ONTARIO INFRASTRUCTURE AND LANDS CORPORATION

Value for Money Assessment

Stouffville Corridor Stations Improvement Project

March 2018

Ontario
Infrastructure Ontario

Table of Contents

I. EXECUTIVE SUMMARY 2

- Infrastructure Ontario 2
- Alternative Financing and Procurement in Ontario 2
- Achieving Value for Money 2
- External Review 3

II. PROJECT HIGHLIGHTS 4

- Stouffville Corridor Stations Improvement Project 4
- Background 4
- Objectives 5
- Project Scope 5
- Economic Benefits & Job Creation 6

III. ACHIEVING VALUE FOR MONEY 7

- Value for Money Concept 7
- Calculating Value for Money – Inputs & Assumptions 7
- Stouffville Stations Value for Money Results 10
- External Review 10

IV. PROJECT AGREEMENT 11

V. COMPETITIVE SELECTION PROCESS 12

- Procurement Process 12
- Design and Construction Phases 13

VI. CONCLUSION 14

VII. EXTERNAL CONSULTANT LETTERS 15

I. EXECUTIVE SUMMARY

This report provides a summary of the procurement process for the Stouffville Corridor Stations Improvement project and demonstrates how value for money was achieved by delivering the project using Infrastructure Ontario's (IO) Alternative Financing and Procurement approach.

➤ Infrastructure Ontario

IO is a Crown agency owned by the Province of Ontario that provides a wide range of services to support the Ontario government's initiatives to modernize and maximize the value of public infrastructure and realty. Projects delivered by IO are guided by five key principles: transparency, accountability, value for money, public ownership and control, and public interest are paramount.

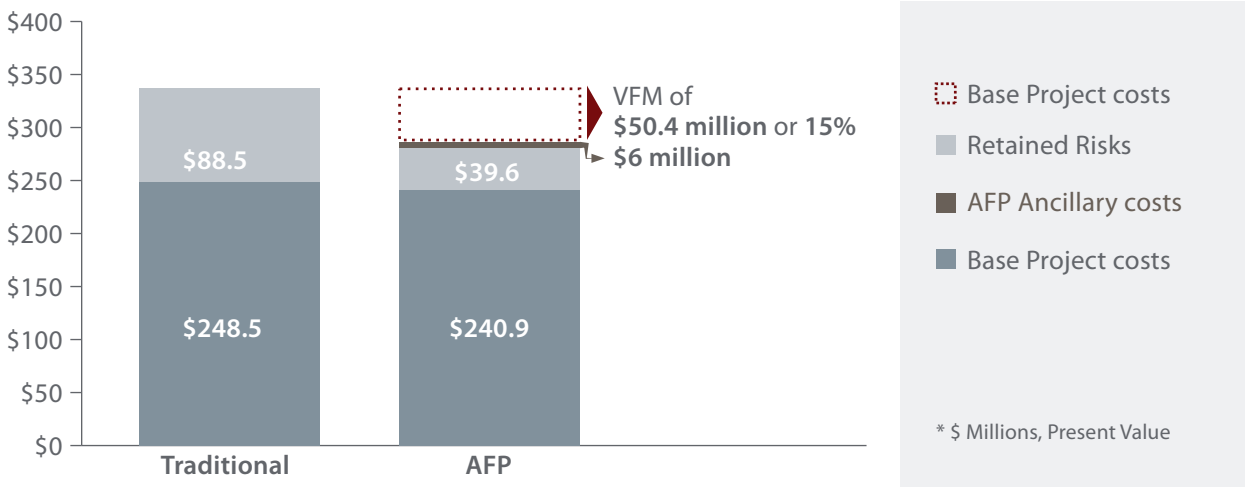
➤ Alternative Financing and Procurement in Ontario

IO delivers public infrastructure projects using a project delivery model called Alternative Financing and Procurement (AFP). The AFP model brings together private and public sector expertise in a unique structure that transfers to the private sector partner the risk of project cost increases and scheduling delays typically associated with traditional project delivery. The goal of the AFP approach is to deliver a project on time and on budget and to provide real cost savings for the public sector.

All projects with a cost greater than $100 million are screened for their suitability in being delivered as an AFP project. The decision to proceed with an AFP delivery model is based on both qualitative considerations (e.g., size and complexity of the project) and a quantitative assessment. The quantitative assessment, called Value for Money (VFM), is used to assess whether the AFP delivery model will achieve greater value to the public compared to a traditional public sector delivery model. VFM compares the estimated total project costs of delivering public infrastructure using AFP relative to the traditional delivery model.

