



# Infrastructure Ontario's Alternative Financing and Procurement (AFP)

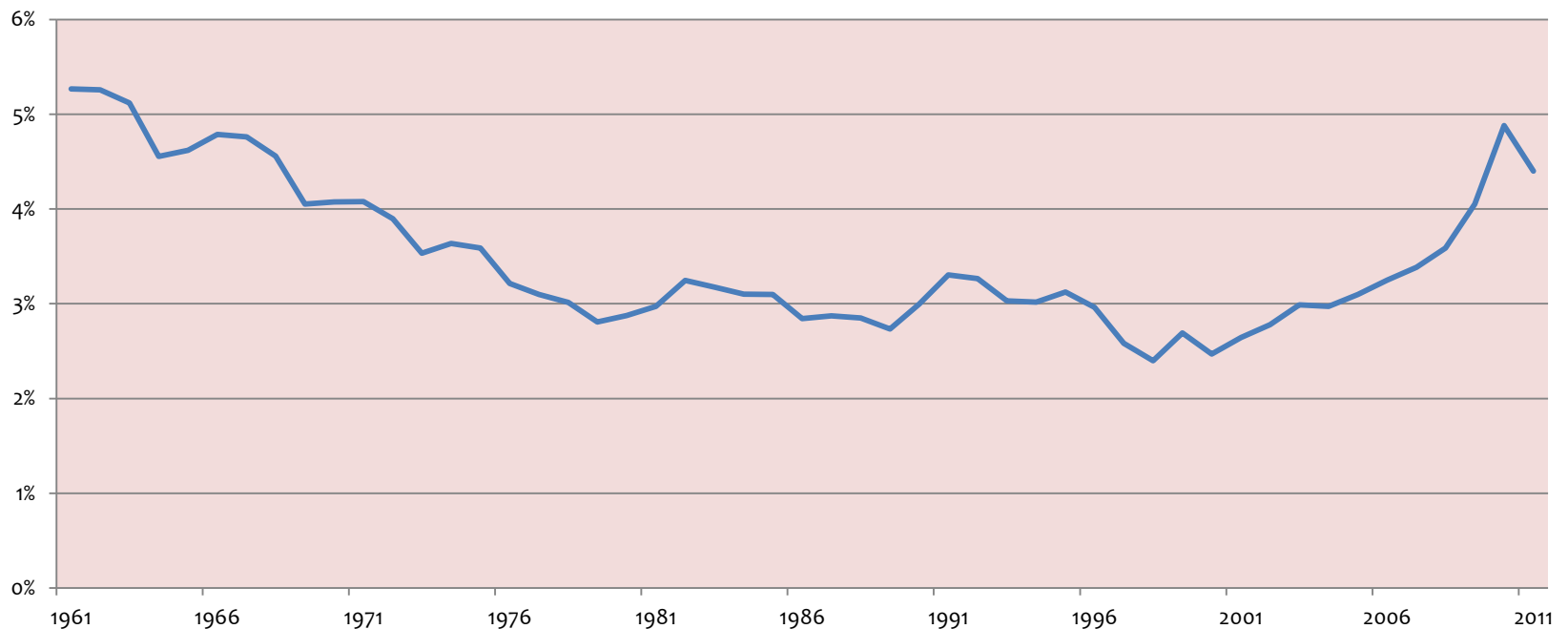
Presentation by David Morley, Vice President, Infrastructure Ontario

U.S. House of Representatives – Committee on Transportation and Infrastructure  
Washington, DC  
April 8, 2014

# Ontario's Investment in Infrastructure: A Top Priority Today

## History of Public Infrastructure Investment in Ontario (% of GDP)

(All orders of Government)



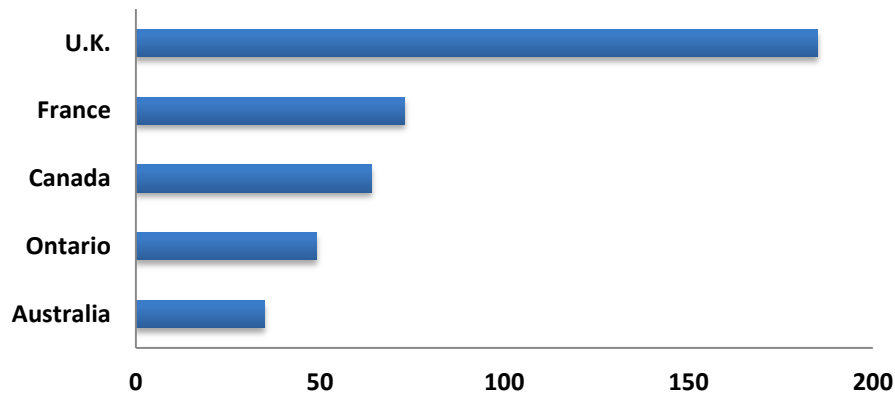
Sources: Ontario Ministry of Infrastructure, Statistics Canada

