



Public-Private Bulletin

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Federal Government to Procure Major Security Headquarters Building as PPP



On May 14, 2009, the Honourable Peter MacKay, Minister of National

Defence and Minister for the Atlantic Gateway, announced a security infrastructure project to be procured as a PPP. It will house the operations of Communications Security

Establishment Canada (CSEC), which provides foreign signals intelligence as well as the protection of electronic information and communications for the Government of Canada.

At the announcement, the Honourable John Baird, Minister of Transport, said: "This project in Ottawa represents an estimated \$880 million capital investment by the Government of Canada."

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France & UK Provide Guarantees and Loans for Public-Private Partnerships

UK's PFI Lending Initiative

On March 3, 2009, the UK Treasury announced a government lending initiative to help safeguard its Private Finance Initiative (PFI) project pipeline in the context of the credit crunch. Under the initiative, the UK government will lend alongside the private sector to projects that would otherwise fail to reach financial close.

The program is implemented by the newly-established Treasury Infrastructure Finance Unit (TIFU). The unit, which is headed by Andy Rose from Partnerships UK, operates at arm's length from government and is funded from departmental budget surpluses. TIFU

is expected to lend up to \$3.5 billion (£2 billion) in 2009 and 2010.

Treasury lending will be on commercial terms and is intended to supplement and not replace private sector lending. If necessary, TIFU would be able to provide up to 100% of senior debt to a project, but the expectation is that TIFU lending will be less than 50% of the requirement in most cases. TIFU loans will eventually be sold to the private sector, once market conditions improve.

The first project to receive TIFU funding was the \$6.8 billion (£3.8 billion) Greater Manchester Waste PFI, which received a

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“Security Headquarters” from Page 1

The “Advance Notice to Vendors” was posted on MERX on May 20, 2009 detailing the intent to procure the building under a design-build-finance-maintain (DBFM) approach for 30 years. Proponents will be required to develop a LEED Gold certified facility comprising 72,000 square metres of office, support and special purpose space, together with associated site development and infrastructure requirements.

The facility will be split into two main functions:

- Office – will accommodate management and office administrative functions.
- Special Purpose Space – areas required for special operational functions that include a data centre,

electronic labs, computer rooms, fabrication shops, secure areas, and other normal functions associated with a large facility such as loading docks, building entries, cafeterias, security, etc.

A mandatory requirement for bidders is that at least one member of the development team must possess Facility Security Clearances (FSC) at the level of “secret” with approved Document Safeguarding Capability (DSC) at the level of “secret” at the time the RFQ is issued, expected in fall 2009. Other team members who want access to classified information, assets or sensitive work sites to respond to the RFQ will be required to have valid personnel security screening. **Note that these security clearances can take from six to nine months to obtain, so**

interested bidders need to begin the application process as soon as possible.

It is not yet certain the degree of security clearances required for the RFP and preferred proponent stage, but they are likely to be more comprehensive. The agency responsible for the procurement is Defence Construction Canada (DCC). Bidding firms must be sponsored by a federal government entity in order to apply for security clearance. DCC can sponsor firms wishing to apply for security clearance on this project.

For more information on the “Advance Notice to Vendors” go to the MERX website at www.merx.com (search on “Advance Notice”). For information on obtaining security clearances, go to the Defence Construction Canada website at: www.dcc-cdc.gc.ca/english/contractors_consultants.html.

“France & UK Provide Guarantees and Loans” from Page 1

\$214 million (£120 million) loan from the new unit.

For more information, go to the TIFU website at: www.hm-treasury.gov.uk/ppp_tifu_index.htm.

France’s PPP Stimulus Plan

On December 4, 2008, the French government announced a \$41 billion (€26 billion) stimulus plan (“plan de relance”). The plan focuses on infrastructure to stimulate the economy and contains several initiatives aimed at supporting PPPs.

A key component of the plan is the Government Guarantee program, which will provide up to \$15.8 billion (€10 billion) in partial guarantees for PPP projects. The French PPP unit, MAPPP, is expected to

finalize the details of the guarantee scheme in the second quarter of 2009, but some details are known at this stage.

The state guarantee will be limited to a maximum of 80% of the total financing requirement for any given project. Only PPP contracts that are finalized by December 31, 2010 are eligible. The guarantee will potentially also be available to existing project refinancings.