➤ Achieving Value for Money

The VFM assessment of the Stouffville Corridor project indicates an estimated cost savings of $50.4 million or 15.0 percent (in present value terms) by using the AFP approach compared to traditional delivery.



I. EXECUTIVE SUMMARY

External Review

As part of the procurement process and VFM assessment, two external parties were retained by IO:

- Ernst & Young was retained to complete the VFM assessment; and,
- SEG Management Consultants acted as the Fairness Monitor for the project.

II. PROJECT HIGHLIGHTS

➤ Stouffville Corridor Stations Improvement Project

Courtesy of Metrolinx/EllisDon Civil Inc.

Purpose	To deliver the Stouffville Corridor project, an integral component of Metrolinx's long-term plan for Regional Express Rail – an integrated transportation network in the Greater Toronto and Hamilton Area.
Project Owner	Metrolinx
Private Partner	EllisDon Transit Infrastructure (EDTI)
Location	Toronto
Project Type	Design-Build-Finance (DBF)
Infrastructure Type	Transit
Contract Value	$254.5 million (nominal/including inflation)
Construction Period	2018 to 2020
Length of Project Agreement	3 years
Estimated Value for Money (Present Value)	$50.4 million or 15.0 percent

➤ Background

The Stouffville Corridor project includes upgrades to tracks, platforms with canopies, new pedestrian connections and amenities at the Milliken, Agincourt, and Unionville GO stations along the Stouffville Corridor. The project also includes a road/rail grade separation at Steeles Avenue, with a railway overpass bridge.

II. PROJECT HIGHLIGHTS

➤ Objectives

Work on the Stouffville Corridor is part of a larger, system-wide plan to improve overall GO Transit service, including the delivery of the Province's GO Regional Express Rail program (RER) by 2024-25.

Overall key objectives of RER projects includes:

- Increase urban transit capacity
- Manage congestion
- Seamless customer experience
- Minimize disruption during construction
- Design excellence
- Deliver on time, on budget
- Public ownership

➤ Project Scope

GO RER will provide faster and more frequent service on the GO Rail network, with electrified service on core segments:

- Electric trains running every 15 minutes or better, all day and in both directions, within the most heavily travelled sections of the network
- Four times the number of trips outside of weekday rush-hour periods, including evenings and weekends
- Twice the number of trips during weekday rush-hour periods

BENEFITS OF RER

- GO RER will provide a major new travel choice to commuters and significantly increase transit ridership, cut journey times and help manage congestion across the GTHA.
- Time savings (faster, more frequent and reliable transit options throughout the region)
- Congestion management (similar transit services throughout the world have been shown to slow the growth of road congestion)
- Financial savings (transit fares typically cost less than owning and maintaining a vehicle)
- Easier movement of people and goods to address estimated yearly congestion costs of up to $11 billion

PROJECT SCOPE

The scope of work includes:

- Milliken GO Station: new east side platform and upgrade of existing west side platform with a canopy, passenger access tunnels connecting the platforms with elevators, new Steeles Avenue East pedestrian connection and customer amenities, and a grade separation at Steeles Avenue East.
- Agincourt GO Station: new second track, new side platforms with a canopy, passenger access tunnels with elevators, customer waiting areas, building relocation and customer amenities provisions – targeting LEED Gold standards.

- Unionville GO Station: new second track and third turning track, new side platforms with a canopy, passenger access tunnels with elevators, parking expansion and customer amenities.

The project agreement with EDTI contains their requirements to:

- Design and Construct – lead the design and construction of the Stouffville Corridor project for completion in December 2020;
- Finance – secure sufficient financing to finance the construction and capital costs over the term of the project;
- Third-Party Certification – obtain a third-party independent certification that the system is built to the requirements of the Province as outlined in the project agreement.

Economic Benefits & Job Creation

The project is generating economic stimulus by creating and supporting jobs. At the peak of construction, EDTI estimates that 72 workers will be on the site daily, with more opportunities for subcontractors as the project progresses.

III. ACHIEVING VALUE FOR MONEY

Value for money assessment for the Stouffville Stations project demonstrates a project costs savings (in present value terms) of: **$50.4 million or 15.0%**

The VFM assessment methodology is outlined in *Assessing Value for Money – An Updated Guide to Infrastructure Ontario's Methodology*, which can be found at www.infrastructureontario.ca.

➤ Value for Money Concept

The VFM compares the estimated total risk adjusted project costs, expressed in dollars measured at the same point in time, of delivering the same infrastructure project under two delivery models: the traditional Design, Bid Build (DBB) model and the AFP model.