Notes: These data are modeled, based on data from Statistics Canada that are survey-based and self-reported. Therefore, the responses are given from the perspective of the asset owner and may not correspond to Provincially-reported investments. Further, the definition of public infrastructure may not correspond to individual Provinces' definitions.

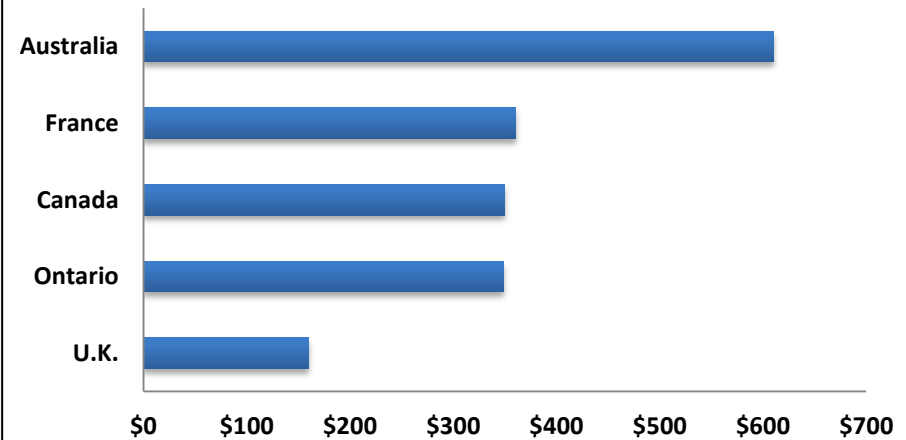
# Ontario's Alternative Financing and Procurement: Global View

- The Conference Board of Canada's August 2013 report notes that Canada is one of the most stable and mature P3 markets globally
- Infrastructure Ontario is as a global leader in delivering public investment with the private sector, using the AFP model.
- The Ontario government, through IO, is delivering over 80 projects using the AFP model, valued at about \$35 billion. This includes over 50 projects completed or under construction with an estimated \$3 billion in value-for-money savings.