The guarantee scheme is complemented by a loan program and regulatory changes to the PPP framework. The loan element will be implemented through a revised mandate of the state-backed Caisse des dépôts et consignations (CDC) allowing it to provide up to \$12.7 billion (€8 billion) in loans to infrastructure projects and PPPs, up to a maximum of 25% of total project cost. One of the key regulatory measures is the relaxation of the requirement for bidders

to submit firm financial commitments with the final bid, which is intended to improve liquidity in the market by ensuring that scarce capital is not tied up in competing bids. Accordingly, the financial terms of a PPP agreement only have to be finalized at the preferred proponent stage by the winning bidder. This measure is only temporary for procurements launched in 2009 and 2010.

For more information, go to the plan de relance website at: www.relance.gouv.fr/index.php.

An Interview with Alberta Infrastructure on Its P3 Schools

CCPPP conducted an interview with representatives from Alberta Infrastructure on their two P3 school bundles – Alberta Schools Alternative Procurement (ASAP) Phase 1 & 2 – to find out how the program has evolved and what is expected to change in the latest bundle. Phase 1 began construction in November 2008. It includes 18 new schools (K-4, K-6 and K-9) in Edmonton and Calgary under a DBFM model for 30 years. The Request for Qualifications for Phase 2 was due June 9, 2009. It includes 10 new schools in Edmonton, Calgary, Okotoks and Langdon. The qualified shortlist to proceed to the Request for Proposals stage is scheduled to be announced on June 30, 2009.

These are the first P3 school to be procured in Canada as a bundle since Nova Scotia launched its program in 1997 with 39 schools. Since then, New Brunswick has completed two P3 schools and is in the process of procuring a middle school and elementary school.

The representatives interviewed from Infrastructure Alberta were Vince Farmer, Project Director, ASAP Phase 2 and John Gibson, Senior Director, ASAP Projects.

What stage of construction are the Phase 1 schools currently in? At this point, are they still on schedule?

ASAP 1 schools are more than 30 per cent complete. We are on schedule to deliver 18 schools in Edmonton and Calgary by September 2010.

How has the core school concept helped or hindered the PPP procurement process (e.g. long term maintenance, pricing)?

The use of core school designs provided advantages related to cost-effectiveness and efficiency including reduced design and construction time, savings in maintenance, renewal and plant operation costs, and economies of scale.

Both ASAP 1 and ASAP 2 are DBFMs. Was there any consideration in the second group to include non-educational operations?

The first project was well accepted as a DBFM. All ASAP 1 and 2 schools will be owned, controlled and operated by the school boards. Use and access to the new schools will be managed like existing Alberta schools.

You are putting ASAP 2 out with both DBFM for 10 projects and DB for four of the projects. What was the rationale for not bundling all in the DBFM group? What in particular about the high schools lent themselves more to a DB model?

It is important to ensure that the ASAP 2 project would be of interest to industry and provide value for Alberta's taxpayers. The Alberta government's rigorous evaluation process demonstrated that a change in approach - bundling the schools into two smaller packages - would result in best value for money and create a broad appeal to industry.

Analysis determined it would be more effective to deliver the four high schools bundled together using a design-build approach. The high schools are not true core schools due to site and program requirements so they lent themselves to

being bundled as a separate package. Rather than issue two DBFM procurements at the same time, it was decided to deliver the high school bundle as a design-build that would still result in the benefits of economies of scale.

Would the same proponents on the DBFM bundle be eligible to bid on the DB bundle? Would you foresee economies of scale if the preferred proponent were the same?

Yes, proponents will be allowed to bid on both. Both projects are of a scope that economies of scale are available. It is unlikely that greater economies would be achieved if the preferred proponent was the same for both bundles.

In the Phase 2 RFQ, you are soliciting feedback from the industry on improving the "marketability" of Phase 2. What kinds of changes do you anticipate for the Phase 2 financing compared with Phase 1? (e.g. weightings, risk allocation, partial funding, etc.)

We are expecting that there may be suggestions related to close period, refinancing risk, improving "financeability", etc.

Are there other procurement/contract changes you anticipate based on experience from Phase 1?

Not many. We are expecting to reduce permitting risk; we are making the provincial contribution as progress payments; and the technical compliance will be complete prior to financial submission.

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How many respondents did you have to the Phase 1 RFQ? What kind of market interest do you anticipate for this phase? Looking for new entrants?

There were four respondents to the Phase 1 RFQ. We anticipate a significant market interest. We expect several new entrants to Alberta's social infrastructure market.

There was some public resistance to the first bundle of P3 schools. Are you seeing any of that with Phase 2?

We have heard little concern with Phase 2. Concern with Phase 1 centred mostly on whether the approach would show value for money, and it did. Based on this success and government's rigorous evaluation that showed positive results and

value for money can be achieved, we are moving forward with this second P3 schools project. The school boards within the six Alberta communities receiving the 14 ASAP 2 schools have worked closely with government on the project.

