Session: CT-06

An Introduction to an Alternative Financing and Procurement Model

to Design, Build, Finance and Manage
New Ontario Courthouses

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2012 AAJ NATIONAL CONFERENCE | Community Dialogue:
Architecture for Justice and Renewal

Queens Family Courthouse

Jamaica Queens, NY

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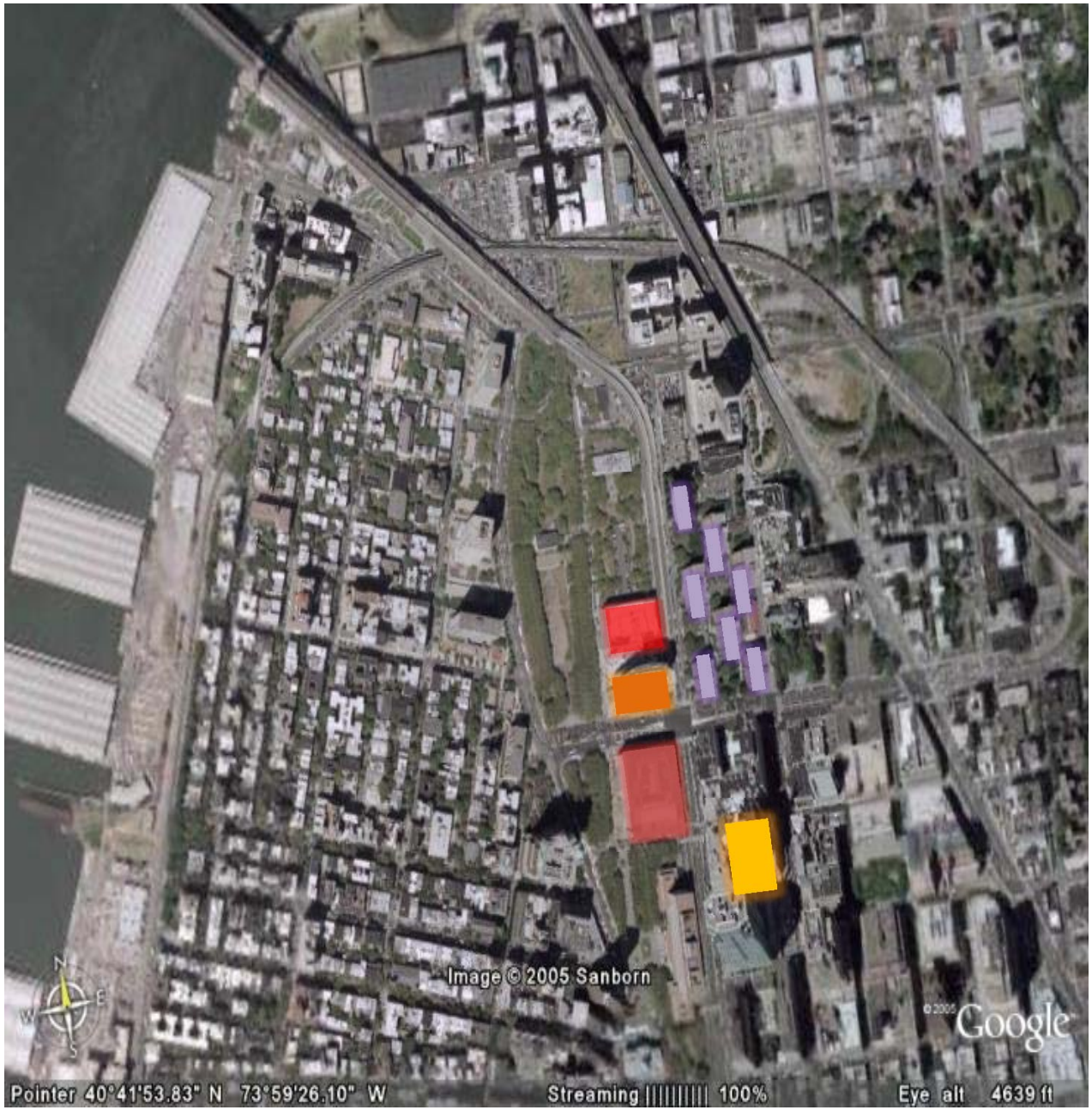
Image © 2005 Sanborn
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Pointer 40°41'53.83" N 73°59'26.10" W
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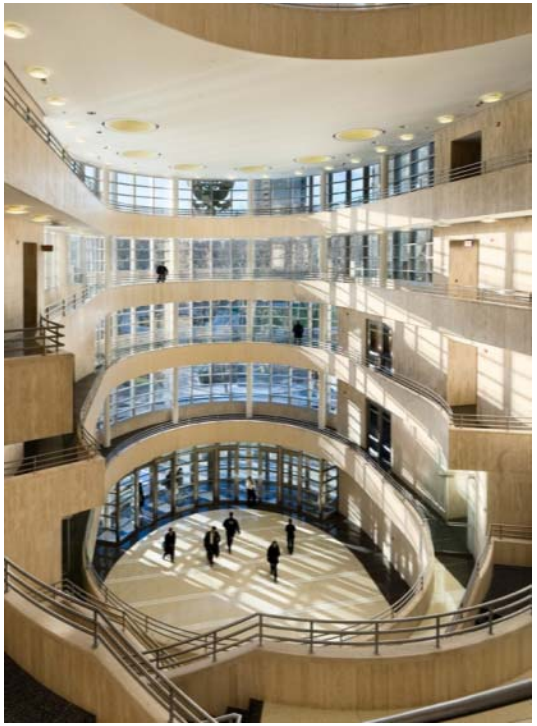
Duberstein U.S. Bankruptcy Courthouse
271 Cadman Plaza East, Brooklyn, NY

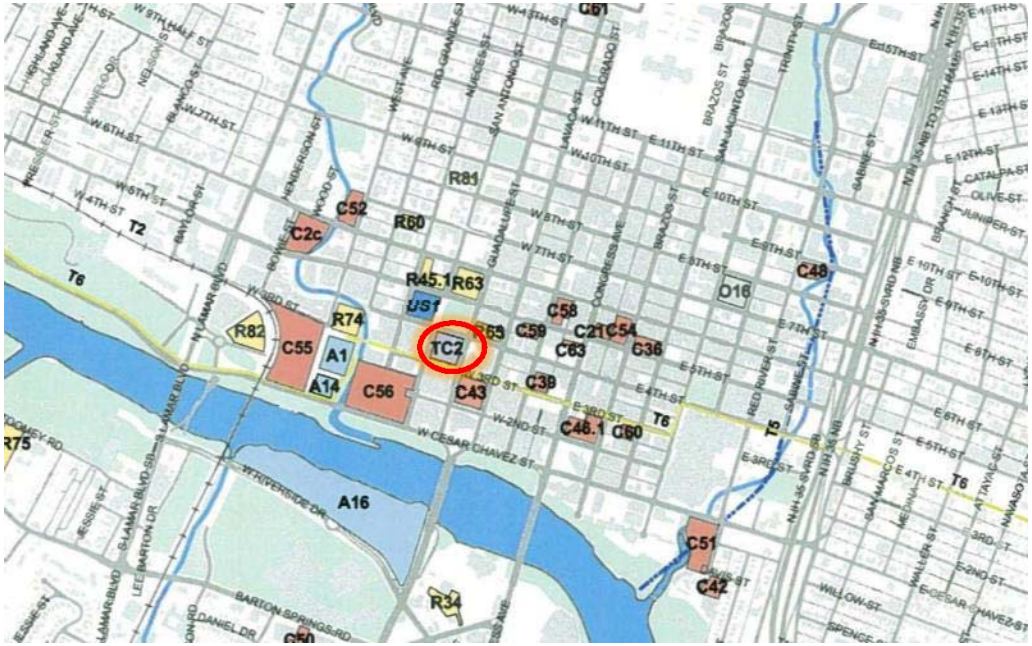


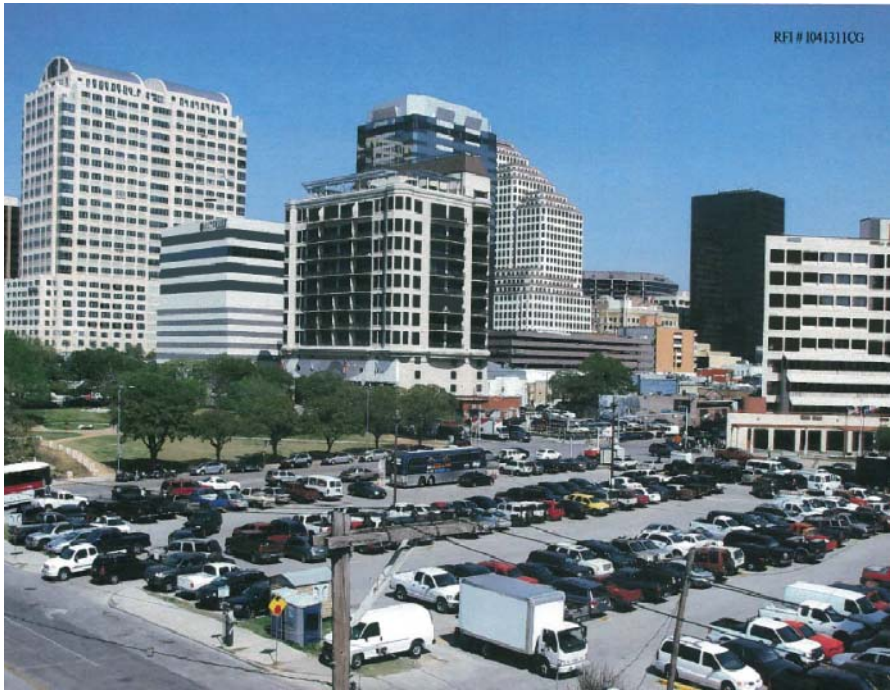
Theodore Roosevelt U.S. District Courthouse
225 Cadman Plaza East Brooklyn, NY

Emanuel Celler U.S. District Courthouse
225 Cadman Plaza East, Brooklyn, NY

Brooklyn Family Court
330 Jay Street, Brooklyn, NY

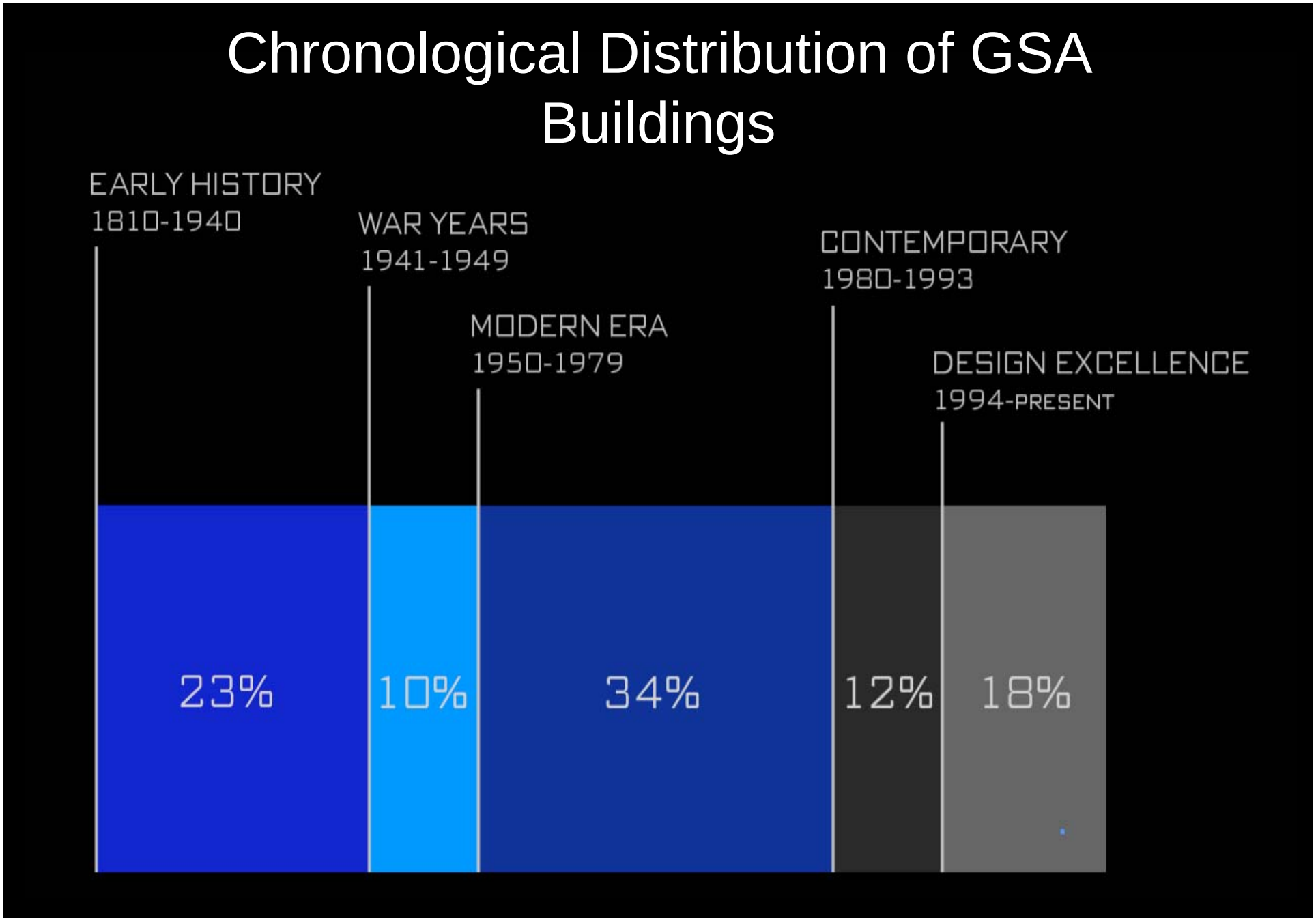
Superior Court of Los Angeles Deukmejian Courthouse
Long Beach, CA
Completion Summer 2013





