



Confederation Line
La ligne de la Confédération



CONFEDERATION LINE PROCUREMENT AS A PUBLIC PRIVATE PARTNERSHIP

Nancy Schepers
Deputy City Manager, Planning and Infrastructure
City of Ottawa





OVERVIEW

- Project Overview
- Business Case & Benefits
- Procurement Timelines/Process
- Procurement Governance
- The Successful Consortia
- Project Costs & Funding
- Observations

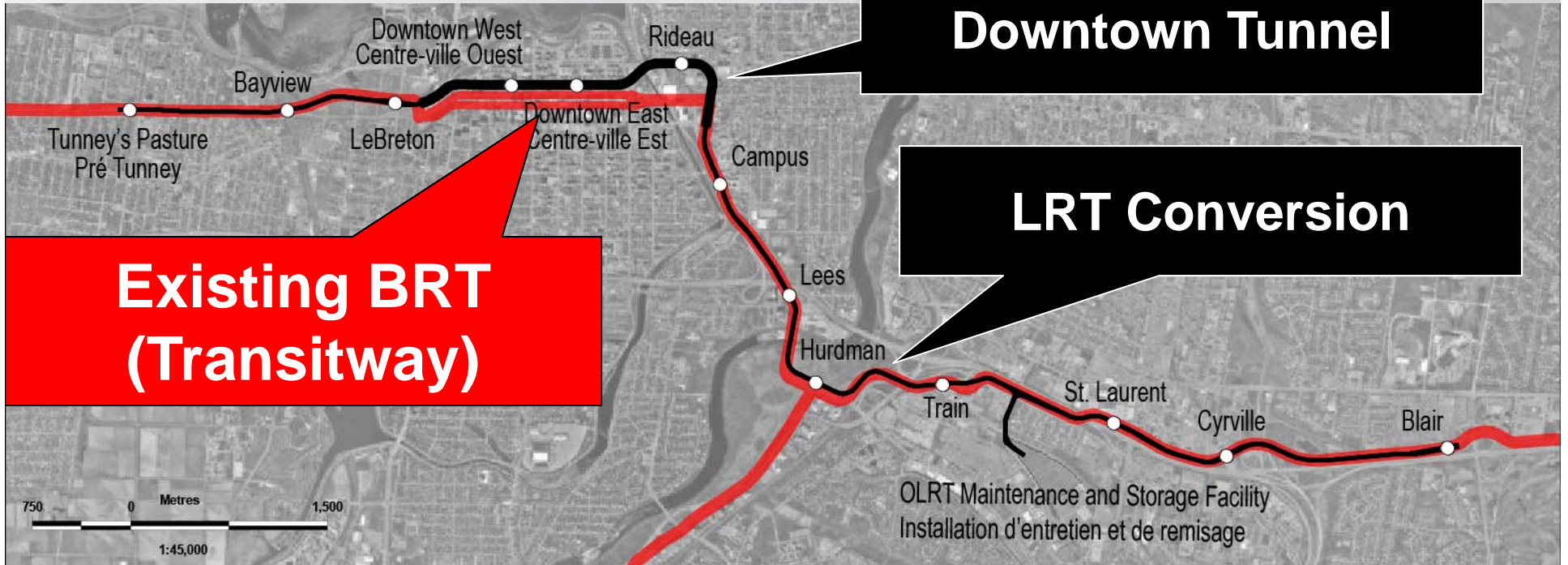


THE CHALLENGE



Confederation Line
La ligne de la Confédération

THE CONFEDERATION LINE



THE BUSINESS CASE

- Business Case prepared by Delcan in March 2010 as part of project EA
- Subsequently updated by MKI in 2011 to account for design changes
- Studies noted significant economic, environmental and transportation user benefits to the project