For more information on the ASAP schools, go to: www.education.alberta.ca/departement/ipr/p3project.aspx.

Export Development Canada to Provide Domestic Surety Credit, Contract Guarantees

In Budget 2009, the Federal Government broadened Export Development Canada's (EDC) mandate for two years to include domestic financing and insurance. Shortly after March 12, 2009, when the new powers came into law, EDC announced that it would be able to facilitate up to \$1 billion in domestic surety credit, up to \$1 billion in contract guarantees and up to \$1 billion in credit insurance in 2009. The approach for this announcement will be for EDC to:

- Provide re-insurance to the private sector credit insurance industry and to bring additional capacity to the surety industry;
- Provide re-insurance to bring additional capacity to domestic credit insurers; and,
- Participate in loans and loan guarantees in the domestic market to assist companies facing challenges raising sufficient credit through its participation in the Business Credit Availability Program.

EDC's domestic activities will focus on creditworthy companies active in a wide range of sectors including transit, transportation, mining, resources,

light manufacturing, information and communications technology (ICT), infrastructure (including public-private partnerships), and environmental services.

EDC will not provide financing for social infrastructure projects such as hospitals, court houses and jails as they are primarily provincial jurisdiction or are supported by other economic stimulus programs. However, social infrastructure will be eligible for support under EDC's surety and bonding programs. Co-financing opportunities will be reviewed on a case by case basis and EDC does not plan to set up a specific program.

With respect to the domestic bonding programs, EDC's support will be available on new transactions for up to a maximum of 50 per cent, on the basis of risk sharing with the surety partners. To be eligible, companies must be an existing client of the surety and have pre-qualified for support for a particular project. The domestic guarantee program will expand the capacity of companies to issue bond and performance-related guarantees (e.g. progress payments, performance, labour and material, warranty and supplier payment guarantees). EDC will enable a

financial institution to forgo the collateral usually required from a company to post a performance or payment guarantee by offering 100 per cent protection for the financial institution's exposure.

EDC's \$1.0 billion facility for bonding and contract guarantees is going to greatly assist the contractors in providing the requested securities in connection with PPP projects. Contractors on PPP projects are finding it more and more difficult to find bonding capacity and lines of credit since the support packages on PPP have tended to be more extensive in the recent past. For the smaller contractors or larger PPP players, the two programs will increase their ability to pursue more or larger projects.

With respect to domestic credit insurance, EDC will also add some \$1 billion in new capacity to the domestic market by providing re-insurance of domestic receivables to Canada's private credit insurers such as AIG Commercial Insurance Canada, Atradius, Coface, Euler Hermes Canada, Executive Risk Insurance Services and The Guarantee Company of North America. Insurance requirements are typically fairly large on PPP projects and so the expanded capacity will be welcomed by contractors and concession operators.

For more information, go to: www.edc.ca.

New York State Commission Recommends Projects for PPP and Creation of Board to Review & Implement Projects

The New York State Commission on Asset Maximization submitted its Final Report to Governor David A. Paterson on June 1, 2009, containing 27 major recommendations on potential PPP projects as well as a Board to screen, oversee and implement them. The report outlines a framework for identifying future asset maximization projects, assessing their value, and ensuring the protection of public policy throughout. The Commission also identified several labour and environmental protections that should be considered in every asset maximization project.

“In the midst of these economic challenges, we must now, more than ever, make long-term investments to spur economic growth

and think creatively about innovative ways to enhance the performance of vital infrastructure assets,” said Governor Paterson.

The Governor created the Commission in October 2008 to examine how asset maximization could benefit the state and the potential role for PPP.

The report recommended that the Board develop a framework to assess the merits of proposed PPPs and ensure that labour, environmental and value-for-money considerations are addressed consistently.

The 27 recommendations included in the report span six asset classes, including transportation, social infrastructure, higher

education, energy, information technology and underutilized property. The pilot projects were selected for PPP based upon the spending need addressed, cost savings delivered, the private sector’s ability to partner, and the project’s regulatory and political feasibility. It is believed that each of the projects could be delivered faster than conventional projects by utilizing the alternative financing and procurement approaches presented in the Report.

For a copy of the report, go to the Commission’s website at: www.nysamcommission.org.

2008 Award Case Studies Highlight Recent Outstanding Transportation & Hospital PPPs

The projects featured in the latest edition of the Award Case Studies reflect the most active areas of P3 in Canada today – transportation and hospitals – and are a testament to the role P3 plays in a wider program of infrastructure development that began long before the current economic slowdown.

Readers will find a greater level of detail in this edition, with very thorough reviews of financing arrangements, clarification of financing terminology and contract terms.