Travis County Family Courthouse
Austin, TX

Chronological Distribution of GSA Buildings



Ontario
Infrastructure Ontario

Infrastructure Ontario

Using private expertise and financing to deliver Ontario's public infrastructure on time and on budget

Infrastructure Ontario (IO)

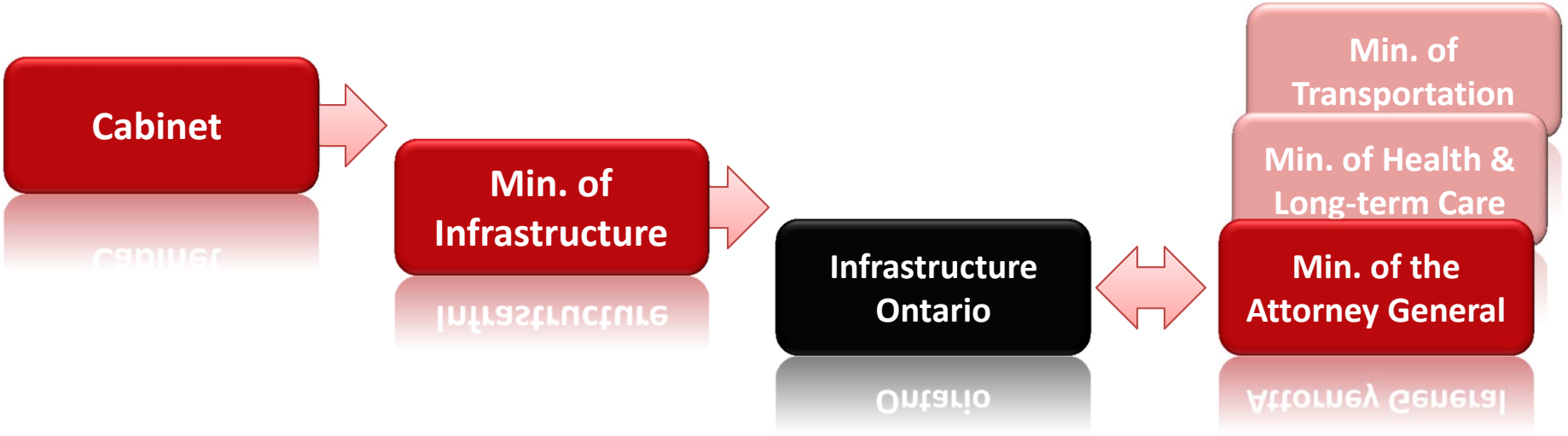
- Crown agency of the Ontario Government focused on renewing and maintaining the province's infrastructure
  - Successful track record in using an entrepreneurial approach to deliver public services with private sector expertise
- **Five lines of business:**
  - **Buildings**: responsible as landlord to the Ontario Public Service
  - **Lands**: manages the Province's property portfolio
  - **Loans**: lending to broader public sector entities in Ontario through the Province's access to the capital markets
  - **Corporate Development**: optimizing Provincial assets
  - **Major Projects**: delivering Ontario's larger and more complex public sector infrastructure

Why Infrastructure Ontario?

- In 2004, the Province of Ontario overhauled its procurement practices:
  1. Created a comprehensive framework, **Building a Better Tomorrow**, to guide ministries, municipalities, and broader public sector partners in choosing the best options for planning, financing, and procuring public infrastructure
  2. Partnered with the **private sector** – introducing a new procurement model known as Alternative Financing and Procurement, or AFP for short, which was designed to foster infrastructure partnerships with the private sector
  3. Created **Infrastructure Ontario**, a single dedicated infrastructure agency, to manage large, complex projects using the AFP model
- In early June of 2011, the Province merged Infrastructure Ontario with the Ontario Realty Corporation, an agency responsible for provincial government buildings and land

Infrastructure Ontario's Role in Government

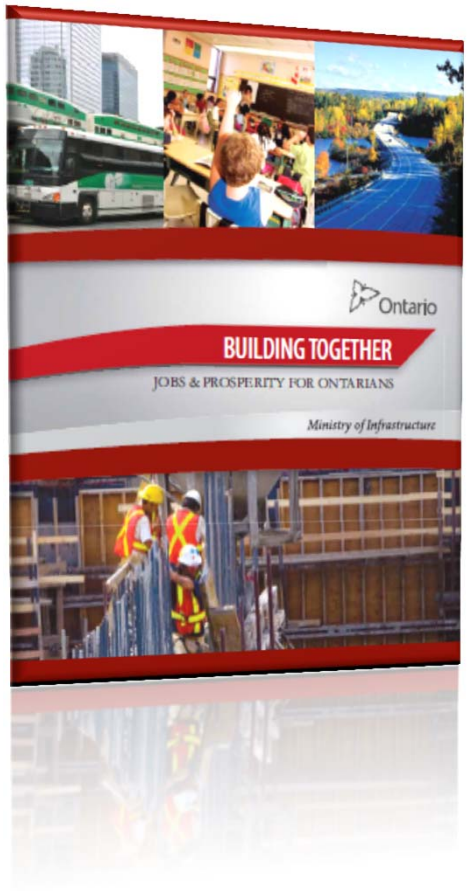
- The Ministry of Infrastructure, in consultation with other government ministries, assesses, prioritizes and determines the overall infrastructure renewal budget; the ministry also identifies which projects will be assigned to IO or to a provincial ministry
- Once projects are approved for assignment to IO by Cabinet, IO receives a Letter of Direction from the Minister of Infrastructure confirming the projects, including their year of construction start and total project budget
  - IO works in partnership with its client ministries in managing the project



Accountability to Ontario Government

- Corporate governance structure is set out in the Ontario Infrastructure and Lands Corporation Act, 2011
- Annual Report prepared in accordance with Management
  Board of Cabinet directives
- Freedom of Information and Protection of Privacy Act (FIPPA)
  prevails with allowance for commercially sensitive information
- Regular audits from the Ministry of Finance and the Auditor General
  - Project budgets must be approved by Treasury Board
- Regular briefings for Ministers, MPPs, DMs and other government officials
- Committee appearances (Standing Committee on Government Agencies, Legislation and Regulations)

Ontario's Long-Term Infrastructure Plan



- In June 2011, Ontario's Ministry of Infrastructure released ***Building Together***, a long-term infrastructure plan
- The plan includes an expanded role for Infrastructure Ontario to help deliver Ontario's infrastructure priorities
  - Increased use of the Alternative Financing and Procurement (AFP) model across a range of sectors (transit, municipal water and others where appropriate)
  - Use of a traditional procurement approach where appropriate
  - Bundling similar, smaller projects where appropriate
  - Providing procurement advice and assistance to organizations/municipalities receiving provincial infrastructure project grants of more than $100 million
  - Procure information technology projects and support the Growth Plan for Northern Ontario

Experts in Procurement & Delivery

- Collectively, IO's professionals have several hundred years of construction and project management expertise across various sectors
  - Hospitals, courthouses, detention centres, roads, transit, highway service centres, other social accommodation projects – public and private
- A centralized and credible procurement agency
  - Increases competition by proactively engaging bidding community on an on-going basis (i.e. IO has a project pipeline)
  - Greater negotiation leverage with contractors, given provincial backing and prospect of future work
- Successful track record in using an entrepreneurial approach to deliver public services with private sector expertise

Ontario
Infrastructure Ontario

ALTERNATIVE FINANCING & PROCUREMENT

More than 60 AFP projects worth more than $23 billion brought to market since 2005

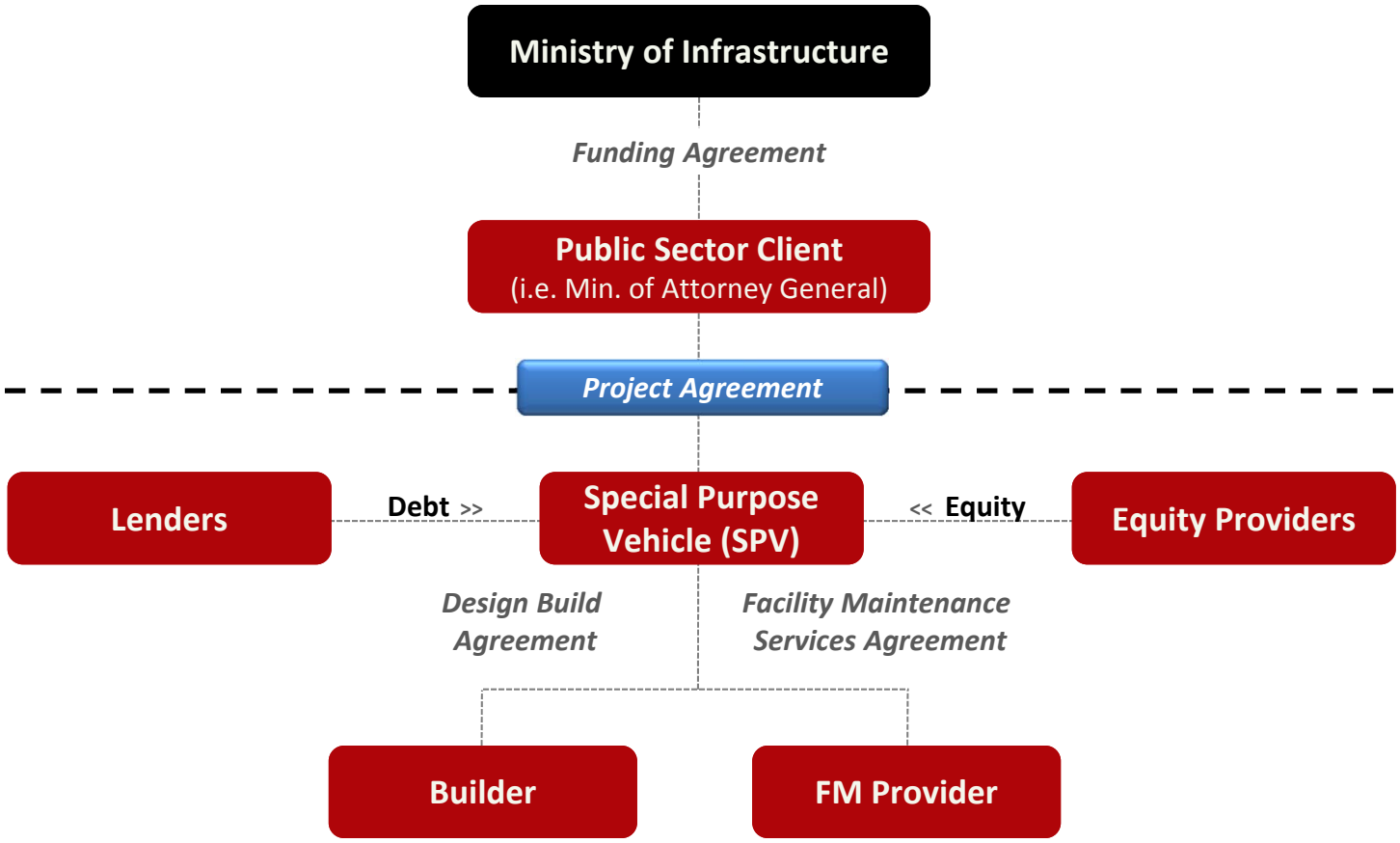
Alternative Financing and Procurement (AFP)

- AFP is an innovative way of financing and procuring large, complex public infrastructure projects
  - Called Public-Private Partnerships (P3/PPP) in other jurisdictions
  - It makes the best use of private-sector resources and expertise to provide on-time, on-budget project delivery
- The AFP model transfers risks of cost overruns and delays to the private-sector, where they are best managed
- Long-term contract - Costs for AFP projects are budgeted over a long-term period
  - Once an asset is built, it is maintained on average for 30 years by the private sector
  - These performance-based contracts ensure that public facilities are diligently maintained

More on AFP

- The AFP model provides an alternative to the traditional project delivery model (Design-Bid-Build)
- The AFP model does the following:
  - Integrates a project's **Design, Build, Finance** and **Maintenance** components
  - Transfers appropriate **risks** to the private sector
  - Preset contracts promote **on-time, on-budget** project delivery
  - Ensures **Value for Money**
- Under AFP, the public sector establishes the scope and purpose of the project while the construction work is financed and carried out by the private sector