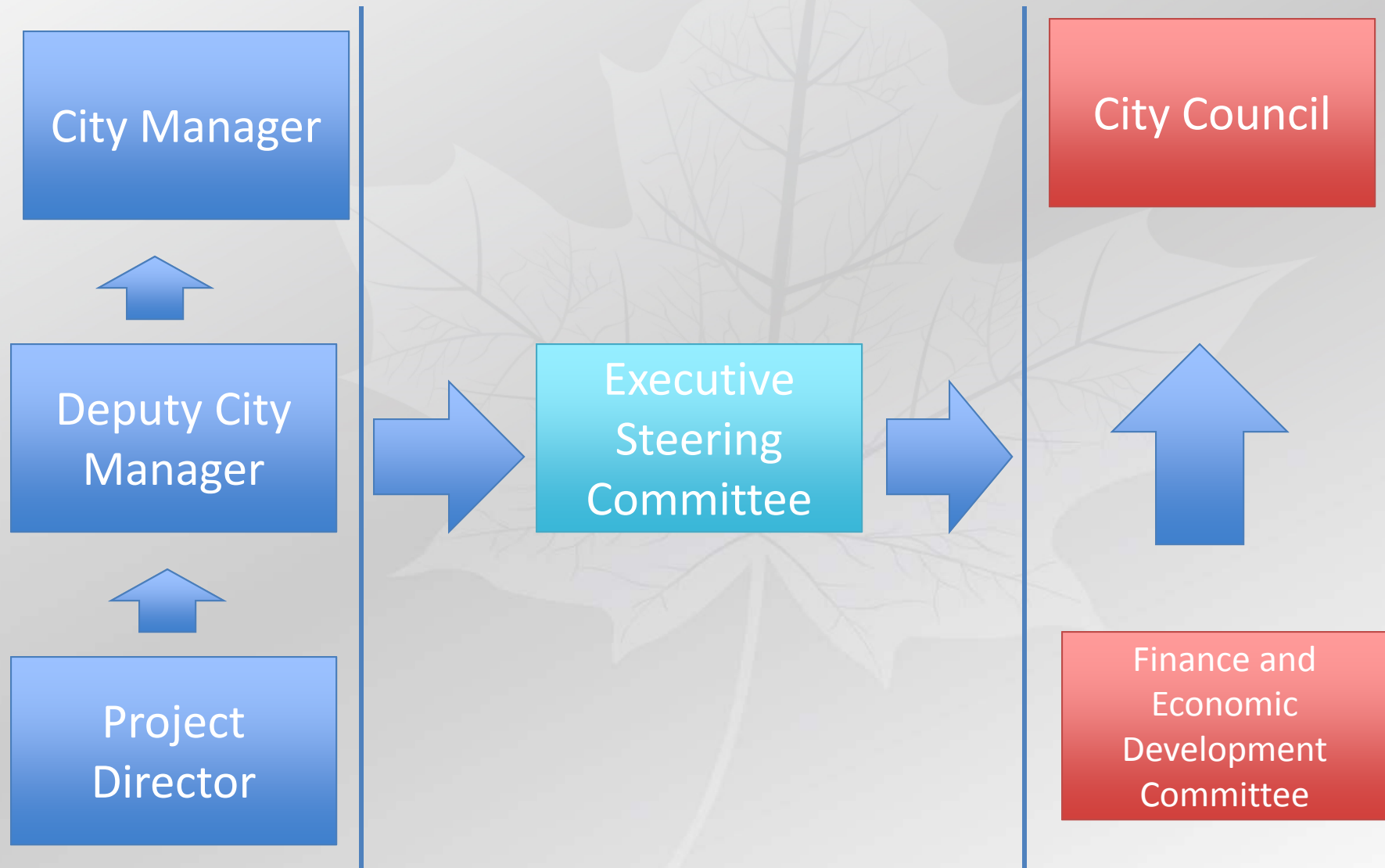


BENEFITS

- Train every 3:15 (potential to increase to every 1:45)
- Can meet City's projected ridership beyond 2031.
- 10 million litre diesel reduction per year
- Opportunity to reshape the downtown streetscape
- 3.2 billion in economic activity and 20,000 person years of employment during construction alone



PROJECT GOVERNANCE



CHOOSING P3 PROCUREMENT

- City of Ottawa had limited experience with P3 projects and had clear political direction to ensure on time/on budget performance with risk transfer
- This was further supported by the P3 screen required by the federal and provincial governments as a condition of funding
- Undertook an analysis with Deloitte of the various procurement models: DBFM on top for Ottawa's context
- Subsequently performed a VFM analysis



PROCUREMENT PROCESS

DESIGN

BUILD

FINANCE

MAINTAIN



Confederation Line
La ligne de la Confédération



VEHICLE PROCUREMENT

- During the RFQ phase respondents were not required to commit to a vehicle manufacturer
- One pre-qualified proponents were required to present possible vehicle manufacturer's for approval by City
- City's goal was to prequalify as many vehicles as possible while ensuring they met City's stringent weather and performance requirements
- This model ensured that no proponents were disqualified during RFQ phase for non-conforming vehicle