Included in the 2008 publication are the following case studies:

- **Autoroute 30 (Montréal), Québec**
- **Northwest Anthony Drive, Alberta**

- **William R. Bennett Bridge, British Columbia**
- **Abbotsford Regional Hospital & Cancer Centre, British Columbia**
- **Highway 407 ETR, Ontario**

These projects are currently or will soon be providing substantial benefits to their local and regional communities across the country. They are alleviating traffic congestion sooner in growing urban areas (Montreal, Toronto, Kelowna, Vancouver) and reducing hospital waitlists in the Abbotsford, BC area. They are providing several national and international “firsts”, including the only floating bridge in the country (William R. Bennett Bridge), the first hospital to achieve LEED Silver standard

(Abbotsford Regional Hospital & Cancer Centre) and the world’s first all-electronic open-access toll highway (Highway 407 ETR). And finally, they are providing value for money not just through cost savings, but also through a fixed price, expedited construction, lifecycle management and optimal risk allocation.

The 145-page publication has been distributed free to CCPPP members. Additional copies may be purchased at the member rate of \$49.95 or by non-members for \$79.95 each.

Please fill out a publication flyer available on the website at www.pppcouncil.ca/pdf/pubflyer.pdf or contact the CCPPP offices at (416) 861-0500.

Early Registration Available for P3 2009 December 3 & 4, 2009 - Toronto

Registration is now available for CCPPP members to attend the 2009 Annual CCPPP National Conference on Public-Private Partnerships and 2009 National Awards Dinner. As the single most influential P3 event in Canada, over 1,000 people participated in the 2008 Conference and National Awards Dinner.

Take the opportunity to meet with your colleagues from across Canada, the USA and Europe to get insider knowledge of domestic and international P3. In the rapidly-changing market of 2009, CCPPP members will be updated on all strategies being used and considered to counter the uncertainties in the credit markets.

The conference regularly sells out, so we encourage you to take advantage of the early registration for CCPPP members so you won't be disappointed. The registration form is posted on the CCPPP website at: www.pppcouncil.ca/pdf/p32009_regform_early.pdf.

An In-Depth Discussion of the State of Canadian PPP at a Time of Credit Uncertainty

Wednesday, June 24, 2009 8:30 – 10:00 a.m.

Sutton Place Hotel (Versailles Ballroom) - 845 Burrard Street, Vancouver

\$40 for CCPPP Members

A light breakfast will be available

Over 20 PPP projects are currently in procurement or entering the pipeline in the next two years. CCPPP has assembled a group of sponsors, lenders and arrangers to discuss the current state of the PPP market and their thoughts on the ability of the market to meet the capacity both for equity and debt commitments during this period.

Moderator:

Tim Philpotts, Senior Vice President, Leader Infrastructure Advisory,
Ernst & Young Orenda Corporate Finance Inc. and Director, CCPPP

Panellists:

Bert Clark, Managing Director, Global Infrastructure Finance, Bank of Nova Scotia / Scotia Capital Inc.

André Dufour, Vice President, SNC-Lavalin Investment

Cliff Inskip, Managing Director, Debt Capital Markets, CIBC World Markets

Peter Hepburn, Managing Director, Energy & Infrastructure, Canada, CIT Financial Ltd.

Nicholas Hann, Executive Director, Macquarie Capital Markets, Canada Ltd. & Director, CCPPP

Peter O'Neill, Senior Vice President, Global Project Finance, Bank of Ireland

Paul Dunstan, President, Plenary Group

John McArthur, President & CEO, Bilfinger Berger Project Investments Inc.

CCPPP hosted a similar event on April 21, 2009 in Toronto, with over 300 members attending.

Space is limited, so register soon!

For more details and the registration form, go to: www.pppcouncil.ca/events.asp.

2009 Award Applications Now Available



CCPPP is now accepting applications for the 2009 Awards for Innovation and Excellence in Public-Private Partnerships. Recent Canadian projects are awarded based on project financing, service delivery, infrastructure or other innovative attributes, which result in enhanced quality of public services and facilities.

Projects considered for an award must meet three basic requirements:

1. The project must be one that is typically overseen by the public sector

and one that the public sector would have done traditionally, had it not used a PPP solution. Projects that do not fit into a government's normal activities are not considered public-private partnerships; and

2. The project must demonstrate the transfer of risk; and
3. The project must demonstrate innovation and/or excellence in its sector.