Typical Structure for AFP Projects



Value of AFP Model to the Public Sector

- Transfer design, build, operation and maintenance risk to the private sector – no change orders
- Require no payment until substantial completion
  - If late, at the private sector's cost
- Incent consortia to save through innovation
- Require consortia to include the entire concession lifecycle costs upfront (under a DBFM)
- Include provision in the project agreement that allows for sharing of future innovations and costs
- Allow deductions for poor performance against key performance indicators in monthly payment mechanism (under a DBFM)

Benefits of the AFP Delivery Model

Project Planning	Risk Transfer
• Development and management of all project costs in an integrated fashion over entire project phase (construction, lifecycle and operations) for optimal cost allocation • Innovation achieved by having three creative sources for design • Generic output specifications	• Design, scheduling delays, upkeep of facility, financial risks • "Warranty" to the AFP Sponsor-Client that the facility will be available in good condition over the long-term • More opportunity for innovation with built-in penalties and incentives
Procurement Process	**Standardization**
• Clear roles and responsibilities • Strong governance • Extensive due diligence	• Use of templates to reduce costs and streamline project delivery schedule

Project delivered <u>on-time</u> and <u>on-budget</u>

(Payment occurs only after delivery completed)

AFP Project Timeline

- Develop Functional Program (12-24 mos.)
- Introduction to IO & AFP
- Terms of Reference
- Preliminary VFM Assessment
- Memorandum of Understanding
- Due diligence on budget, scope and schedule
- Market Sounding
- Prepare Output Specs
- RFQ Released
- RFP Released
- RFP Closed
- Preferred Proponent Selection
- Commercial & Financial Close
- Construction with Monitoring
- Substantial Completion

Project Development Phase | Pre-transaction Phase | Transaction Phase | Construction Phase

Approximately 4-6 months

Approximately 15-20 months

AFP Models and Approaches

	DESIGN BUILD FINANCE (DBF)	DESIGN BUILD FINANCE MAINTAIN (DBFM)
PROJECT TYPE	New Construction	New Construction
ROLE OF PRIVATE SECTOR	Design Construction Financing	Design Construction Financing Maintaining
ROLE OF IO	Manage the RFQ and RFP processes Negotiate with bidders and award contracts Manage project delivery	

Design-Build-Finance Model

Traditional

Public Sector Risks

- Functional Program
- Design
- Financing
- Maintenance
- Lifecycle
- Facility Availability, Performance & Asset Value

Private Sector Risks

- Construction
- Construction Schedule

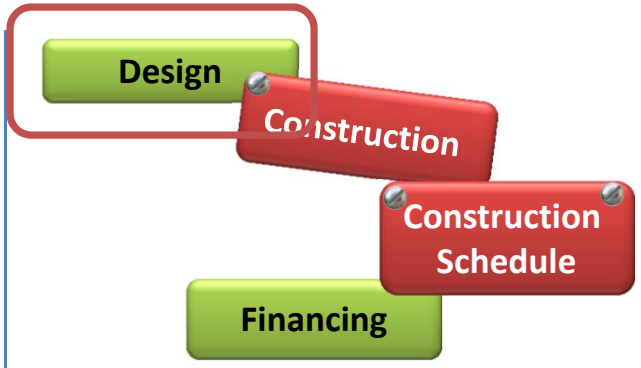
- **The Output Specifications provide design requirements**
- **As Project Co is not responsible for Maintenance, the Owner must ensure requirements are outlined in the Output Specification**

IO-AFP: Design-Build-Finance (DBF)

Public Sector Risks

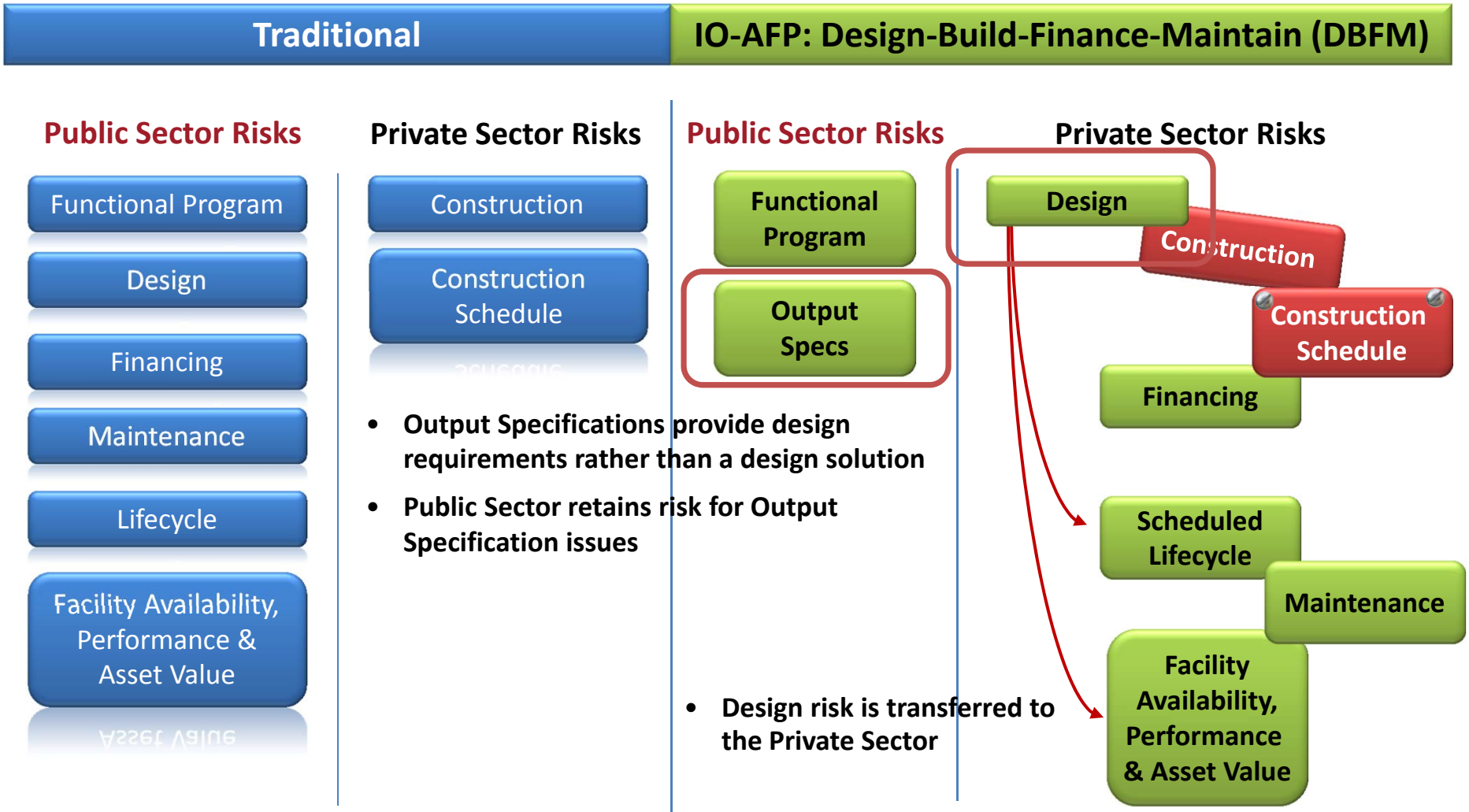
- **Functional Program**
- **Output Specs**
- **Facility Maintenance**
- **Lifecycle**
- **Facility Availability, Performance & Asset Value**

Private Sector Risks

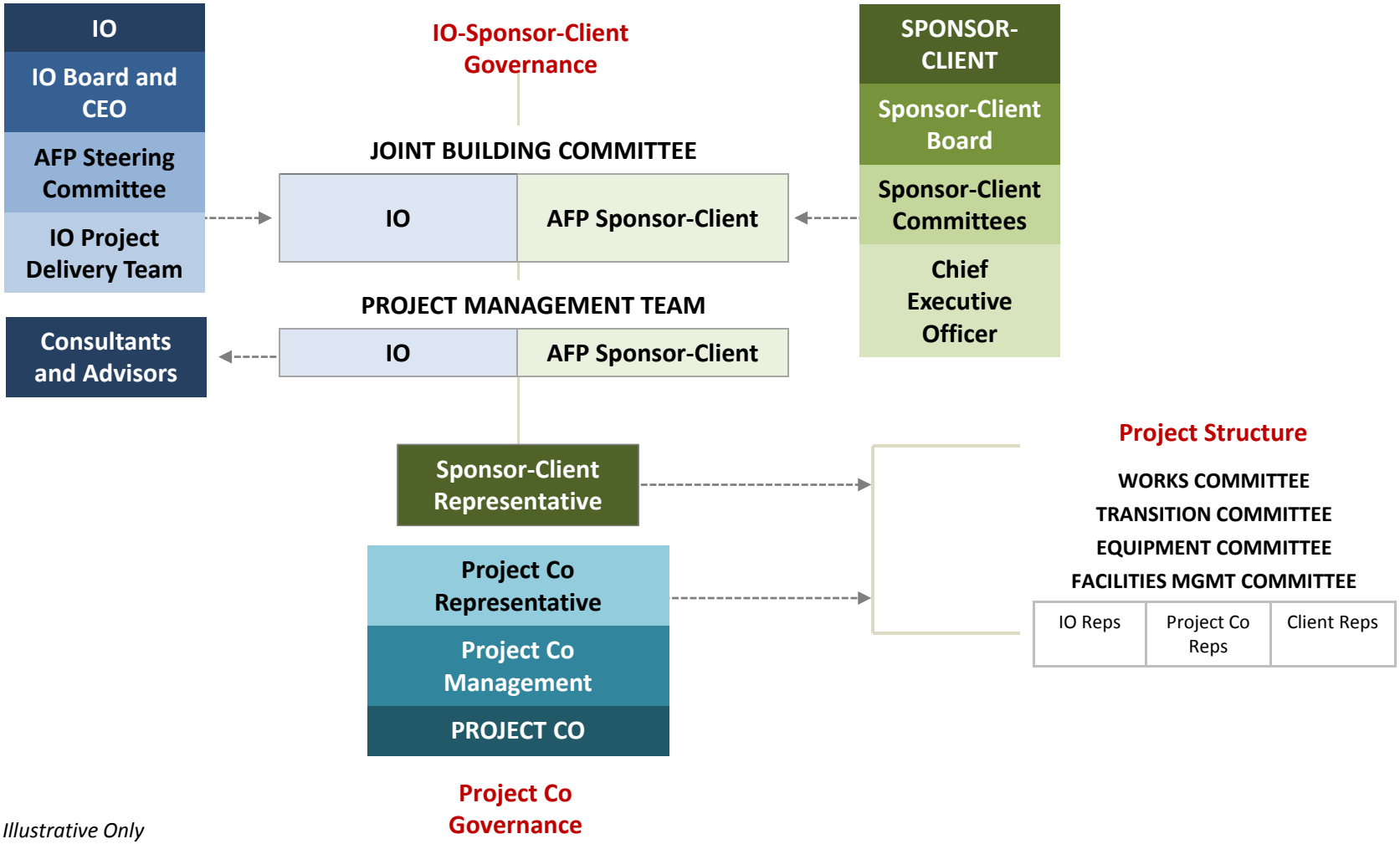


- **Design risk is transferred to the Private Sector**

Design-Build-Finance-Maintain Model



AFP Project Governance



Please Note: Illustrative Only

IO Procurement Process

Request for Qualifications (RFQ): RFQ open period is 4-5 months

Qualifies teams (typically 3) that have the required design, construction, financial and facilities management capacity to undertake a large and complex project

Request for Proposals (RFP): RFP open period is approximately 6 months

Teams pre-qualified through the RFQ process are invited to respond to the RFP, which sets out the conditions and specifications required to undertake the project

Evaluation of Submissions: Evaluation period is typically 1-2 months

Proponents are evaluated on predetermined criteria, including construction schedule, technical requirements and price

Preferred Proponent: Within 1 month of evaluations being complete

The top-ranked proponent is selected and negotiations begin

Commercial/Financial Close: Within 1-2 months of preferred proponent notification

All contractual steps have been completed for the project, financing rate is set and the contract costs are disclosed to the public

Strengths of the IO Procurement Process

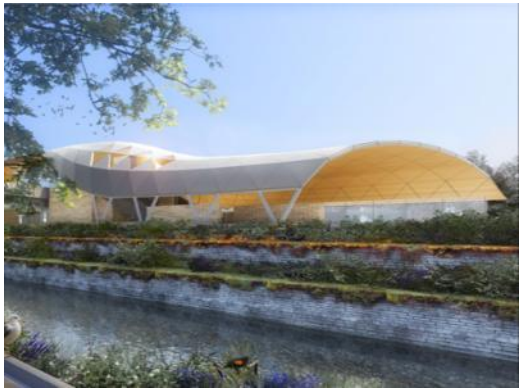
- Develop output specifications to achieve optimal risk allocation
- Project assignment approach: clear commercial authority on transactions
- Shareholder (government) commitment to AFP
- Standardized documents and processes
- Clear, consistent timing from RFQ release to financial close
- Continuity of IO involvement throughout procurement
- Transparency in all aspects of procurement
  - Role of Fairness Monitor
- Technical and financial due diligence is conducted in partnership with the AFP Sponsor-Client, ensuring that the best team is selected

IO's Success with AFP

- **Transactions**
  - 60+ projects valued at over $23 billion in the market
  - Reputation for transparent and open process that leads to successful outcomes
- **Budgets**
  - Value-For-Money average over 11% per project
  - Total savings worth billions of dollars
- **Keys to success**
  - Risk transfer to the private sector while ensuring projects are investment-grade and bankable
  - Financial oversight from lenders drives performance during asset lifetime

AFP Projects in Ontario

- Current projects assigned to IO for AFP project delivery across Ontario include:
  - **Healthcare**: over 30 hospitals and treatment centres
  - **Justice**: 10 courthouses and detention centres
  - **IT Projects** : Drug Information System and the Government Services Data centre, Diabetes Registry
  - **Transit**: Air Rail Link Spur, Ottawa Light-Rail Transit
  - **Transportation**: Highway 407 extension, Windsor Essex Parkway and Highway Service Centres
  - **Special Projects**: Pan Am Games Athlete's Village and venues
- More than 20 major projects in IO's business development pipeline



AFP Profiles:
Justice

Durham Region Courthouse

Durham Region Courthouse is a modern, barrier-free facility that provides Superior Court and Ontario Court justice services for the Durham region. Located in downtown Oshawa, the state-of-the-art building consolidates eight previous justice locations into one large facility. The facility is the most technologically advanced courthouse in Ontario and one of the most energy efficient Ontario government buildings.