PROCUREMENT TIMELINES

Item	Timeline
Council Directive to Implement	January 2010
Preliminary Engineering Commencement	September 2010
Procurement Model Selection	May 2011
RFQ release	June 2011
Shortlist Selection	October 2011
RFP Release	October 2011
Submissions Received	September 2012
Submission Evaluation	September – December 2012
Council Approval of Winning Submission	December 2012
Financial and Commercial Close	February 2013





INCENTING PERFORMANCE

- The RFP was designed in sections to use financial incentives and disincentives to achieve desired outcomes:
 - **Operations matters** – examined the number of drivers needed to operate the system and the impact on the City's operating costs
 - **Mobility matters** – encouraged an approach to construction that minimized the number of lane closures on the Transitway as well as on roads
 - **Energy matters** – developed a long-term affordability and efficiency plan for the system as the City pays these energy costs





ENSURING MOBILITY

- Ottawa is one of the first cities in the world to convert high volume BRT to LRT
- In addition to ensuring mobility through the **mobility matters** portion of the P3, City has Partnered with national organization **WORKshift**
- Leverage **WORKshift's** experience and turnkey approach to alternate and remote work implementation and management.
- Targeted and up-to-date traffic and mobility information, communications and resources for both managers as well as employees to better manage their commutes

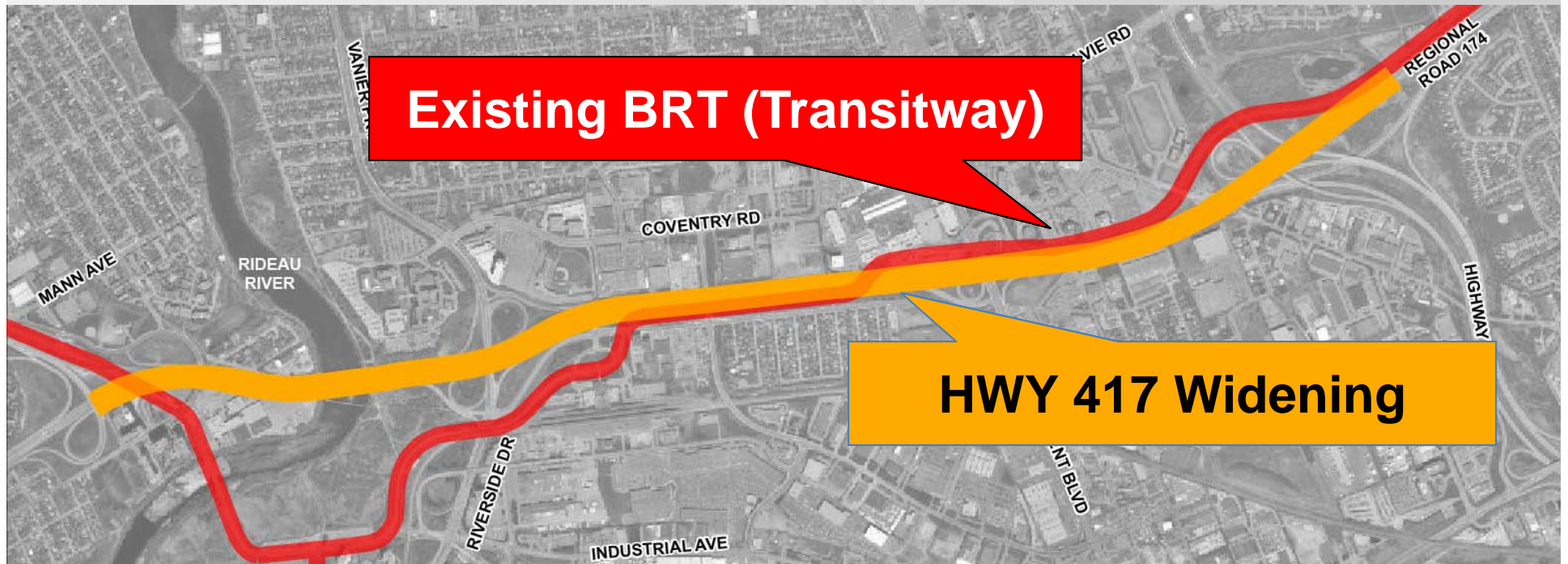


ACHIEVING RISK TRANSFER

- Thorough geotechnical investigation of project's tunnel alignment
- Risk transfer gates in the RFP
- Include supporting works to provide consortia with maximum control over schedule:
 - Cash Allowance Projects
 - Highway 417 Widening
- Provide flexibility to the consortia in the design process to allow them to leverage their expertise and innovation
- Secured a fixed price contract as per Council direction