All nominated projects must have achieved particular benchmarks based on the eligible category:

- **Project Financing Award:** Projects must have achieved Financial Close.
- **Infrastructure Award:** Projects must have achieved Substantial Completion.
- **Service Delivery Award:** Projects must have been fully operational for

at least one year as of the date of entry submission. Exceptions may be considered for projects with a seasonal use or typical start up period such as a fall opening of a school project.

- **Other Award:** Projects which meet all pre-considerations for submission but do not readily fit into the Project Financing, Infrastructure and Service Delivery categories.

The deadline for applications is Tuesday September 15, 2009 at 12:00 noon EDT. Awards will be announced and presented at a dinner on December 3, 2009, at the annual National Conference hosted by The Canadian Council for Public-Private Partnerships and its co-sponsors at the Toronto Hilton Hotel. Winning partnerships may be published as case studies, and will also be advertised through press releases and media coverage.

To download an application, go to the CCPPP website at: www.pppcouncil.ca/nationalAwards.asp.

Government Appoints Directors for PPP Canada Inc.

The Honourable Jim Flaherty, Minister of Finance, announced the appointment of three directors to PPP Canada Inc., the Crown corporation responsible for promoting PPPs involving the federal government. **Jacques Lamarre**, the former President and Chief Executive Officer of SNC-Lavalin Group Inc., and **Anthony Comper**, the former Chairman of BMO Financial Group, have been appointed for three years. **Carol Diane Pennycook**, law partner at Davies Ward Phillips & Vineberg, has been appointed for a two-year term.

Minister Flaherty said: "I am pleased to name such a distinguished group of Canadians to the board of PPP Canada." He added: "Together, they have the wealth of expertise required to establish the public-private partnerships that will help meet Canada's infrastructure challenges. Their contribution will help provide the economic growth and stimulus Canada needs now."

PPP Canada Inc. was established in February 2008. Gregory K. Melchin, former Alberta cabinet minister, is currently the Chair of PPP Canada Inc. and John McBride, former CEO of the Canadian Commercial

Corporation, is CEO. The agency is developing the criteria required to receive funding and is expected to begin taking applications for the \$1.25 billion Public-Private Partnerships fund in the coming months.

For biographical notes on the three new directors, go to the Ministry of Finance website at:

www.fin.gc.ca/n08/2009-046-eng.asp.

CCPPP Developing Online Database of Canadian PPP Projects

CCPPP is in the process of developing a comprehensive online database of Canadian public-private partnerships, which will be available solely to CCPPP members and Canadian government departments/agencies. The online tool will allow users to search and sort as well as produce graphs using a variety of criteria (e.g. sector, capital cost, jurisdiction, model). With up to 150

separate fields per project, depending on availability, the database will provide companies and governments with current information about PPP projects that are in procurement, under construction and operational at all levels of government in Canada. It will also assist CCPPP members to make strategic decisions about their PPP

projects based on current and historical data. Over the summer, CCPPP researchers Jeff Bowden and Christian Bauer will be collecting project information from a variety of sources. Any assistance from members to ensure the accuracy and timeliness of the data would be much appreciated.

News & Updates from Alberta

Shortlist Chosen for Next Phase of Calgary Ring Road

The qualified shortlist to submit proposals for the Stoney Trail Southeast project was announced by Alberta Transportation on May 19, 2009. The project involves the extension of Stoney Trail from 17 Avenue SE to the east side of the existing Macleod Trail interchange. It includes 25 kilometres of 6-lane roadway, 9 interchanges, 2 flyover railway crossings and 29 total bridge structures. Qualified proponents are:

- Chinook Partnership: SNC-Lavalin Inc. and Acciona S.A. (project leads); SNC-Lavalin Capital Inc. (finance); SNC-Lavalin Constructors (Pacific) Inc. and Acciona Infraestructuras S.A. (construction); Stantec Consulting Ltd. (design); SNC-Lavalin ProFac Inc. and Acciona S.A. (O&M)
- SEConnect: HOCHTIEF PPP Solutions North America Inc. and Macquarie Capital Group Ltd. (project leads); HOCHTIEF PPP Solutions North America Inc. and Macquarie Capital Group Ltd. (finance); Flatiron Constructors Canada Limited, Graham Building Services, and Ledcor CMI Ltd. (Joint Venture) (construction); AECOM

(design); Carmacks Maintenance Services Ltd. (O&M)

- Southeast Calgary Connector Group: Bilfinger Berger Project Investments Inc. (project lead); Bilfinger Berger Project Investments Inc. (finance); Kiewit Management Co. (construction); Parsons Overseas Company of Canada Ltd. (design); Volker Stevin Contracting Ltd. (O&M)

The southeast section is the second of Calgary's ring road to be procured as a design-build-finance-operate P3. The Stoney Trail Northeast project is currently under construction and is expected to be open to traffic by October 2009. The southwest section is in the planning stages and will also be considered for a P3.