Structure:	Design Build Finance Maintain (DBFM)
Project Value:	$334 million
Size:	Approx 446,000 sq ft
Features:	- 33 courtrooms - 3 motion rooms - 2 conference settlement rooms
Completion:	Operational since March 2010

Waterloo Regional Courthouse

The Waterloo Regional Courthouse project will consolidate Superior Court of Justice and Ontario Court of Justice services in one central Waterloo facility. Bringing justice services together under one roof in a modern and accessible facility, will help to reduce delays in the court system and to increase access to justice services.

Structure:	DBFM - Design Build Finance Maintain
Project Value:	$379 million
Size:	430,000 sq ft
Features:	- 30 courtrooms - 8 Conference settlement rooms
Scheduled Completion:	January 2013

Quinte Consolidated Courthouse

The new Quinte Courthouse in Belleville, Ontario will consolidate the Superior Court of Justice and Ontario Court of Justice, which are currently operating in four court locations: three in Belleville and one in Trenton. The multi-storey building will increase the number of available courtrooms, provide better security, and improve access for people with disabilities.

Structure:	Design Build Finance Maintain (DBFM)
Project Value:	$247.2 Million
Size:	173,000 sq ft
Features:	- 11 courtrooms - 3 conference settlement rooms - 3 Jury deliberation rooms
Scheduled Completion:	May 2013

St. Thomas Consolidated Courthouse

The St. Thomas Consolidated Courthouse will bring together two existing court facilities within one location in St. Thomas: the Superior Court of Justice and the Ontario Court of Justice. The new courthouse will be constructed on the site of the historic Elgin County Courthouse and Land Registry Office, which will be extensively refurbished and incorporated into the new facility.

Structure:	Design Build Finance Maintain (DBFM)
Project Value:	$249 Million
Size:	- 118,000 sq ft (new construction) - 31,000 sq ft (renovation)
Features:	- Eight courtrooms - Three conference/ settlement rooms
Scheduled Completion:	November 2013

Thunder Bay Consolidated Courthouse

The Thunder Bay Consolidated Courthouse will improve justice services in Thunder Bay by consolidating in one facility the Superior Court of Justice and Ontario Court of Justice. A new multi-storey building will hold the capacity for expansion and internal flexibility to ensure maximum usefulness throughout its lifetime.

Structure:	Design Build Finance Maintain (DBFM)
Project Value:	$247.7 Million
Size:	255,000 sq ft
Features:	- 15 courtrooms, including a Multiple Accused High Security courtroom - Four conference/settlement suites, including the province's first Aboriginal Conference Settlement Suite
Scheduled Completion:	November 2013

Session: CT-06

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to Design, Build, Finance and Manage New Ontario Courthouses

2012 AAJ NATIONAL CONFERENCE | Community Dialogue: Architecture for Justice and Renewal

Parties Involved in the Alternative Financing and Procurement (AFP) Model Process involved with new Courthouse Projects:

On behalf of HMQ:

(Ontario Infrastructure Projects Corporation as an agent for Her Majesty The Queen in Right of Ontario)

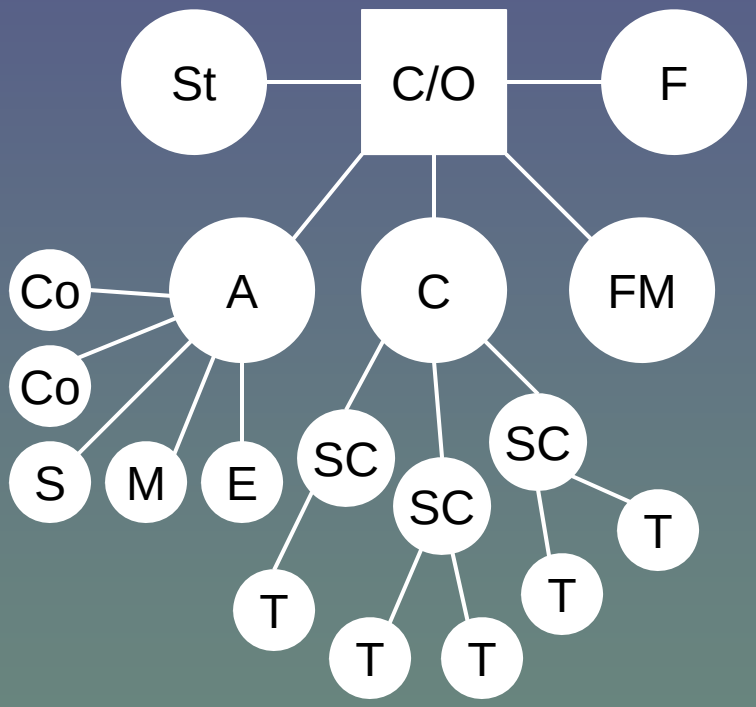
- Infrastructure Ontario,
  a Government of Ontario crown agency
- Ministry of the Attorney General,
- Courthouse Stakeholders
- Planning, Design and Compliance Consultants, hired by Infrastructure Ontario
- Other consultants,
  hired by Infrastructure Ontario

On behalf of "Project Co":

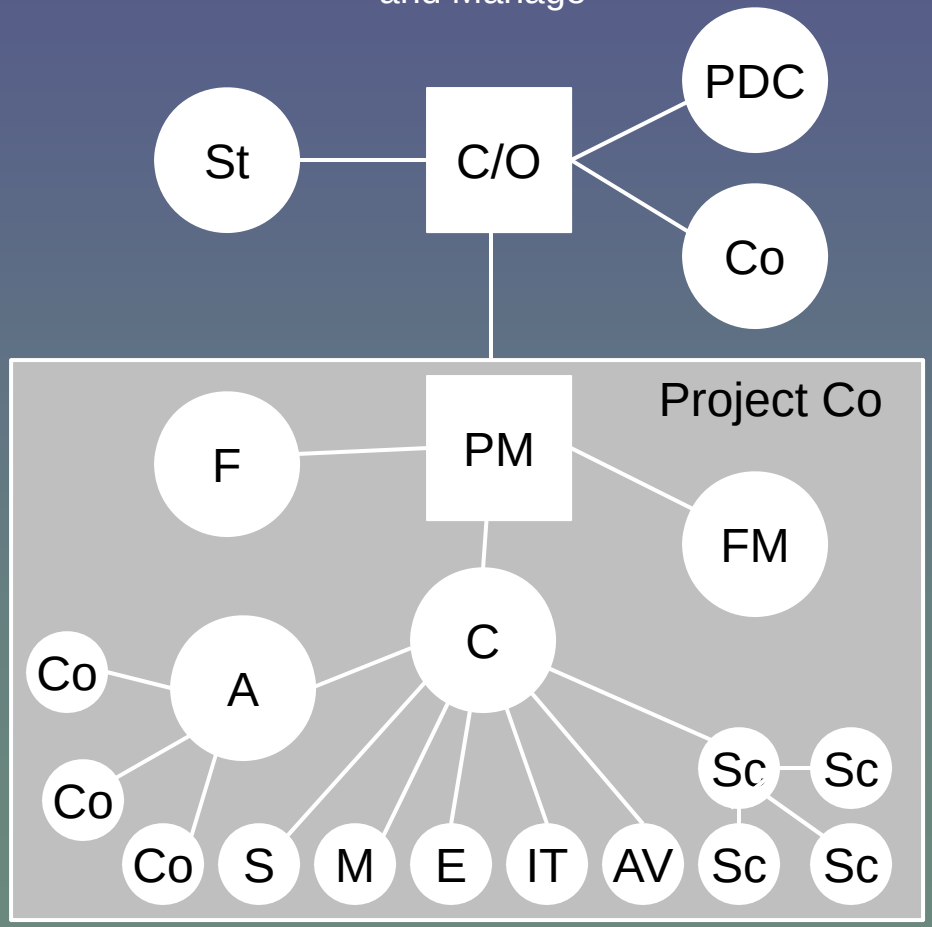
- Project Co,
  as an overall Corporation of Firms, including:
- Project Management Firm
- Finance company / Institutions
- Construction Company
- Design Company and / or Architect of Record and Consultants usually carried in contract under the Construction Company
- Other Sub-consultants usually carried under the Construction Company (S,M,E,IT,AV etc.)
- Facilities Management Firm

Contractual and Organizational Relationships:

Typical Design / Bid / Build Procurement:



AFP - Design / Build / Finance and Manage



Summary and Description of the Alternative Financing and Procurement (AFP) Model Processes:

- Facilities Program and Planning Study along with a proposed site selection recommendation
- Recommendations to Government based on Study
- Government comment to proceed
- Development of a Project Agreement
- which includes….. Project Specific Output Specifications which defines the project in terms of Design, Programmatic and Technical requirements.
- Requests for Qualifications (RFQ) are issued to interested consortia

Summary and Description of the Alternative Financing and Procurement (AFP) Model Processes:

- Requests for Proposals (RFP) issued to the shortlisted proponents.
- Design presentations are made by each proponent
- Final and overall Design proposals are submitted
- Proposals are evaluated with preferred proponent selected
- Financial Close is achieved
- Construction Documentation and Construction proceeds
- Project is Operated and Maintained for 30 years and is then handed over to HMQ.

Thunder Bay Consolidated Courthouse
Photo courtesy of Plenary Justice
Design Architects and Architect of Record: Adamson Associates Architects

St. Thomas Consolidated Courthouse
Photo courtesy of Integrated Team Solutions
Design Architects and Architect of Record: NORR Architects, Engineers and Planners

Facilities Program and Planning Study:

Identification of the Need for new Courthouse facilities and specifically Consolidated Courthouse facilities by Stakeholders and Parties involved in the Judicial community and along with implementation of the Province of Ontario Architectural Design Standards for Courthouses

The Study for an individual Courthouse may include but is not limited to the following information:

- Current Deficiencies and study of existing facilities (if they exist)
- A review, study of existing programmatic shortfalls (taking into account current caseloads, facility shortfalls, historical data, demographic analysis, interviews with stakeholders and analysis of existing courthouses and the Ministry of the Attorney General's Architectural Design Standards).
- Forecast of programmatic requirements and functional program for 25 to 30 years into the future.
- Technical reports on Fire and Life Safety, Structural Engineering assumptions, Mechanical and Electrical Engineering assumptions, Audio Visual Engineering, IT Engineering and Security Engineering assumptions.
- Based on the functional program, proposed blocking and stacking plan alternatives are developed along with generic site planning configurations
- Preliminary Cost estimates are generated.
- Preparation of Planning and Real Estate Reports with respect to possible site selection
- Preparation of a Risk Analysis Report based on this study

Development of an AFP Project Agreement :

After the review, study and recommendations are made on the Facilities Program and Planning Study and the final commitment to proceed with the Project is made by the Government, the Project Agreement is then developed by Infrastructure Ontario and their consultants.