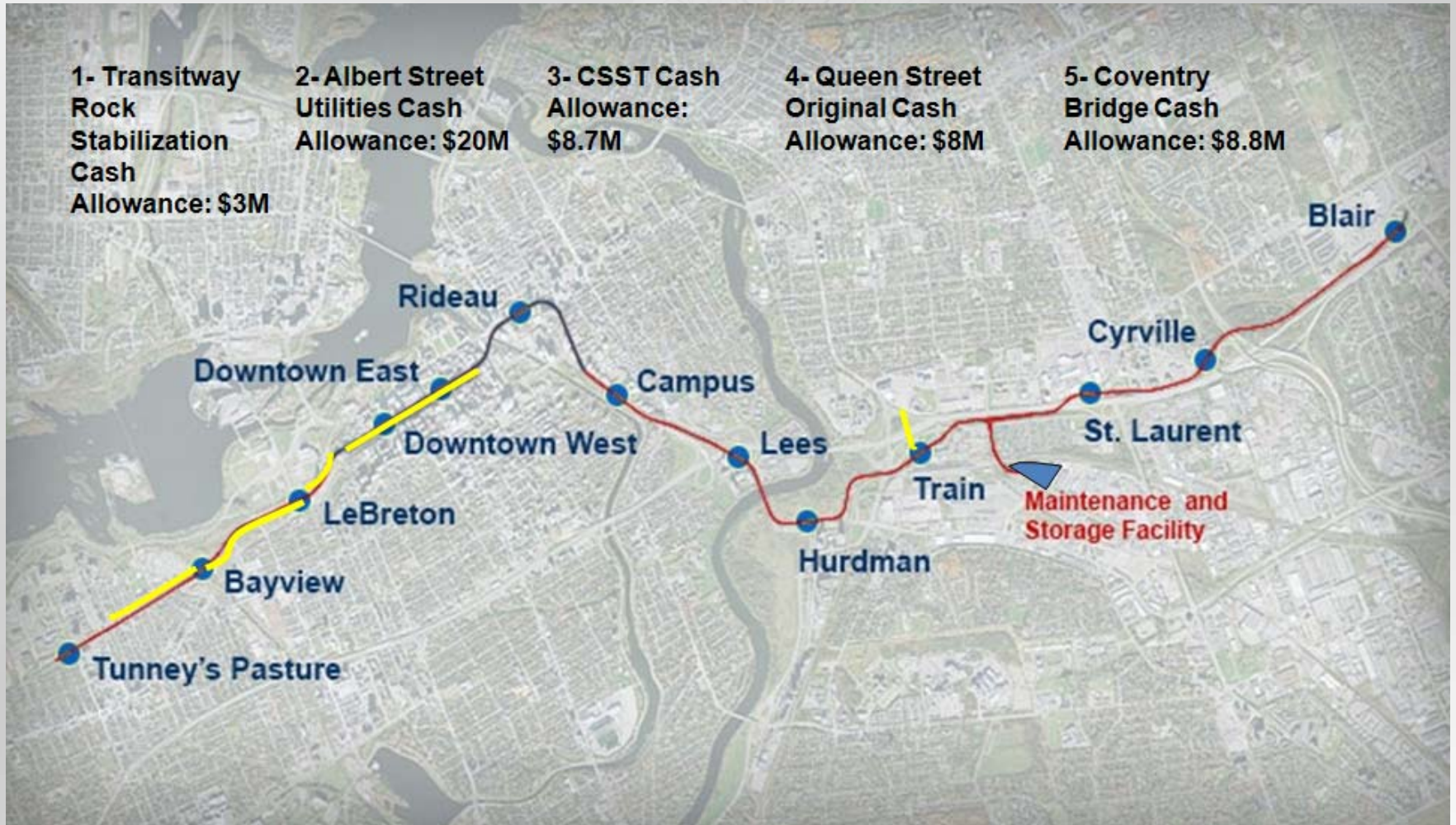
HIGHWAY 417 WIDENING



- Widening of the Highway 417 will begin in the spring of 2013 with completion by the summer of 2015