The Stoney Trail Southeast proposals are due back in January 2010 and the preferred proponent is expected to be announced by March. *To view the news release and background, go to the Alberta Transportation website at:*

www.transportation.alberta.ca/2980.htm
(see release dated May 19, 2009).

News & Updates from BC

Preferred Proponent Selected for Fort St. John Hospital

ISL Health was announced on March 31, 2009 as the preferred proponent to design, build, finance and maintain a new hospital and residential care facility in Fort St. John, located in northeastern British Columbia. The facility will include a 161,000 square-foot, 55-bed hospital, a 123-bed residential care facility for seniors and an integrated services building for centralized food, laundry and material services. It will be situated on a 40-acre site and will be LEED Gold certified.

ISL Health consists of: Innisfree Limited; Acciona S.A.; Acciona Infraestructuras Canada Ltd.; Stuart Olson Constructors Inc.; Cannon Design; Health Care Projects (Canada); and ACML Management Western Limited. Final negotiations are currently underway.

For more information on the project, go to the Partnerships BC website at:
www.partnershipbc.ca (click on "Projects").

News & Updates from New Brunswick

Five Firms Shortlisted for Moncton & Rexton Schools

The New Brunswick Department of Supply and Services announced on April 15, 2009 the shortlisted companies eligible to submit proposals for the Moncton/Rexton P3 schools. The Eleanor W. Graham Middle School in Rexton will be a one-storey building with 13 classrooms, several special purpose rooms, a cafeteria/kitchen, gymnasium and native cultural centre. The Moncton North School will accommodate kindergarten to grade eight students, and will consist of 27 classrooms, several special purpose rooms, a cafeteria/kitchen and two gymnasiums. The companies shortlisted to design, build, finance, maintain and operate the schools are: Ashford Investments Inc. of Moncton; Integrated Team Solutions (ITS) Partnership (EllisDon Corp.) of Halifax; New Brunswick Schools Heritage (Pomerleau Inc.) of Dartmouth; Scotia Learning Centres Inc. of Halifax; and Springhill Construction Ltd. of Fredericton.

The Request for Proposals is due back June 30, 2009 and construction is expected to be complete for the 2010-2011 school year.

Shortlist Selected for Route 1 Gateway

The qualified proponents selected to advance to the RFP stage of New Brunswick's Route 1 Gateway project were announced on June 8, 2009. The project will include the design, construction and financing of a new highway between Murray Road (near Waweig) and Lepreau (approximately 55 kilometres), selected upgrades of the existing four-lane highway, and the operation, maintenance and rehabilitation of the entire four-lane

highway from St. Stephen to River Glade (approximately 235 kilometres). The Trans-Canada Highway P3 project that opened in 2007 was similar in scope, with a new construction component as well as operations and maintenance of existing sections. The New Brunswick Highway Corporation (NBHC), a Crown corporation of the Province, will be responsible for implementing the project and contracting with the successful proponent.

The qualified proponent teams for Route 1 are:

- New Brunswick Transportation Group: Dragados, S.A.; Iridium Concesiones de Infraestructuras S.A.; Miller Paving; AECOM; Gulf Operators; and Restigouche Construction
- The Dexter Team: Municipal Enterprises Ltd.; Dexter Construction Company Ltd.; MMM Group Ltd.; Thurber Engineering Ltd.
- The Brun-Way Group: SNC-Lavalin Inc.; Atcon Construction Inc.; A.D. Fiander Associates Ltd.; ADI Ltd.; Eastern Designers and Company Ltd.; Hillside Consulting Engineers Ltd.

The RFP will be released to the teams in June and construction is expected to start in spring 2010. *For more information on the project and the complete bidding team lists, go to the project website at: www.gnb.ca/0113/route1/index-e.asp.*

CCPPP Members Receive Free Trial to Infra-Americas Online Service

The publishers of Infra-Americas are offering a free 30-day trial to CCCC members, which provides news and research on infrastructure finance markets throughout North and South America. It focuses on greenfield and brownfield finance deals in the US, Canada and Latin America. The online service includes RFQ/RFP notices, project updates, corporate news, a market blog, feature articles, government & policy analysis and a comprehensive projects database tracking all major infrastructure transactions.

As a subscriber, you would benefit from:

- Latest industry news organised by sector, region or date;
- Access to a searchable news archive;
- Exclusive interviews with the key movers & shakers in the industry; and
- Expert analysis and opinion pieces on the issues and trends affecting the infrastructure market.