This is an intense and dense document dealing with all aspects of the DBFM project and includes but is not limited to:

The overall Project Agreement which is also linked to 34 Schedules as follows:

Schedule 1	Definitions and Interpretation
Schedule 2	Completion Documents
Schedule 3	Custody Agreement
Schedule 4	Lenders' Direct Agreement
Schedule 5	Direct Agreements
Schedule 6	Independent Certifier Agreement
Schedule 7	Background Check Requirements
Schedule 8	Energy Matters
Schedule 9	Key Individuals
Schedule 10	Review Procedure
Schedule 11	Design Quality Plan and Construction Quality Plan
Schedule 12	Service Quality Plan Outline
Schedule 13	Project Co Proposal Extracts

Development of an AFP Project Agreement : (continued)

Schedule 14	Outline Commissioning Program
Schedule 15	Output Specifications
Schedule 16	Title Encumbrances
Schedule 17	*Intentionally Deleted*
Schedule 18	Communications Protocol
Schedule 19	Heritage Guidelines and Protocols
Schedule 20	Payment Mechanism
Schedule 21	FF&E List
Schedule 22	Variation Procedure
Schedule 23	Compensation on Termination
Schedule 24	Expiry Transition Procedure
Schedule 25	Insurance and Performance Security Requirements
Schedule 26	Record Provisions
Schedule 27	Dispute Resolution Procedure
Schedule 28	Refinancing
Schedule 29	Standby Letter of Credit
Schedule 30	Insurance Trust Agreement
Schedule 31	Project Co Information
Schedule 32	Financial Model Extracts
Schedule 33	Works Report Requirements
Schedule 34	Benchmarking and Market Testing Procedure

A Breakdown of Schedule 15 and the Project Specific Output Specifications (PSOS):

The PSOS consists of the following Parts:

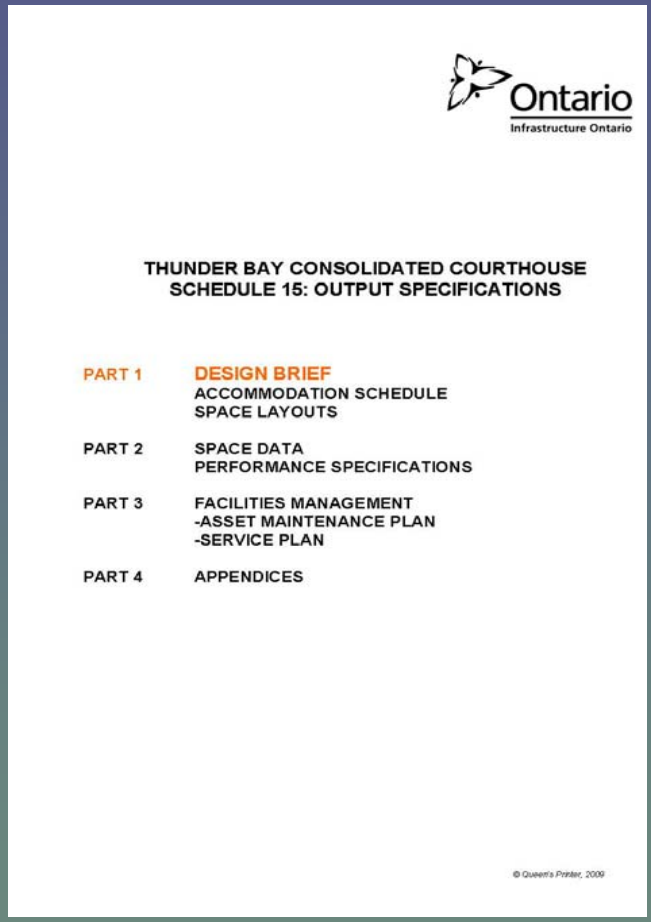
Part 1: Design Brief
Accommodation Schedule
Space Layouts

Part 2: Space Data
Performance Specifications

Part 3: Facilities Management
Asset Maintenance Plan
Service Plan

Part 4 Appendices

These are all developed in consultation with the Ministry of the Attorney General, the Courthouse Stakeholders, Infrastructure Ontario and their consultants, and the Planning, Design and Compliance Consultants, over a period of months, and are specific to a particular Courthouse (Thunder Bay in this example)


Ontario
Infrastructure Ontario

THUNDER BAY CONSOLIDATED COURTHOUSE
SCHEDULE 15: OUTPUT SPECIFICATIONS

PART 1	DESIGN BRIEF ACCOMMODATION SCHEDULE SPACE LAYOUTS
PART 2	SPACE DATA PERFORMANCE SPECIFICATIONS
PART 3	FACILITIES MANAGEMENT -ASSET MAINTENANCE PLAN -SERVICE PLAN
PART 4	APPENDICES

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PSOS - Part 1: Design Brief

1.0 INTRODUCTION
- 1.1 Document Organization
- 1.2 General Intent of Output Specification Documents.
- 1.3 Design Brief
- 1.4 Accommodation Schedule
- 1.5 Space Layouts
- 1.6 Space Data Sheets
- 1.7 Performance Specifications
- 1.8 Facilities Management Specifications
- 1.9 Appendices

2.0 PROJECT PRINCIPLES
- 2.1 General
- 2.2 Thunder Bay Consolidated Design Principles
- 2.3 Thunder Bay Operations

3.0 SITE DESIGN
- 3.1 Site Location
- 3.2 Natural Character
- 3.3 History of Thunder Bay
- 3.4 Thunder Bay Downtown
- 3.5 The People
- 3.6 Site Context
- 3.7 Transportation
- 3.8 Planning Context
- 3.9 Site and Building Security
- 3.10 Future Expansion
- 3.11 Site Services
- 3.12 Circulation

4.0 GENERAL BUILDING PLANNING AND DESIGN
- 4.1 Design Objectives
- 4.2 Natural Daylight and Views
- 4.3 Public Space
- 4.4 Circulation
- 4.5 Accessibility
- 4.6 Workspace Area Allocations
- 4.7 Staff Washrooms
- 4.8 Public Washrooms
- 4.9 Public Telephones
- 4.10 Lunch Rooms and Kitchenettes
- 4.11 Communications Riser Rooms

5.0 COURTHOUSE OPERATIONAL CONTEXT
- 5.1 Occupancy Profile
- 5.2 Building Occupancy Summary
- 5.3 Public and Staff Parking
- 5.4 Prisoner Handling and Security
- 5.5 Building Support and Facilities Management
- 5.6 Other Operational Issues

6.0 COMPONENT PLANNING AND DESIGN
- 6.1 Component A: Courtrooms
- 6.2 Component B: Judiciary
- 6.3 Component C: Court Services
- 6.4 Component D: Prisoner Handling
- 6.5 Component E: Police Court Bureau
- 6.6 Component F: Crown Attorney
- 6.7 Component G: Victim Witness Assistance
- 6.8 Component H: Counsel Services

Part 1: Design Brief

6.0 COMPONENT PLANNING AND DESIGN (cont'd)
- 6.9 Component J: Public Services
- 6.10 Component K: Building Services
- 6.11 Component L: Parking
- 6.12 Non-Program Space: Facilities Management Space

7.0 BUILDING SYSTEMS
- 7.1 Security Systems
- 7.2 Audio Visual Systems
- 7.3 Vertical Transportation Systems
- 7.4 Mechanical Systems
- 7.5 Electrical Systems
- 7.6 Communications Systems

8.0 ADDITIONAL DESIGN REQUIREMENTS
- 8.1 Structural Design Requirements
- 8.2 Structural Design for Underground Parking
- 8.3 Interior Design
- 8.4 Ancillary Support
- 8.5 Flexibility, Adaptability and Expansion
- 8.6 Acoustics
- 8.7 Prisoner Transport Vehicle Dimensions
- 8.8 Parking

9.0 SUSTAINABLE DESIGN
- 9.1 LEED ™ Process
- 9.2 LEED ™ Design Requirements

10.0 ACCOMMODATION SCHEDULE
- 10.1 Accommodation Schedule - General
- 10.2 Component Organization
- 10.3 Accommodation Schedule and Index to the Space Layouts and Space Data

11.0 SPACE LAYOUTS
- 11.1 Series 1 Space Layouts: Courtrooms
- 11.2 Series 2 Space Layouts: Work Spaces
- 11.3 Series 3 Space Layouts: Counsel Services
- 11.4 Series 4 Space Layouts: Prisoner Handling
- 11.5 Series 5 Space Layouts: Public, Support and Ancillary Spaces

Part 2: Space Data and Performance Specifications

12.0 SPACE DATA.
- 12.1 Introduction and General Notes
- 12.2 Abbreviations
- 12.3 Series 1 Spaces Data: Courtrooms
- 12.4 Series 2 Space Data: Work Spaces
- 12.5 Series 3 Space Data: Counsel Services
- 12.6 Series 4 Space Data: Prisoner Handling
- 12.7 Series 5 Space Data: Public, Support and Ancillary Spaces
- 12.8 Series 6 Space Data: Un-programmed Spaces

13.0 PERFORMANCE SPECIFICATIONS
- Section A: Substructure
- Section B: Shell
- Section C: Interiors
- Section D: Services
- Section E: Equipment and Furnishings
- Section F: Special Construction and Demolition
- Section G: Site Improvements

Part 4 – Appendices

Exemplar Design and Illustrative Design

Part 3: Facilities Management

Section A: Introduction
- 1 Definitions

Section B: Asset Maintenance Plan
- 1 Plant Services
- 2 Lifecycle Replacement and Refurbishment Services

Section C: Service Plan
- 1 General Requirements
- 2 General Management Services
- 3 FM Help Desk Services
- 4 Utilities Management Services
- 5 Environmental and Sustainability Services
- 6 Emergency Management
- 7 Cleaning Services
- 8 Roads and Grounds Maintenance Services
- 9 Waste Management and Recycling Services
- 10 Pest Control Services
- 11 Parking
- 12 Security and Surveillance Services
- 13 Third Party Occupant Space Management Services
- 14 Food Services
- 15 Special Projects Services
- 16 Facility FF&E and Furniture Services
- 17 Material Services

Requests for Qualifications (RFQ process):

- RFQs are publically advertised and are issued to interested proponents wishing to submit proposals on a project.

- Once the responses are received they are evaluated with respect to all aspects of the submittal including but not limited to:

    - Project Management
    - Design Experience
    - Construction Experience
    - Financial strength and Experience
    - Facilities Management Experience
    - Qualified personnel on the team

- Experience having designed and built Courthouses and with an AFP form of procurement is a direct asset.

- Typically 3 proponents are short-listed to proceed to the RFP stage

Requests for Proposals (RFP process):

- 3 proponents proceed into the RFP process which may take anywhere from 4 to 6 months
- Staged Design Development submissions are made by all proponents to HMQ throughout the process (typically 4 design submissions, sometimes 5 in total)
- After each design submission, formal design feedback is provided by HMQ and the PDC to assist the proponents with respect to compliance with the contract documents and the design directions for that specific proponent. (the exemplar or illustrative design may or may not be used or followed)
- Commercially confidential meetings (CCMs) are held as required by proponents to discuss specific issues related to that specific proponent.
- Addenda, RFIs and Commercially confidential RFIs are issued during the design process to assist in clarifications to the design.
- Final design and full submission is made at the end of this scheduled process, with the following submittals…….

Requests for Proposals (RFP process):

Proponents submit FFP Proposals in three parts as follows:

- Part A – Proposal Submission Form and Proponent Team Member information
- Part B – Technical Submission:

  the Technical Submission Information;
  the Innovation Submissions (Technical),
  the Preferred Innovation Submissions (Technical), and
  the Innovation Submissions (Sustainable Energy) (Technical)

- Part C – Financial Submission:

  Price Submission Form
  Financial Submission Information
  Summary of Proposal Cost Form
  the Innovation Submissions (Financial),
  the Preferred Innovation Submissions (Financial),
  the Innovation Submissions (Sustainable Energy) (Financial)

RFP Evaluation Processes and notification of Preferred proponent:

- Proposals are reviewed and evaluated in the following highly structured steps:

1.	Compliance of Proposals
2.	Review of the Proposal Submission
3.	Review of the Acceptability of Innovation Submissions (Sustainable Energy)
4.	Review and Scoring of the Technical Submissions
5.	Review and Scoring of the Financial Submissions (Bid Costs)
6.	Establishing a Final Proposal Evaluation Score
7.	Ranking the Proponents

- Negotiations / Clarifications phase with first ranked proponent
- Preferred proponent is established and notified

Identification of Preferred proponent and Commercial and Financial Close:

- No later than three (3) business days after preferred proponent is established and notified, they provide an irrevocable standby letter of credit in the amount specified in the RFP.

- HMQ typically accepts (with possible amendments) the letter of credit with any further obligations under the RFP and returns the letter to the preferred proponent.

- A target date is agreed to for Commercial Close and the proponent agrees to:

    1. to achieve Commercial Close
    2. execute the project Agreement (with possible changes, revisions and amendments as a result of negotiations etc.)
    3. maintain prices based on terms in the RFP.

- Financial Close is achieved with the following milestones:

    1. commencement and completion of financing documentation;
    2. receipt of final ratings from rating agencies (if applicable); and
    3. final pricing of the financing,

Design Development Stage (DD):

- In accordance with Schedule 10 of the Project Agreement, Project Co submits design presentations to HMQ at specified stages of their progress (50%, 75% and 100% were typical for St. Thomas and Thunder Bay Courthouses)
- PDC provided design compliance reports to Project after each of the 50%, 75% and 100% DD submissions to confirm design compliance with the PSOS.
- During these design development stages, Project Co now had direct meetings Stakeholders involved with the Courthouse to help verify, clarify and interpret the intent of the Design Brief, and PSOS documentation.
- Regular design meetings were also held between Project Co, IO, MAG and the PDC consultants, also to help with clarity to the PSOS and development of the design.
- It should be noted that Project Co now started Construction by fast-tracking the project at their risk. (design and documentation was still developing and if there were changes required, these would have to be made at no cost to HMQ).

Construction Documentation Stage (CD):

- In accordance with Schedule 10 of the Project Agreement, Project Co submits Construction Documentation (drawings, specifications and schedules) to HMQ at specified stages of their progress (50%, 75% and 100% were typical for St. Thomas and Thunder Bay Courthouses)
- PDC provided CD compliance reports to Project after each of the 50%, 75% and 100% CD submissions to confirm compliance with the PSOS.
- During these construction document stages, Project Co can still called for meetings to present and clarify the Courthouse designs to Stakeholders to verify, clarify and interpret the intent of the Design Brief, and PSOS documentation.
- Regular design meetings continued between Project Co, IO, MAG and the PDC consultants, also to help with clarity to the PSOS and development of the construction documents.
- Construction is continuing during this stage.