CASH ALLOWANCE PROJECTS



EVALUATION PROCESS

- **Completeness Verification:** Proposals were reviewed by a Completeness Review Team to ensure that the three submissions included all mandatory information.
- **Compliance Review:** A separate Compliance Team undertook a detailed review of each Proponent's design to ensure it complied with the requirements of the RFP and output specifications.



EVALUATION PROCESS

- **Technical Evaluation:** The Technical review team was made up of subject matter experts on project design and engineering
- **Financial Evaluation:** The Financial review team was made up of subject matter experts on Alternative Finance and Procure (AFP) procurement and public and private financing



THE WINNING TEAM: RIDEAU TRANSIT GROUP



Confederation Line
La ligne de la Confédération

EXPERIENCE

A PROVEN TRACK RECORD



Canada Line

Start/End:

2005-2009

Completion:

On budget.
Ahead of
schedule.



Barcelona Line

Start/End:

2003-2013

Progress:

On budget.
On schedule.



Ankara Metro

Start/End:

1993-2003

Completion:

On budget.
On schedule.



Seville Line

Start/End:

2003-2009

Completion:

On budget.
On schedule.



PROJECT COSTS – CONFEDERATION LINE

Capital

Cost Area	Cost \$M
Property, Engineering, Project Management (City works)	275
Tunnel & Stations	681
Track work/ Systems/ M&S Facility	551
Civil Works	102
Vehicles	344
Financing & Transaction Costs	177
TOTAL	2,130



PROJECT COSTS- HWY 417 WIDENING & CASH ALLOWANCES

Capital

Cost Area	Cost \$M
Highway 417 Widening	226
Rock Stabilization	3
Albert Street Reconstruction	20
Combined Sewage Storage Tunnel	9
Queen Street Watermain	8
Coventry Pedestrian Bridge	9
TOTAL	274



PROJECT COSTS – OPERATION & MAINTENANCE

O&M Costs

Cost Area	Current (annual)
Train and Infrastructure Maintenance	28
Operations - Driver Labour	4
Operations - Energy	3
TOTAL	\$35M



FUNDING

- \$600 million federal contribution
- \$600 million provincial contribution
- Balance financed from:
 - gas tax revenues
 - development charges
 - capital contributions from the transit levy





OBSERVATIONS ---- LESSONS LEARNED

- Separating the vehicles from the RFQ procurement phase gave a better suite of vehicles options during RFP.
- Executive Steering Committee model helped ensure departmental confidence in the P3 process
- The results of the competitive process showed the value of being less prescriptive. Project elements where just desired outcomes were identified resulted in very good submissions



OBSERVATIONS ---- LESSONS LEARNED

- Infrastructure Ontario's role as the City's procurement agent provided real value in terms of the industry's comfort and confidence in their documents and processes
- Risk transfer and driving design outcomes are best achieved through NPV incentives during bidding phase
- Fulsome geotechnical program, though costly, provides significant cost savings over long term through risk transfer



OBSERVATIONS ---- COMMUNITY OUTREACH

- Extensive series of consultations which helped inform:
 - the functional design that went to Council in early 2010
 - the preliminary engineering designs (the designs that went to tender) which were approved by Council in July 2011.



OBSERVATIONS ---- COMMUNITY OUTREACH

- Once the winning submission was chosen City undertook a series of design showcases across Ottawa to present the Rideau Transit Group's designs and to receive any feedback that would help them advance to the final design.
- the RFP outlined a series of obligations for how the winning proponent would support the City communicate and engage stakeholders



OBSERVATIONS ---- COMMUNITY OUTREACH

- Now in construction and community liaison model (where stakeholder relations staff are assigned to a geographic elements of the project) has been very successful.
- Regular presentations and communications with all affected stakeholders are ongoing
- A series of final design showcases across the City are planned once the Rideau Transit Group has finalized station designs later this year.





QUESTIONS

www.ottawa.ca



Confederation Line
La ligne de la Confédération