You can access the site at: www.infra-america.com. To order your free trial, contact Ken McAllister at: kmcallister@infra-research.com or call +44 (0)20 7033 3588.

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News & Updates from Ontario

Proposal Call for Capital Market Advisors on Ontario's First AFP Road Project – Windsor-Essex Parkway

Ontario's first Alternative Finance and Procurement (AFP) road project kicked off in May with the Request for Proposals (RFP) for capital market advisory services on the Windsor Essex Parkway project. The project, to be procured under a design-build-finance-maintain (DBFM) model, will provide a new access route to the proposed new Detroit River International Crossing (DRIC). The federal government has identified the crossing as a candidate for P3, and the environmental assessment is currently underway. The Parkway will

be a six-lane below-grade roadway, approximately 10 km long, with 11 tunnels, 15 bridges, 21 trail bridges, and four-lane municipal service roads which will be 7.5 km long in total, 240 acres of parkland and more than 20 km of new recreational trails. The advisors are expected to assist Infrastructure Ontario with: developing and evaluating the procurement documents; negotiations and financial close; and other services such as business case and project structure development. The RFP for advisors closed on June 5, 2009 and the timing of the full project procurement has yet to be determined. *For more information, go to the Infrastructure Ontario website at: www.infrastructureontario.ca (click on "Projects").*

Thunder Bay Courthouse, St. Joseph's Health Care (Hamilton) & St. Joseph's Regional Mental Health Care (London) Enter Market

Three new projects entered the AFP market in Ontario since the March issue of *Public-Private Bulletin*. The Request for Qualifications (RFQ) for the new **St. Joseph's Health Care** facility in Hamilton was open from March 24 to May 25, 2009. Infrastructure Ontario is seeking a consortium to design, build, finance and maintain (DBFM) a new hospital at the West 5th Street campus. The facility will provide mental health services as well as diagnostic imaging, medical outpatient services and research. A shortlist is expected to be announced in the next few weeks,

with an RFP to be issued to qualified teams in fall 2009.

Infrastructure Ontario issued an RFQ for the **Thunder Bay Consolidated Courthouse** on May 1, 2009. The new facility, to be located in downtown Thunder Bay, will consolidate a number of existing courthouse services in one location as well as increase the number of courtrooms available. The RFQ closes on July 2, 2009, with a qualified shortlist expected by fall 2009. This is Ontario's third courthouse project to be procured under the AFP program as a DBFM. The Durham Consolidated Courthouse in Oshawa is expected to open this fall and the Waterloo Region Consolidated Courthouse is currently at the RFP stage, with proposals due in Q4 2009.

The **St. Joseph's Regional Mental Health Care** projects in London and St. Thomas entered the market on June 1, 2009 with the release of the RFQ. Both regional mental health care (RMHC) facilities, to be procured under a DBFM model, will provide inpatient and outpatient services to individuals experiencing severe and persistent mental illness. The new RMHC London facility will be constructed adjacent to Parkwood Hospital in London. The new RMHC St. Thomas complex will be a forensic mental health facility built on the existing lands in St. Thomas. The RFQ is due back October 8, 2009, with a qualified shortlist expected to be announced by early 2010.

For more information on these projects, go to the Infrastructure Ontario website at: www.infrastructureontario.ca (click on "Projects").

Niagara Health System Project Breaks Ground

Following financial close on March 27, 2009, the Niagara Health System project in St. Catharines officially broke ground on April 28th. The new 375-bed hospital will be developed under a 30-year design-build-finance-maintain contract. It will support inpatient and outpatient services, a new cancer centre, a full range of acute inpatient and ambulatory services, a cardiac catheterization lab and longer-term mental health services. The facility will replace the St. Catharines General Hospital and the former Hotel Dieu Hospital. The proponent is Plenary Health, consisting of: Plenary Group; PCL Constructors; Bregman + Hamann Architects; Silver Thomas International Architects; Johnson Controls and LG. The total project cost is \$759 million net present value and is expected to reach substantial completion in November 2012. *For more information, go to the Infrastructure Ontario website at: www.infrastructureontario.ca (click on "Projects") or the Plenary Health website at: <http://nhs.plenaryprojects.com>.*

Qualified Proponents Announced for Forensic Services & Coroner's Complex

The three teams shortlisted to bid on the new Forensic Services and Coroner's Complex were issued the Request for Proposals on May 21, 2009. The complex, to be developed under a DBFM model, will house the Centre of Forensic Sciences, the Office of the Chief Coroner and the Provincial Forensic Pathology Unit on a six acre lot in Downsview. The new complex will accommodate increased capacity for more than 2,500 autopsies and 10,000

forensic science cases per year. In addition, housing the two agencies on one site will increase construction and operation efficiencies.