Construction:

- Construction proceeds and is monitored by all partners of Project Co, IO and it's consultants, including the PDC on a monthly basis.

- Miscellaneous documents provided, samples and requirements reported on during construction including:

    - Approvals: Building Permit, ESA, MOE, FM Global approvals for Fire Protection and all TSSA approvals.
    - Issued for Construction Documents
    - Shop Drawings
    - Samples
    - Mock-ups
    - Construction Quality Plan
    - Monthly Progress Reports
    - Commissioning Program and Reports
    - LEED documentation and reporting
    - Maintenance Plan
    - Facilities Management Plan

Thunder Bay Consolidated Courthouse
Photo courtesy of Plenary Justice
Design Architects and Architect of Record: Adamson Associates Architects

St. Thomas Consolidated Courthouse
Photo courtesy of Integrated Team Solutions
Design Architects and Architect of Record: NORR Architects, Engineers and Planners

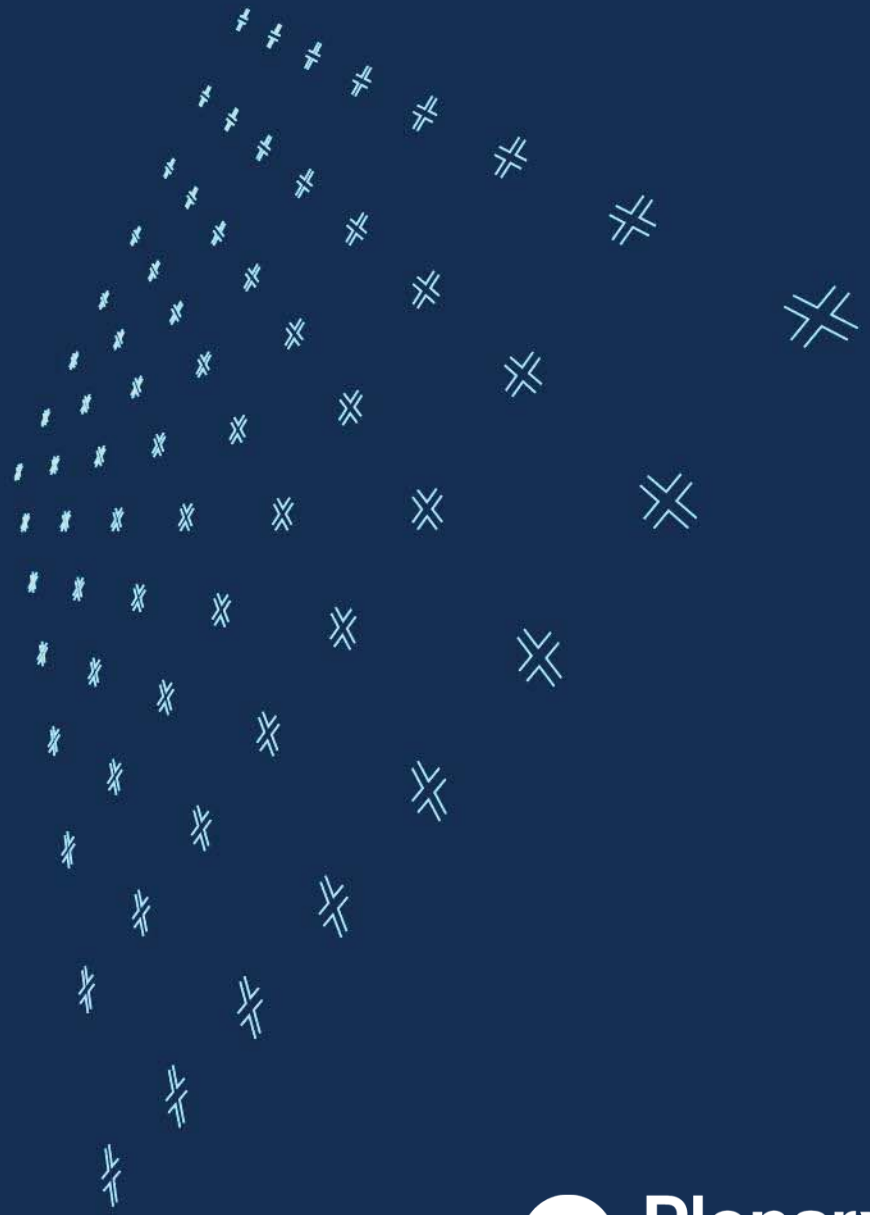
Construction to Substantial Completion and after:

- Commissioning period
- Testing and Balancing Reports
- Acoustics Reports
- Installations of FF&E
- LEED Submission (min LEED Silver to be achieved)
- Substantial Completion and Final Completion (and submissions)
- As-built documents and operations manuals submitted
- HMQ now pays Project Co the substantial completion payment and subsequently, monthly payments during the full extent of the Maintenance period.
- At Final Completion, project transfers from Design Build Contractor to the Facilities Management Company under the overall umbrella of Project Co.
- 1 Year Post Occupancy Review carried out.
- 30 years of Maintaining the facility before being turned over to HMQ.

Plenary Group

AIA Conference Session CT-06

October 12, 2012



Plenary Group

Plenary Group Profile

Key Statistics

Established	2004
Projects Completed	22
Total Project Value	$11bn+
Offices	9
Employees	100+

Profile

- Project sponsor, developer and long-term equity investor; in-house financial advice and structuring
- Executives active in the North American market since 2002, initially with ABN AMRO Bank (with 40+ projects completed since the 1990's)
- International infrastructure business, historically focused on long-term availability-based concessions
- Leading player in the Australian P3 market with 40+ people (in Adelaide, Melbourne and Sydney)
- Largest P3 developer team in Canada with 60+ people (in Toronto, Vancouver, Winnipeg, Ottawa and Edmonton)
- Recently opened a U.S. office in Seattle

Office Locations

Canada

- Vancouver
- Edmonton
- Winnipeg
- Toronto
- Ottawa

United States

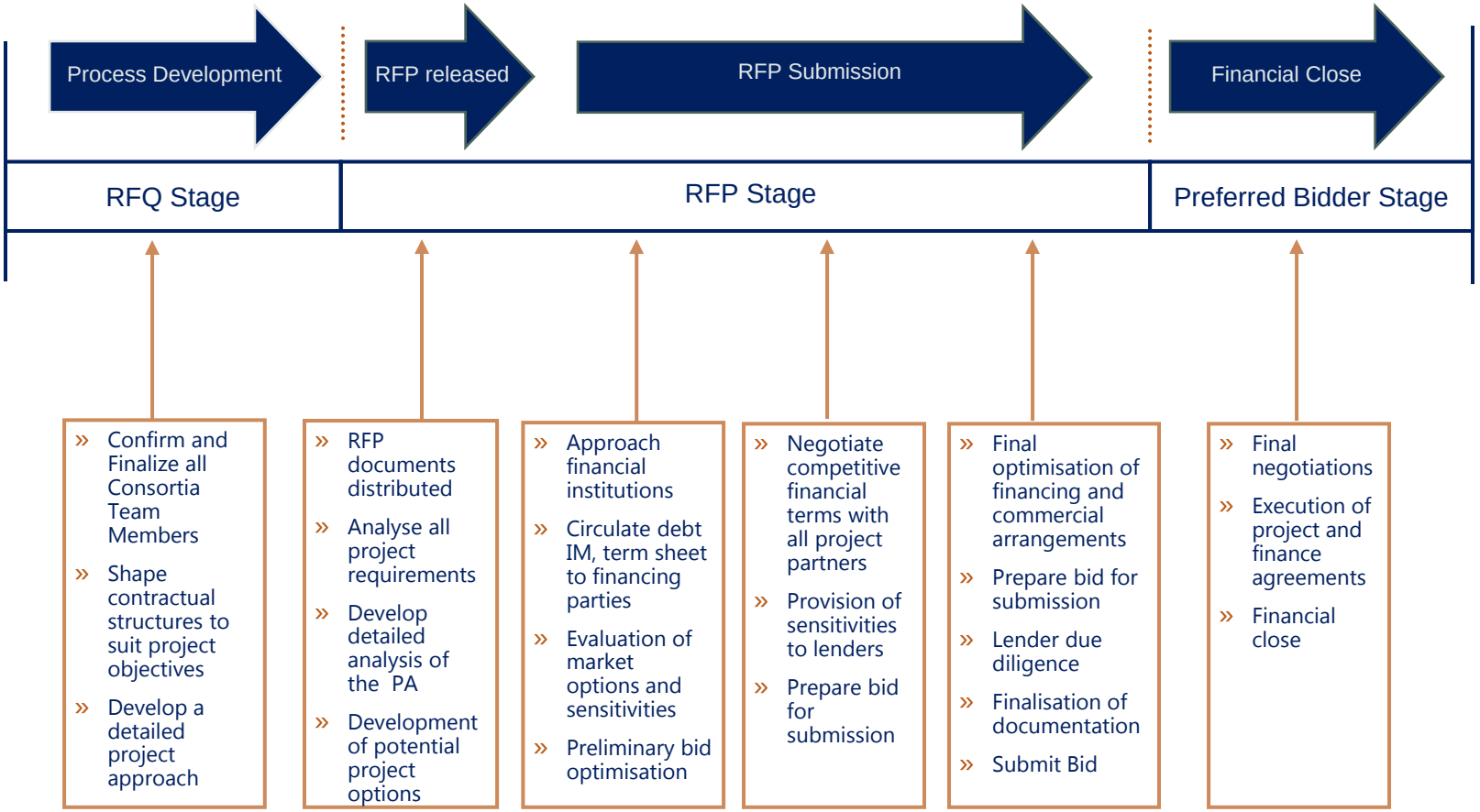
- Seattle

Australia

- Adelaide
- Melbourne
- Sydney

Usual Project Structuring Process

» The typical process for a Project will follow the timeline below:

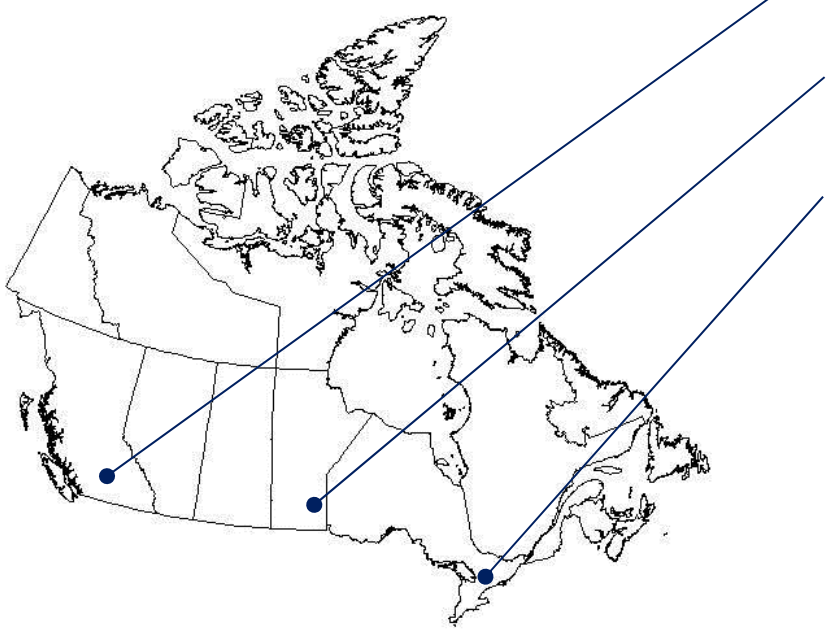


Key activities at each stage

Plenary Group

Plenary Group Projects – Canada

With 12 concessions secured in 6 years, Plenary is one of the most successful PPP developers in Canada, with approximately CAD5.7bln of capital projects.

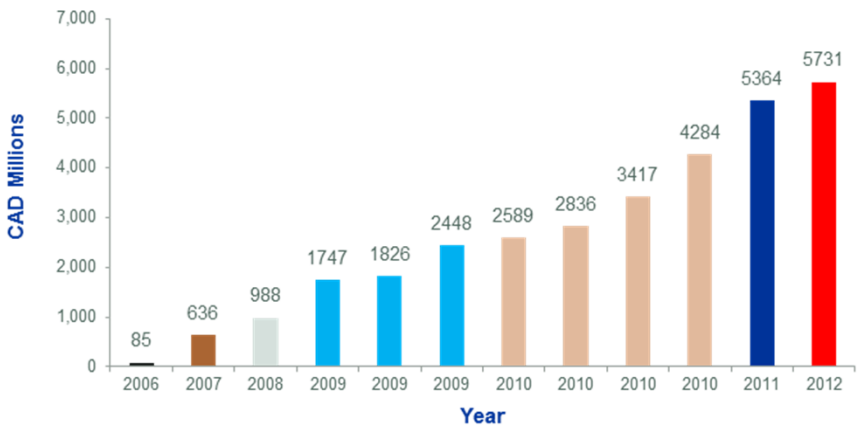


British Columbia
BCCA Centre for the North (Prince George)
Interior Heart and Surgical Centre (Kelowna)

Manitoba
Disraeli Bridges (Winnipeg)

Ontario
North Bay Regional Health Centre (North Bay)
CSEC Long-Term Accommodation (Ottawa)
Bridgepoint Hospital (Toronto)
Archives of Ontario (Toronto)
Humber River Regional Hospital (Toronto)
MGS New Data Centre (Guelph)
Niagara Health System Project (St. Catharines)
St. Joseph's Healthcare Hamilton (Hamilton)
Thunder Bay Consolidated Courthouse (Thunder Bay)

Cumulative Project Capitalization*



Please refer to Appendix B for information on Plenary Group Canada Key Personnel.