**P3 Projects Reaching Financial Close:  
2007-2011**

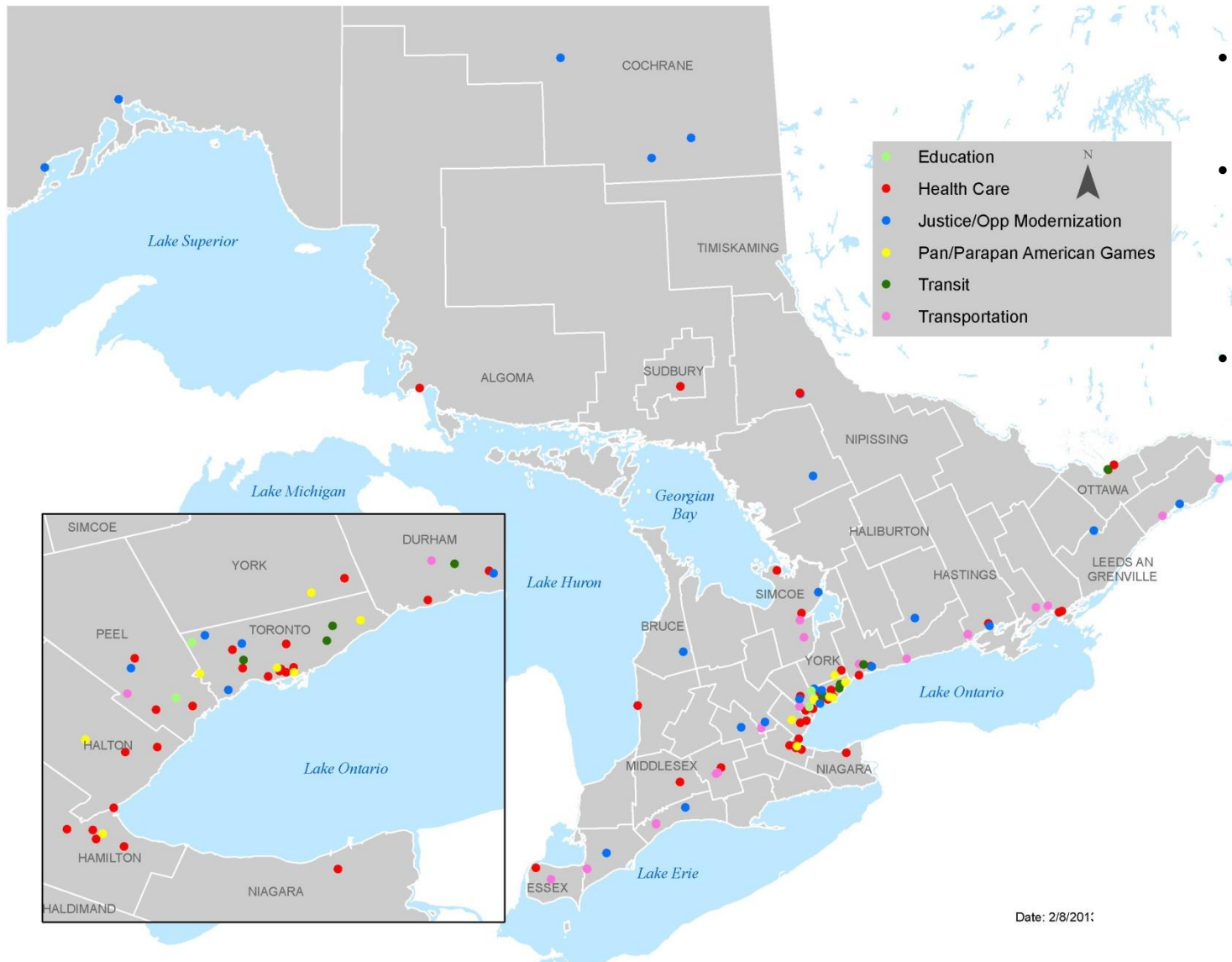


**Average P3 Project Size (mil.): 2007-2011**



Sources: Conference Board of Canada, European PPP Expertise Centre, PFI Data, PPP in France, PricewaterhouseCoopers, KPMG, CCPPP database

# Ontario's AFP Projects: Better Public Infrastructure



- 93 AFP projects have been assigned to IO
- 36 AFP projects have reached substantial completion of construction
- Total construction cost value: \$6.5 billion



