



Ontario
Infrastructure Ontario

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Jeffrey Plant
MBA, P.Eng., PMP, CVS, CQA
Vice President – Civil Infrastructure

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Infrastructure Ontario (IO)

- Crown corporation responsible for building, managing, financing, and enhancing the value of Ontario public assets
- Supports Ontario's position as a North American leader for infrastructure delivery and innovation
- Provides value and exceptional service to its customers



Ontario's long-term infrastructure plan

2004 - the Government of Ontario sought an alternative to traditional methods of infrastructure project delivery, examining methods used by other jurisdictions to address its infrastructure deficit.

2004 - the Government publically commits to Ontario's first long-term infrastructure plan, signaling to the market provision of a steady pipeline of infrastructure projects.

2005 - the Government establishes Infrastructure Ontario, applying a made-in-Ontario approach to financing and managing large, complex infrastructure projects.

Building a Better Tomorrow Framework (2004)

Ontario's framework for planning, financing, and procuring public infrastructure is guided by five principles meant to address lessons learned in Ontario and in other jurisdictions:

- The public interest is paramount
- Value for money must be demonstrable
- Appropriate public control/ownership must be preserved
- Accountability must be maintained
- All processes must be fair, transparent, and efficient

ReNew Ontario (2005-2010)

Ontario's five-year infrastructure plan invested \$30 billion in health care, justice, post-secondary education, and transportation projects.

IO's business lines

Infrastructure Development

- Manages planning, design, and delivery of major public infrastructure projects

Real Estate and Land Management

- Manages the Ontario government's real estate portfolio, the second largest and one of the oldest real estate portfolios in Canada

Lending

- Dedicated to providing financing solutions to help public sector clients renew infrastructure across Ontario

Commercial Projects

- Acts as an internal advisor to government clients to help generate revenue, reduce costs, and create efficiencies in how public services are delivered

How are projects assigned to IO?

- The Ministry of Economic Development, Employment and Infrastructure (MEDEI), in consultation with other government ministries, determines the infrastructure renewal budget.
- The ministry also identifies which projects will be assigned to IO or to a provincial ministry.
 - After projects are approved by Cabinet, IO receives a Letter of Direction from the Minister to confirm the projects, including construction start and total project budget.
 - IO works in partnership with its client ministries to manage the projects.



What sets IO apart?

There are four key differences that set IO aside from other similar agencies around the world:

1. Infrastructure Ontario was created with the authority to execute delivery
 - Acts on behalf of the government on projects (i.e., signs project agreements)
 - Stable track record of delivery and a pipeline of future projects provides certainty to the market
 - Always reserves the right to terminate contract
2. IO was formed outside the public service
 - Organization must abide by public sector guidelines, but leverages private sector expertise
3. IO's project delivery does not include core public services
 - Services relate to the asset (i.e., HVAC, elevator repair, cleaning)
 - Protects the rights of unionized workers
4. IO uses an availability-based Alternative Finance and Procurement project model
 - Has a better risk profile than revenue-based P3 models

Alternative Finance and Procurement (AFP)

AFP is a modern approach for procurement and project management of large, complex public infrastructure projects

- Uses performance-based contracts to ensure the government receives full value of the asset before the contractor is compensated
- Contractors arrange own financing which transfers risk; lender oversight can help drive performance
- Proven model for government to deliver infrastructure projects in a way that protects the public interest
- Economic benefits include local job creation, improved quality of infrastructure, and increased access to programs and services



Results by the numbers

Infrastructure

- 40 projects substantially completed (>\$7 Billion)
- 21 projects under construction (~\$7 Billion)
- 28 projects in procurement or planning (>\$10 Billion)

Real Estate Management and Development

- ~5,100 buildings under management
- ~152,000 acres of land overseen
- \$1.14B annual operating budget includes AFP assets
- \$390M actual in gross revenue from dispositions of realty assets over last six years

Lending

- \$6.48 billion in loans advanced to more than 360 broader public sector entities

(As of October 2014)

AFP completed projects



Elgin County Courthouse

The new building consolidated within one modern facility St. Thomas's two existing courts: the Superior Court of Justice and the Ontario Court of Justice.

Project Type: DBFM - Design Build Finance Maintain

Price of Contract: \$249 million

Estimated Value for Money: \$27.1 million



Bridgepoint Health

The new hospital creates a "campus of care," integrating patient care, research, and teaching in complex chronic disease and disability.

Project Type: DBFM - Design Build Finance Maintain

Price of Contract: \$622 million

Estimated Value for Money: \$95 million



OPP Modernization

The project involved the construction of 18 new Ontario Provincial Police detachments, regional headquarters, and forensic identification services units in 16 communities across Ontario.

Project Type: DBFM - Design Build Finance Maintain

Price of Contract: \$292.7 million

Estimated Value for Money: \$51.3 million

AFP completed projects



Pan American Aquatics Centre, Field House and Canadian Sport Institute Ontario

High-performance aquatics and athletics facility constructed on the University of Toronto Scarborough Campus for the Toronto 2015 Pan/Parapan American Games.

Project Type: DBF - Design Build Finance

Price of Contract: \$158.8 million

Estimated Value for Money: \$28.3 million



Union Pearson Express

The project provided a three-kilometre rail line extension to the Air Rail Link and a new passenger station at Terminal 1 of Toronto Pearson International Airport.

Project Type: DBF - Design Build Finance

Price of Contract: \$128.6 million

Estimated Value for Money: \$19.7 million

Delivering social and economic benefits



Infrastructure projects directed by IO are delivering social and economic benefits across Ontario:

- **Delivering the province's largest expansion of health care facilities since the 1960s**
 - over 35 hospitals and health care related facilities providing 16 million square feet of new and modernized space
- **Improving access to justice and providing more efficient policing and correctional infrastructure**
 - Five consolidated courthouses, 18 OPP facilities, two detention centres
- **Improving the movement of people and goods into and across Ontario**
 - Highway 407 extension, Union Pearson Express, Light Rail Transit projects in Toronto, Ottawa and Waterloo
- **New high-performance athletics and community recreation facilities**
 - 2015 Pan/Parapan American Games Athletes' Village and competition venues

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Looking ahead: Ontario's 10-year infrastructure plan

Ontario Budget 2014 commits to invest more than \$130 billion in infrastructure over the next 10 years.

- Delivering more infrastructure projects through the AFP model.
- Dedicating funding to make nearly \$29 billion available over the next 10 years for transportation infrastructure.
- Investing a total of \$2.5 billion in 2014–15 for highway rehabilitation and expansion projects across the province.
- A commitment of \$1 billion to develop strategic transportation infrastructure in the Ring of Fire and unlock the North's economic growth and jobs potential.
- An investment of more than \$11 billion in modernizing elementary and secondary schools over the next 10 years.
- More than \$11.4 billion in major hospital expansion and redevelopment projects over the next 10 years.



**BUDGET DE L'ONTARIO
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