advisor: EllisDon Capital Inc, STRABAG Inc.

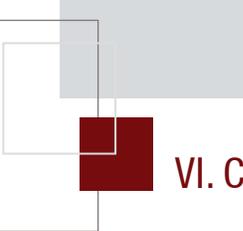
▶ Design and Construction Phase

vi. Design and Construction Phase | 2018 – 2021

- ▶ The design phase began December 14, 2017, with construction to commence in February 2019 and will be carried out in accordance with the project agreement and the builder's schedule as approved by the Sponsors.
- ▶ During the construction period, the builder's construction costs will be funded through their own equity, bond and lending arrangements, which will be paid in monthly installments based on the construction program set out by TTP.
- ▶ Project construction will be overseen by Metrolinx with IO providing contract management oversight.

vii. Payment

- ▶ TTP will receive substantial completion payment expected in July 2021.



VI. CONCLUSION

This report provides a project overview and summary of the procurement process for the Highway 401 Rail Tunnel project, and demonstrates that a VFM of \$23.1 million or 15.2% will be achieved by using the AFP approach compared to traditional delivery.

Going forward, IO, Metrolinx and TTP will continue to work together to ensure the successful delivery of the Highway 401 Rail Tunnel.



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Ms. Divya Shah
Senior Vice President, Transaction Finance
Infrastructure Ontario
777 Bay Street, 9th Floor
Toronto, ON M5G 2C8

02 January 2018

Dear Ms. Shah:

Re: Value for Money Project Methodology - Design Build Finance - 401 Tunnel Project

Ernst & Young Orenda Corporate Finance ("EYOCF") has reviewed the Value for Money ("VFM") assessment for the 401 Tunnel Project (the "Project") at the Financial Close stage. The analysis was prepared for Infrastructure Ontario ("IO") and the Project using the IO VFM analytical framework, which is generally consistent with approaches used in other jurisdictions.

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

1. The traditional delivery approach, as reflected in the Public Sector Comparator ("PSC") model; and
2. The Alternative Financing and Procurement ("AFP") model estimation of the total project costs, as reflected in the Successful Bid.

The VFM assessment as noted above was prepared using the following information (collectively the "Information"):

- i. A Risk Matrix developed for IO by MMM Group Limited and adjusted to reflect project specific risks; and
- ii. Construction and other cost estimates as reflected in the Successful Bid. Other VFM model assumptions as provided by IO.

The cost information and underlying assumptions were not independently audited or verified for accuracy or completeness.

The results of the VFM assessment demonstrate an estimated VFM cost savings of 15.2% by using the AFP approach to deliver the Project in comparison to using the traditional delivery approach.

Yours sincerely,

*Ernst & Young Orenda
Corporate Finance Inc.*

ERNST & YOUNG ORENDA CORPORATE FINANCE INC.

Sent by Email (Michael.Inch@infrastructureontario.ca)

November 21, 2017

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

Attn: Mr. Michael Inch
Vice President, Procurement

**Re: RER - Highway 401 Rail Tunnel on the Kitchener Corridor
Request for Proposal No. 16-498
Final Report by Fairness Monitor**

Dear Mr. Inch,

Lakeland Consulting Inc. (“Lakeland” or “Fairness Monitor” or “we”) has been engaged by Infrastructure Ontario (“IO”) in the capacity of Fairness Monitor, monitoring the Sponsors conduct during the procurement process to ensure that an open and transparent procurement process is followed. The Fairness Monitor also sought to guarantee that Proponents are treated fairly and that process remained confidential and free from conflict of interest whilst ensuring that the evaluation criteria and procedures are applied in a fair, objective and consistent manner.

The Highway 401 Rail Tunnel Project comprised of the construction of a further tunnel under Highway 401/409 to accommodate two tracks, future signaling and communications infrastructure. Replacing footings of retaining walls that support the ramp from eastbound Highway 409 to eastbound Highway 401. Infrastructure Ontario, collaborating with Metrolinx, is leading the procurement of the Highway 401 Rail Tunnel, which is being delivered using IO's Alternative Financing and Procurement (AFP) model.

As Fairness Monitors, Lakeland provided procurement oversight throughout the Request for Qualification (“RFQ”) and Request for Proposal (“RFP”) stages to ensure that the fairness requirements are achieved at all stages. Lakeland has reviewed and advised on RFQ & RFP

documents (draft and updated), as well as all project communications including Request for Clarifications (“RFC”), Request for Information (“RFI”) and Notices. Below is our Fairness Report Card which provides a summary of the Fairness Monitors’ activities as recorded.

Fairness Report Card

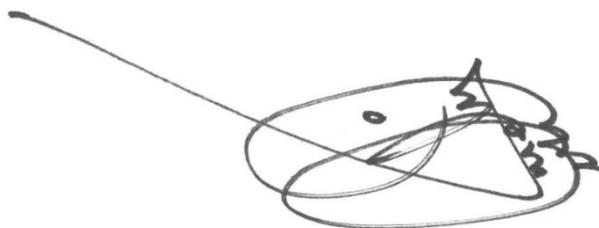
Item	Events attended, processes monitored and documents reviewed	Fair	
		Yes	No
1	Review of RFP documentation including revisions & addenda	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2	Review of Q&A, Notices, RFI’s and RFI Responses	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3	Site orientation and inspection meetings	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4	Key Individual Changes – Consensus & Evaluation Committee meetings	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5	Commercially Confidential Design Presentation Conferences	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6	Commercially Confidential Project Agreement & Insurance Conferences	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7	Commercially Confidential Output Specification Conferences	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8	Proponents’ Ad hoc meetings (commercially confidential)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9	RFP Evaluators’ Orientation – Financial & Technical guidelines	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10	Financial Evaluation Consensus meetings	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11	Evaluation Committee –review & approval of Technical Consensus	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12	Technical Evaluation Consensus meetings	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13	Evaluation Committee – Review & approval of Financial Consensus	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Therefore, as Fairness Monitors for the RER 401 Tunnel Project (RFP 16-498), it is our professional opinion that the entire procurement process was carried out in accordance with the Project RFQ and RFP, constantly observing the principles of fairness, openness, transparency and consistency throughout. Moreover, we are satisfied that all fairness issues were addressed and closed as required.

Sincerely,
 For and on behalf of
Lakeland Consulting Inc.



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