# Ontario's AFP Projects: Better Public Services



## HEALTH



- ✓ **Eight** new cancer treatment centres
- ✓ New **cardiac** and **dialysis** treatment centres



## JUSTICE



- ✓ **96** new courtrooms in consolidated courthouses (at full capacity)
- ✓ **18** new provincial police detachments



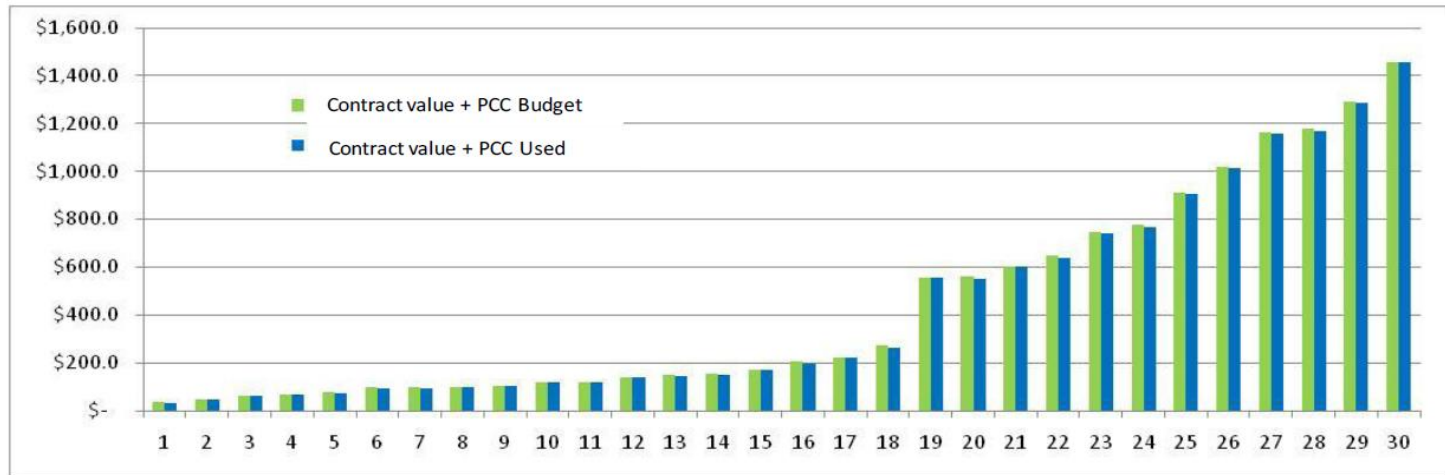
- ✓ New Athletes' Village
- ✓ New stadiums and recreational facilities
- ✓ New transit link to the international airport