The qualified proponents are:

- Carillion Secure Solution: Carillion Canada Inc., Stantec Architecture, Ltd.; McClaren, Willis & Lawrie Inc.; Vanbots, a division of Carillion Construction Inc.; The State Group Inc.; The Univex Group of Companies; and BMO Capital Markets
- Integrated Team Solutions (ITS): EllisDon Corporation; Honeywell Limited (Canada); Parkin Architects Limited and Smith Carter Architecture and Engineers Incorporated (JV); Halsall Associates; Smith and Andersen Consulting Engineering; Crossey Engineering Ltd.; Geo A. Kelson Company Limited; Black & McDonald Limited; EllisDon Constructions; and Scotia Capital
- Justice Infrastructure Partnership (JIP): Bilfinger Berger; Perkins Eastman Black + Bregman Hamann Architects (JV); SNC Lavalin Inc. + Bondfield Construction Company Limited (JV); Hidi Rae Consulting + Crime Lab Design; Jones Lang LaSalle + HSG Zander (a subsidiary of Bilfinger) (JV); and Bilfinger Berger Project Investments Inc.

The RFP is due back in late 2009 and a preferred proponent is expected to be announced in early 2010. *For more information, go to the Infrastructure Ontario website at: www.infrastructureontario.ca (click on "Projects").*

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Shortlist Chosen for Women’s College Hospital Project

This project involves the design, construction, financing and maintenance of the new Women’s College Hospital on the current site in downtown Toronto, consolidating most hospital activities into one location. The three teams shortlisted to receive the RFP are:

- Women’s College Health Partnership: Innisfree/Acciona Infrastructure Canada/Aecon Concessions, Adamson Associates/Kasian Architecture, Acciona/Aecon, Angus Consulting Management Services Inc.
- Women’s College Partnership: Bilfinger Berger, Perkins Eastman Black/IBI, The Walsh Group/Bondfield Construction, Black & McDonald/HSG Zander
- Integrated Team Solutions: EllisDon/LPF Infrastructure Fund/Fengate, Parkin Architects/HOK Architects, EllisDon Construction, Honeywell Ltd.

The RFP will be released shortly to the qualified teams and a preferred proponent is expected to be announced by early 2010. *For more information, go to the Infrastructure Ontario website at: www.infrastructureontario.ca (click on “Projects”).*

News & Updates from Québec

Construction Officially Begins on Montreal Concert Hall

Construction on the much-anticipated Montreal Concert Hall officially began with a groundbreaking ceremony by Quebec Premier Jean Charest and Mme. Christine St-Pierre, Minister of Culture, Communications and the Status of Women on May 28, 2009. Also in attendance was Pierre Lefebvre, President & CEO of PPP Québec.

The 30-year DBFM project will provide a new acoustically-superior home for the Montreal Symphony Orchestra in the Place des Arts in Montreal. The private sector partner chosen to design, build, finance, operate and maintain the hall for 30 years is Groupe Immobilier Ovation, consisting of

SNC Lavalin, Diamond & Schmitt, Aedifica, Groupe Aecon Itée, Solotech and Gala Systems.

At the preferred proponent announcement on March 24, 2009, then Minister of Finance and Minister Responsible for Infrastructure, Mme. Monique Jérôme-Forget, said: “Through a public-private partnership, we will know exactly how much it will cost to build, operate and maintain before construction begins, which is an undeniable advantage in times of budgetary constraints.”

The total project cost will be \$259 million, which was within the province’s budget of \$266 million. Slated for completion by summer 2011, the hall will include 1,900 seats and accommodate 120 musicians and a choir of 200.

Construction Begins on Champlain Residential & Long-Term Care Centre

The Savoie Group, which signed a 25-year design-build-finance-maintain-operate agreement with the Ministry of Health and Social Services, began construction on the new residential and long-term care centre in Saint-Lambert on April 24, 2009. The Savoie Group, which operates several other facilities in Quebec, will also offer care and clinical services at the Champlain Centre. The project, valued at \$200 million, will provide 200 spaces for residents of the Montérégie region, and is expected to open its doors in late 2010.

For more information on these projects, go to the PPP Québec website at: www.ppp.gouv.qc.ca (click on “Projects”).



The Canadian Council for Public-Private Partnerships

1 First Canadian Place, 100 King Street W., Ste. 1600, Toronto, ON M5H 3Z7

Tel: 416.861.0500 Fax: 416.862.7661

Email: partners@pppcouncil.ca

Web: www.pppcouncil.ca