Canadian Portfolio

North Bay Regional Health Centre
North Bay, Ontario

MGS New Data Centre
Guelph, Ontario

Bridgepoint Hospital
Toronto, Ontario

Disreali Bridges Project
Winnipeg, Manitoba

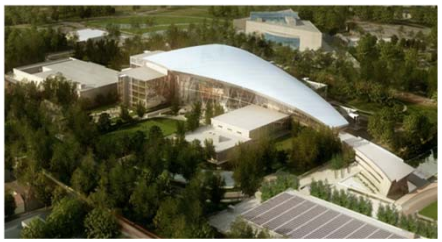
Archives of Ontario (York University)
Toronto, Ontario

NHS Health-Care Complex
St.Catharines, Ontario

BCCA
Prince George, British Columbia

Thunder Bay Consolidated Courthouse
Thunder Bay, Ontario

St. Joseph's Healthcare Hamilton
Hamilton, Ontario



CSEC
Ottawa, Ontario

Humber River Regional Hospital
Toronto, Ontario

Interior Heart and Surgical Centre
Kelowna, British Columbia

Plenary Group

Please refer to Appendix A for additional information on the attached projects.

Plenary Group Projects – Australia

With 10 concessions secured in 6 years, Plenary has established a dominant presence across Australia, holding approximately AUS4bln of capital project value.

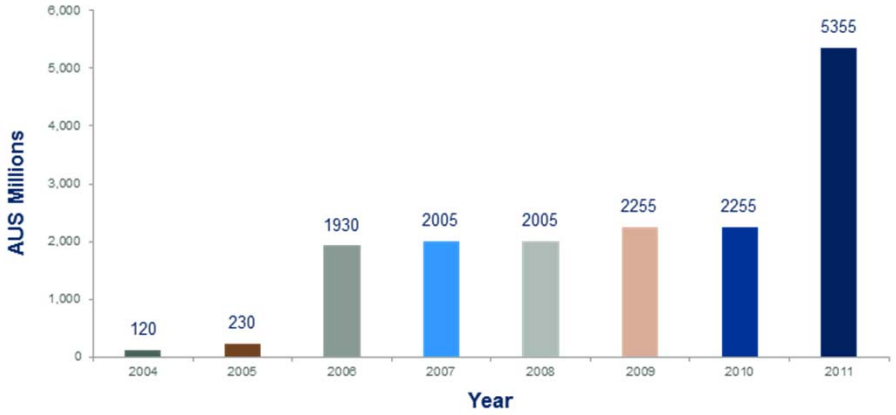
Various Locations Across Australia
ADF Single Living Environment and Accommodation Project (Leap 1 & 2)

Regional South Australia
South Australian Police and Courts (9 locations)

Queensland
Gold Coast Rapid Transit

Victoria
Casey Hospital (Berwick)
Barwon Water Biosolids Management (Geelong)
Biosciences Research Centre (Melbourne)
Victorian College of Pharmacy (Melbourne)
Melbourne Convention Centre (Melbourne)
Victorian Comprehensive Cancer (Melbourne)

Cumulative Project Capitalization



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Australian Portfolio

Casey Hospital

Berwick, Victoria

Melbourne Convention Centre

Melbourne

Barwon Water Biosolids Management

Geelong, Victoria

South Australian Police and Courts

Regional South Australia

Victorian College of Pharmacy

Melbourne

ADF Single Living Environment and Accommodation Precinct (LEAP 1 & 2)

New South Wales, Queensland

Biosciences Research Centre

Melbourne

Gold Coast Rapid Transit

Queensland

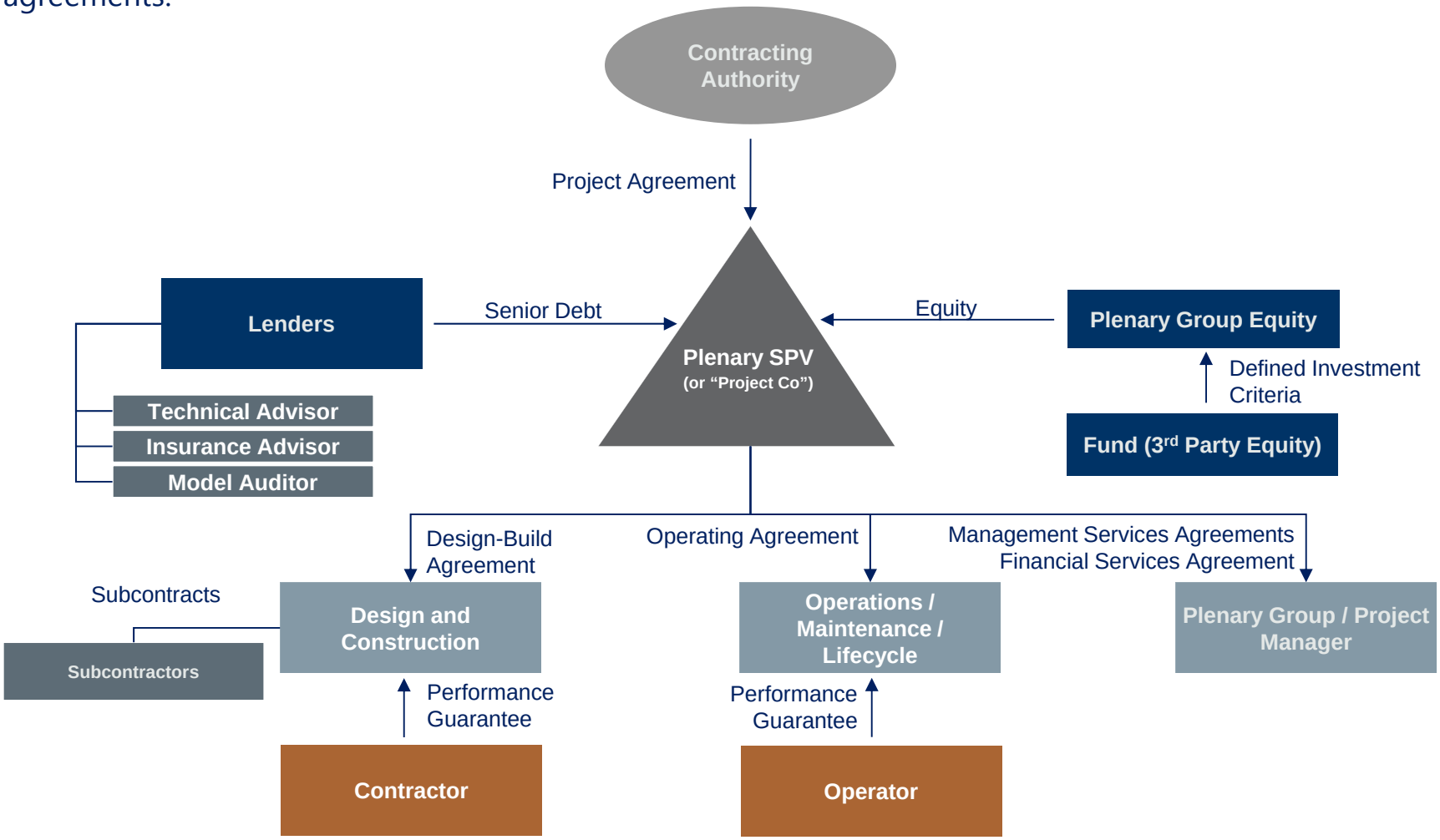
Victorian Comprehensive Cancer Centre

Melbourne, Australia

Plenary Group

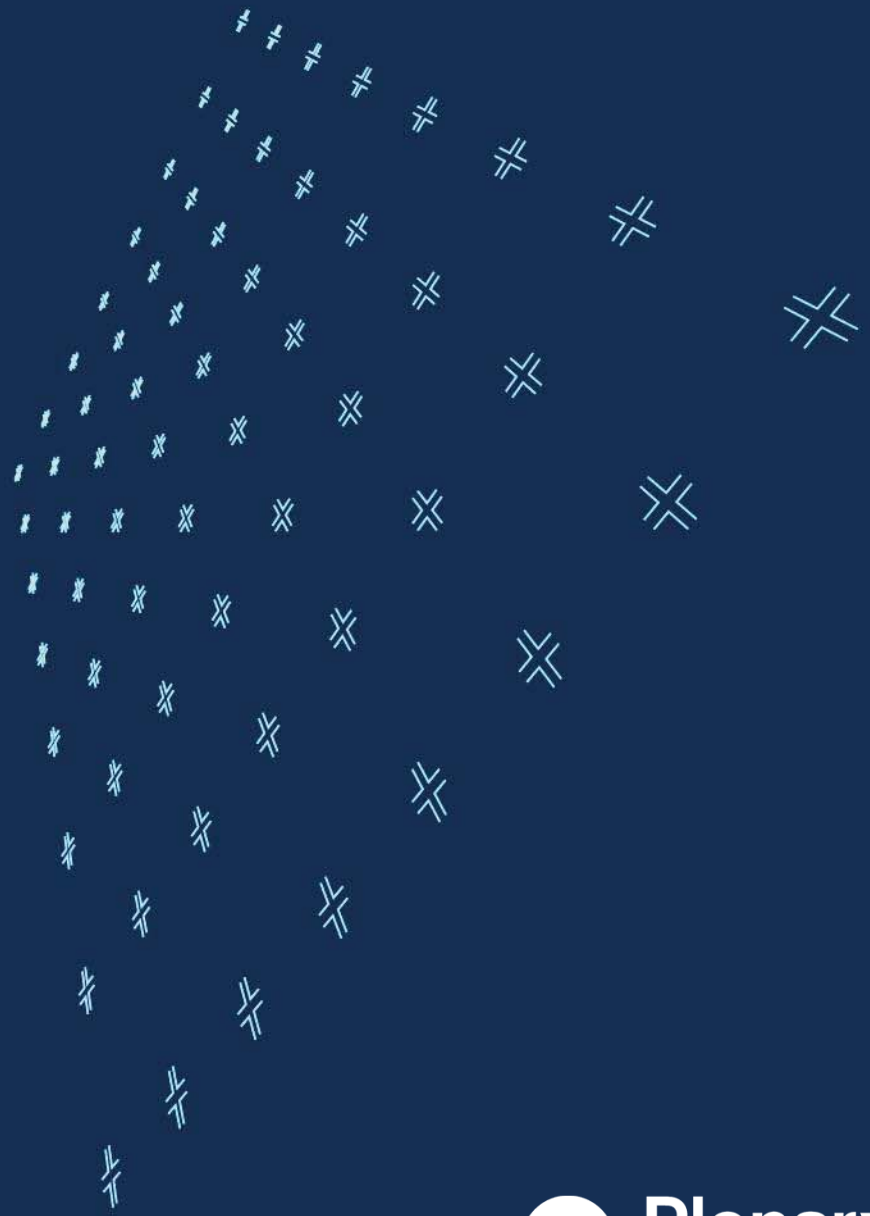
P3 Contractual Structure

The contractual structure of a P3 is designed to provide a maximum level of security to lenders and sponsors, by passing down the various risks to the party best able to manage them through applicable agreements:



Appendix A

Plenary Group Canada Project Information



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North Bay Regional Health Centre

Project Description:

- The North Bay Regional Health Centre is a joint redevelopment project between the North Bay General Hospital (“NBGH”) and the Northeast Mental Health Centre (“NEMHC”). Each offers its own facility on a common 80-acre Greenfield site and provides state of the art acute care and long-term mental health care. The NBGH component of the facility is approximately 525,000 ft^2 and accommodates 275 acute care beds and support services, while the NEMHC component is approximately 150,000 ft^2 and accommodates 113 specialized and forensic mental health beds and associated outpatient services.

Total Financing:	$420 million
Consortium:	Plenary Group, PCL, Johnson Controls
Financial Close:	March 2007
Substantial Completion:	June 2010
Status:	Operational

Plenary Group

Archives of Ontario

Project Description:

- The new 130,000 ft^2 facility houses Ontario's permanent records, including showcasing some of the Archives' most valuable collections. Construction was completed ahead of schedule and the facility went operational in February of 2009.

Total Financing:	$85 million
Consortium:	Plenary Group, PCL, Morguard
Financial Close:	March 2006
Substantial Completion:	February 2009
Status:	Operational

Plenary Group

Ministry of Government Services – New Data Centre

Project Description:

- The MGS New Data Centre ("MGS NDC") is located in Guelph, Ontario. The primary objective of the MGS NDC is to improve overall data centre service quality to the Government of Ontario enabling it to provide client-focused, integrated, accessible and cost effective services.
- Construction was completed on time and operations began in March of 2010.
- The operations term is 30 years.