## PAN AM GAMES

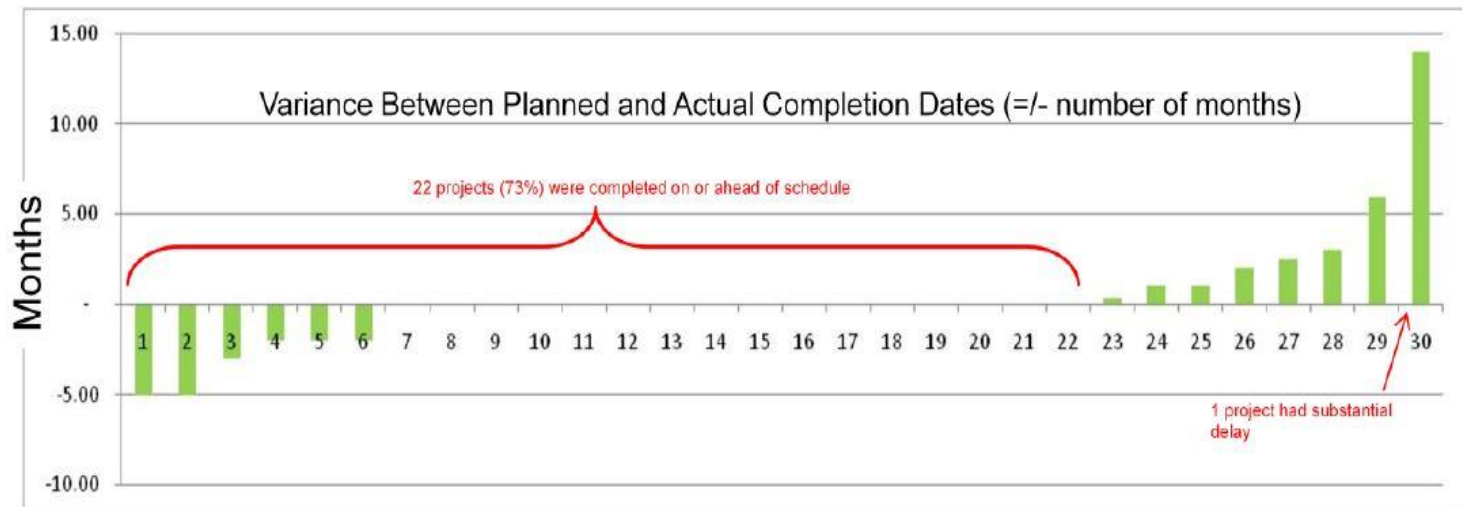


# Ontario's AFP Track Record: On-Time and On-Budget

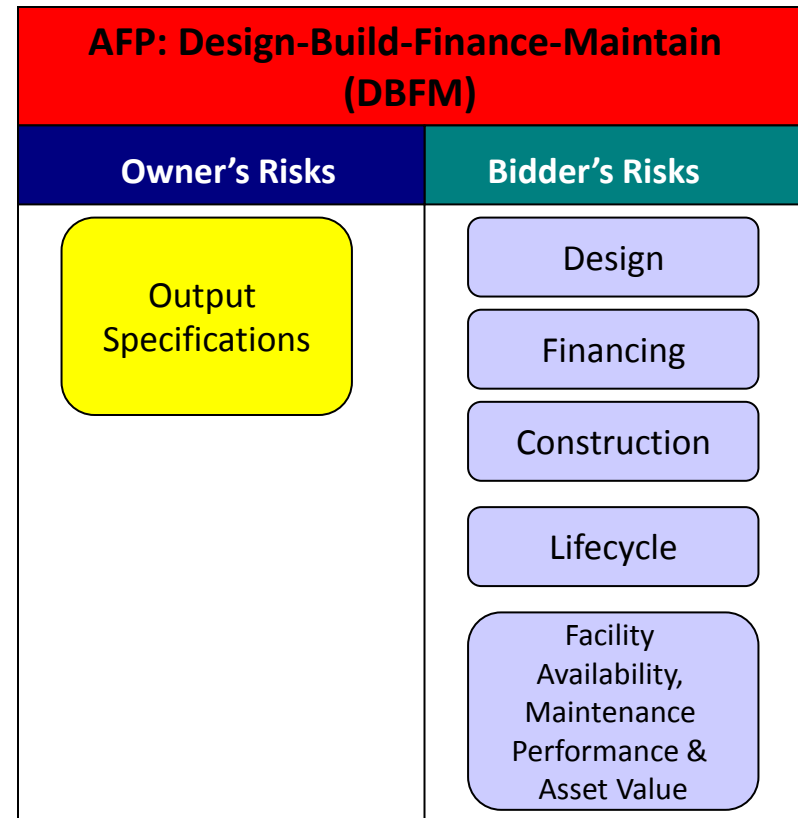
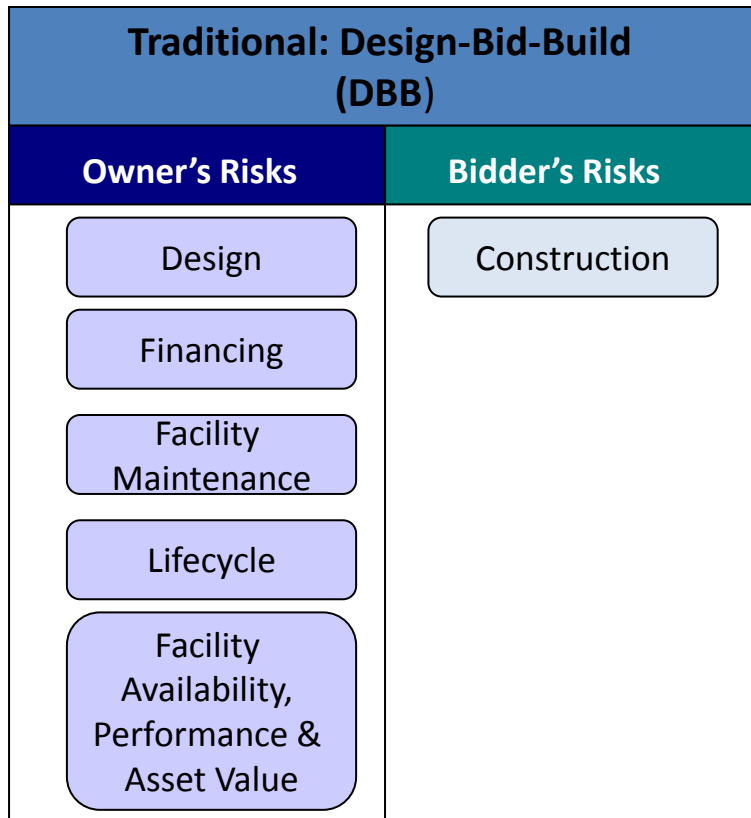
## On-Budget Analysis – 29 of 30 projects completed below the contract and contingency budgets