Total Financing:	$212 million
Consortium:	Plenary Group, PCL, Johnson Controls
Financial Close:	April 2008
Substantial Completion:	March 2010
Status:	Operations

Plenary Group

Niagara Health System Health-Care Complex

Project Description:

- The new hospital procured by Niagara Health System is a 970,000 ft^2, 375 bed facility. The new building will provide a full range of hospital services including acute, critical inpatient, surgical, emergency and ambulatory care. This landmark project in the region will offer a number of services first time in the Niagara Region such as the diabetes centre, regional cancer centre, cardiac catheterization, chronic kidney disease centre and long-term mental health care.

Total Financing:	$535 million
Consortium:	Plenary Group, PCL, Johnson Controls
Financial Close:	March 2009
Target Completion:	November 2012
Status:	Under Construction

Plenary Group

Bridgepoint Hospital Redevelopment

Project Description:

- The new replacement hospital development will be a multi-storey building (approximately 780,000 square feet) hosting the 472 bed public hospital with its inpatient rooms, ambulatory care facilities and administrative, parking, education and research space. The new Facility will be designed to serve people in the Greater Toronto Area, and from across Canada, living with complex chronic disease and disability and/or who are in need of rehabilitation services.
- The Project also includes the renovation of the existing historic Don Jail building (to be used by Bridgepoint Hospital as administrative space) and construction of a link to the new hospital building.

Total Financing:	$450 million
Consortium:	Plenary Group, PCL, Johnson Controls
Financial Close:	August 2009
Target Completion:	February 2013
Status:	Under Construction

Plenary Group

BC Cancer Agency for the North

Project Description:

- Plenary Health has partnered with the BC Cancer Agency to deliver a new regional cancer centre in Prince George. The Centre for the North will bring cancer care and treatment services closer to home for patients and families living in northern BC.
- The 54,300 ft2 facility will include two linear accelerators used in the delivery of radiation therapy, a CT simulator, a chemotherapy treatment unit, a pharmacy, general outpatient clinics, professional staff offices, and a parkade.

Total Financing:	$68 million
Consortium:	Plenary Group, PCL, Johnson Controls
Financial Close:	December 2009
Substantial Completion:	September 2012
Status:	Operational

Plenary Group

Disraeli Bridges Project

Project Description:

- The Disraeli Bridges Project will see the rejuvenation of a critical piece of Winnipeg transportation infrastructure. All bridge structures will be replaced with entirely new structures and the roadway will be realigned, with exits and entrances redesigned with smoother traffic and pedestrian flow in mind.
- Furthermore, a separate new pedestrian bridge will be built over the existing river bridge piers, providing an easily accessible, functional and aesthetically pleasing pedestrian/cycling crossing of the Red River, providing a strong contribution to the City's overall vision for an Active Transportation network.

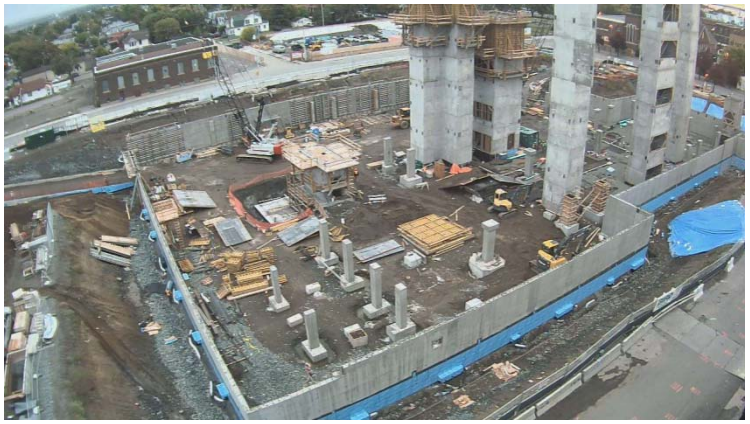
Total Financing:	$160 million
Consortium:	Plenary Group, PCL
Financial Close:	March 2010
Target Completion:	September 2012
Status:	Under Construction

Thunder Bay Consolidated Courthouse

Total Financing:	$160 million
Consortium:	Plenary Group, Bird Construction, Johnson Controls
Financial Close:	November 2010
Target Completion:	September 2013
Status:	Under Construction

Project Description:

- This state-of-the-art facility will bring two existing courthouses – Superior Court of Justice and Ontario Court of Justice - into one facility in downtown Thunder Bay. It is considered a priority project due to the functional deficiencies and constraint imposed by the existing courthouses with a secondary purpose to revitalize downtown Thunder Bay.
- The Facility is a 6 storey building with a penthouse and at least one level of parking below grade. It will accommodate an estimated 250 personnel in 15 courtrooms and 4 conference/settlement rooms. The courthouse shall accommodate a maximum of 72 persons in custody at one time.



Plenary Group

St. Joseph's Healthcare Hamilton

Project Description:

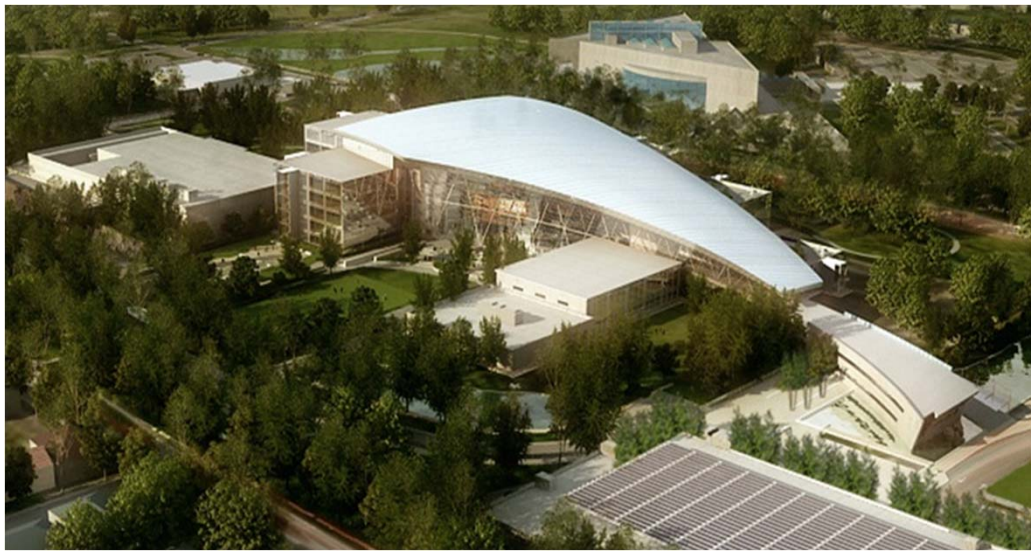
- Plenary Health was selected to deliver SJHH a new replacement mental health and addiction hospital, which consists of 305 mental health and addiction inpatient beds, mental health and medical outpatient clinics, clinical support, administrative and facility support functions, education and research space.

- The two phased hospital project is being procured by Infrastructure Ontario under the AFP model. Phase 1A will involve construction of a new 830,000 ft2, LEED Silver certified hospital and is scheduled to take 36 months. Following occupancy of the new Hospital, expected to occur 2 months following completion of Phase 1A, Phase 1B will be to demolish 450,000 ft2 of the existing facilities on the eastern portion of the campus, an activity scheduled to take 7 months from the time that SJHH commences full services in the new building.

Total Financing:	$400 million
Consortium:	Plenary Group, PCL, Honeywell
Financial Close:	December 2010
Target Completion:	December 2013
Status:	Under Construction

Plenary Group

Communications Security Establishment Canada



Project Description:

- Located in Ottawa, Ontario
- Procured by Defense Construction Canada
- Client is Communications Security Establishment Canada
- Project entails the design, construction, finance and maintenance of Canada's national cryptologic agency
- Includes all soft services and IT
- Key features of headquarters:
  - High security campus
  - 775,000 ft^2
  - LEED GOLD

Total Financing:	$1.2 billion
Consortium:	Plenary Group, HP, PCL, Honeywell
Target Completion:	Fall 2014
Status:	Financial Close
Status:	Under Construction

Plenary Group

Humber River Regional Hospital

Project Description:

- The Humber Project is a long-term design, build, finance and maintain structure with a term equal to the construction period (43.5 months, equivalent to approximately 3.6 years) plus 30 years
- The facility will be built on a 27 acre site owned by the Province of Ontario at Keele Street and Highway 401 in north western Toronto
- Encompasses a 14 storey tower, a central utility plant and two parking structures with approximately 2,000 parking spaces in aggregate
- Approximately 1,700,000 ft^2 including 656 beds upon completion

Total Financing:	$1.1 billion
Consortium:	Plenary Group, Innisfree, PCL, Johnson Controls
Financial Close:	September 2011
Target Completion:	May 2015
Status:	Under Construction

Plenary Group

Interior Heart and Surgical Centre

Project Description:

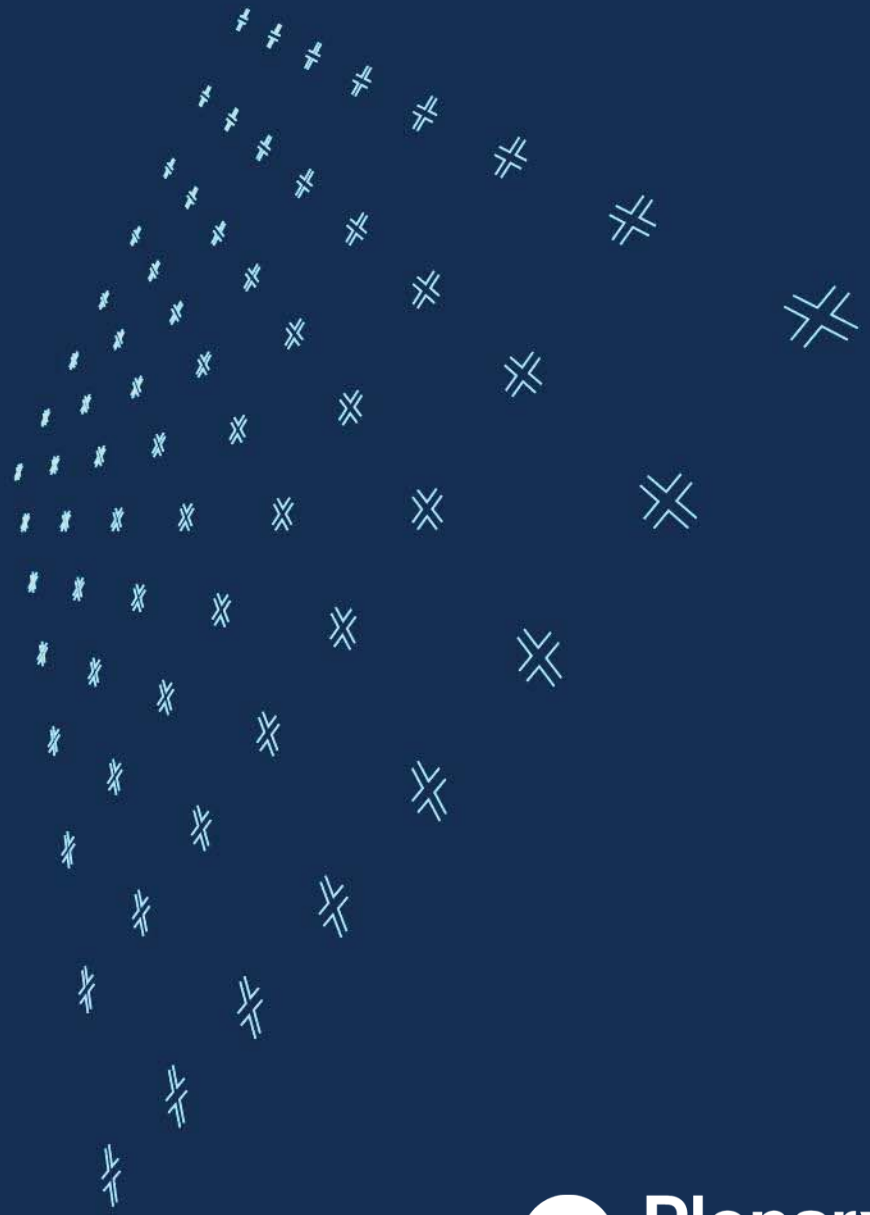
- This 152,000 ft^2 facility will be the newest addition to the Kelowna General Hospital, providing a permanent home for the Hospital's cardiac program, as well as providing a full suite of cutting edge operating theatres and inpatient support units.
- The building's design has been engineered for future flexibility – a 32-bed inpatient care unit can be added to the facility to accommodate Kelowna's future demographics.
- Working with our consortium partners, Plenary is delivering a facility that incorporates evidence-based design principles and clinical best practices that exceeded the Authority's expectations in terms of both quality and affordability.

Total Financing:	$81 million
Consortium:	Plenary Group, PCL, Johnson Controls
Financial Close:	June 2012
Target Completion:	March 2015
Status:	Under Construction

Plenary Group

For more information on Plenary Group, please visit:

www.plenarygroup.com



Plenary Group