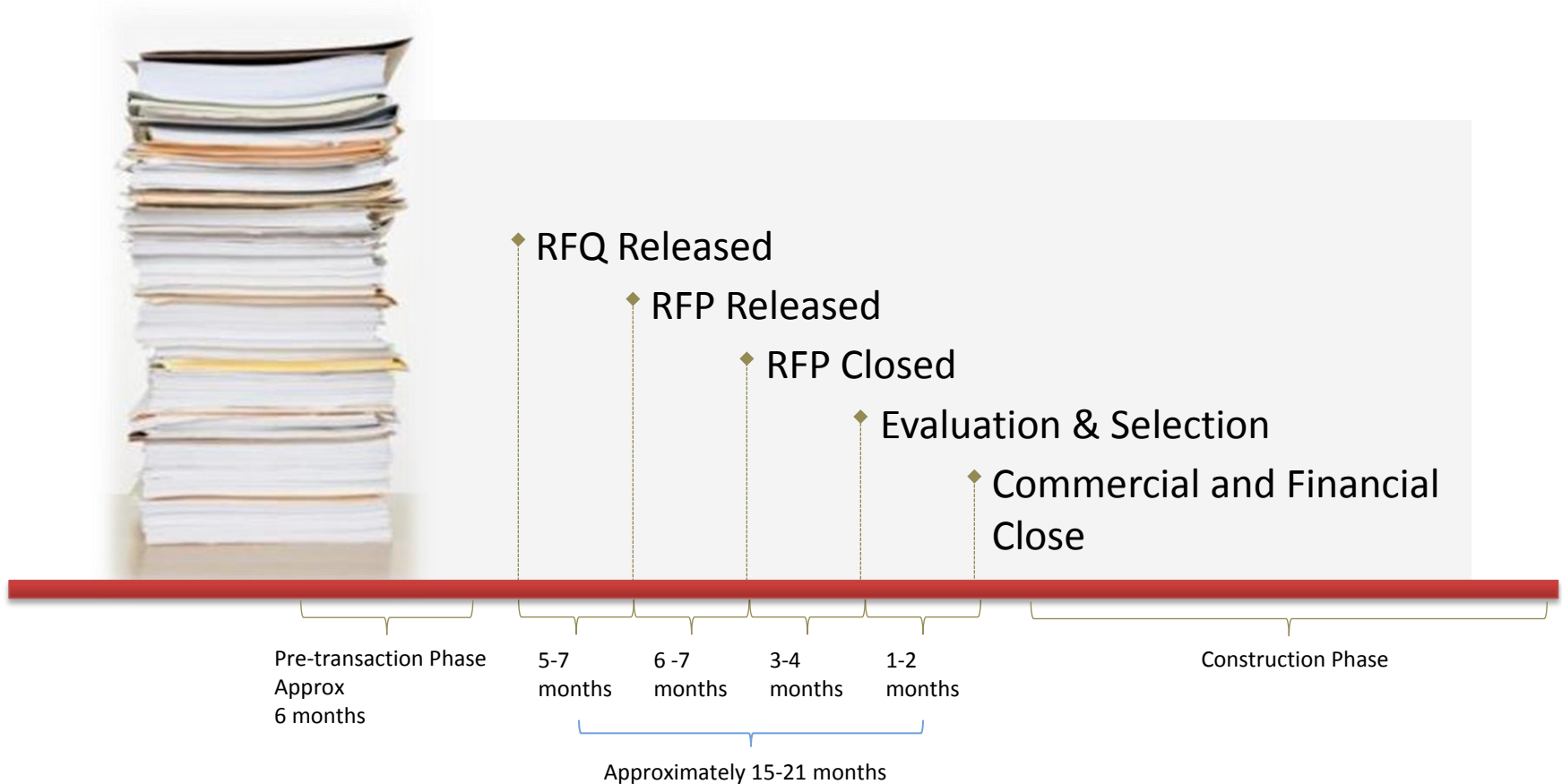
## On-Time Analysis – 28 of 30 projects complete on time or within three months of target date



# AFP Success Factor: Risk Transfer



# AFP Success Factor: Standard Processes and Documents





# Public-Private Partnerships in Canada: Economic Benefits

Total Economic Impacts of the Total P3 Project Value of Infrastructure  
P3 Projects in Canada, All Sectors, 2003-2012

(Interviews for the Canadian Council for Public Private Partnerships)

Type of Impact	Employment (Full-Time Equivalent Jobs)	Income/ Wages & Benefits (\$ Millions)	GDP (\$ Millions)	Economic Output (\$ Millions)
Direct	290,680	\$19,010	\$25,140	\$51,170
Indirect	133,690	\$8,440	\$12,610	\$23,860
Induced	93,060	\$4,760	\$10,410	\$17,050
<b>Total Canada</b>	<b>517,430</b>	<b>\$32,210</b>	<b>\$48,160</b>	<b>\$92,080</b>

Notes:

\* Results are based on total P3 project value of projects and are presented in 2013 dollars.

\*\* Applies to 121 projects with financial close dates between 2003 and 2012. Results reflect data available as of August 2013.

# Positive Third-Party Statements

InfraAmericas



**Infrastructure Ontario turns to large LRT projects to keep P3 pipeline moving**

*"Ontario successfully addressed the need for new hospitals with P3s. Now it is addressing the need for urban transit lines."* (InfraAmericas February 8, 2013)



**Public-private partnerships working as intended, new report finds**

(Journal of Commerce, February 3 2010)

**PUBLIC WORKS  
FINANCING**

**Infrastructure Ontario is the deal flow leader**  
*"Infrastructure Ontario managed to close seven projects during the worst of the financial crisis last year."* (Public Works Financing, December 2009)