MODEL # 1: Traditional DBB Delivery (PSC)	**MODEL # 2:** AFP Delivery
Estimated costs to the public sector of delivering an infrastructure project using a traditional procurement delivery model. Total risk-adjusted costs are known as the Public Sector Comparator or PSC Costs.	Estimated costs to the public sector of delivering the same project to the identical specifications using the AFP delivery model. Total risk-adjusted costs are known as AFP Costs.

Value for Money $ = PSC Costs - AFP Costs *or* **Value for Money % =** $\frac{(PSC\ Costs - AFP\ Costs)}{PSC\ Cost\ Costs}$

The difference between the total estimated PSC costs and the total estimated AFP costs is referred to as VFM. Positive VFM is demonstrated when the cost of delivery under AFP is less than PSC.

➤ Calculating Value for Money – Inputs & Assumptions

The VFM is assessed and refined throughout the entire procurement process to reflect updated information and EDTI's actual bid costs. All costs and risks in this report are expressed in present value terms and have been discounted back to present terms.

The VFM assessment relies on a number of inputs and assumptions, including:

- 1. Base Project Costs
  - 1.1. Adjusted Base Costs (design, construction, lifecycle and maintenance)
  - 1.2. Financing Costs
- 2. AFP Ancillary Costs
- 3. Retained Risks

III. ACHIEVING VALUE FOR MONEY

1. Base Project Costs

1.1. Calculation of Base Costs

Traditional Delivery Model (PSC)		AFP Delivery Model	
Base Costs adjusted for:	($)	Base Costs adjusted for:	($)
Innovation Factor	N/A	Innovation Factor	to Construction Costs
Adjusted Base Costs	**Base Costs ($) +/- Adjustments**	**Adjusted Base Costs**	**Base Costs ($) +/- Adjustments**
Estimated Savings / (Costs) in Base Costs under the AFP Model			PSC – AFP

Base costs include design and construction costs. In the estimation of base costs, IO relies on external cost consultants to estimate the costs of the project. This becomes the starting point for both the PSC and AFP models. These costs are then adjusted for:

- An innovation factor – the VFM methodology includes an innovation factor which recognizes that the base cost of the AFP model will be lower than the PSC model as a result of:
  - the use of performance based specifications in AFP projects allow contractors to consider innovative and alternative ways to deliver a project, such that project costs are lower as compared to a traditional delivery which uses more prescriptive specifications; and,
  - increased competitive environment on AFP projects which have resulted in cost reductions.

1.2. Financing Costs

Traditional Delivery Model (PSC)		AFP Delivery Model	
Financing Costs	Public sector notional financing costs	**Financing Costs**	Private sector financing costs
Estimated Savings / (Costs) from Financing under the AFP Model			PSC – AFP

One of the common elements of the AFP model is the use of private finance for some or all of the project period. Under the traditional delivery model, the public sector makes progress payments throughout construction. Whereas under the AFP model, the government pays a portion of construction costs during construction as interim payments or milestone payments, and/or pays the entire amount at the end of the construction period. Financing costs are reflected as follows:

- Traditional Delivery Model or PSC - the public sector notionally incurs an “opportunity cost” for having paid earlier as compared to the AFP model. The notional public sector financing cost is calculated at the current Provincial cost of borrowing or weighted average cost of capital. This cost is also reflected in the discount rate used to assess and compare the project costs.

- AFP Delivery Model – the private sector party borrows at private financing rates to pay for project costs during construction and carries that financing until fully repaid by the public sector. This private sector financing cost is ultimately passed through to the public sector as a cost and reflected in the AFP model.

2. AFP Ancillary Costs

Traditional Delivery Model (PSC)		AFP Delivery Model	
AFP Ancillary Costs	N/A	**AFP Ancillary Costs**	AFP costs
Estimated Savings / (Costs) from Financing under the AFP Model			PSC – AFP

There are significant costs associated with the planning and delivery of a large complex project. The VFM methodology quantifies the incremental ancillary costs arising under the AFP delivery model only. Ancillary costs typically incurred include legal, capital markets, fairness, transaction, and the cost of IO services.

3. Retained Risks

Traditional Delivery Model (PSC)		AFP Delivery Model	
Retained Risks	PSC costs	**Retained Risks**	AFP costs
Estimated Savings / (Costs) from Retained Risks under the AFP Model			PSC – AFP

The concepts of risk transfer and mitigation are key to understanding the overall VFM assessment. To estimate and compare the total cost of delivering a project under the traditional delivery model versus the AFP model, the risks borne by the public sector, which are called "retained risks," are identified and quantified. Details on how retained risks are identified and quantified are in *Assessing Value for Money – An Updated Guide to Infrastructure Ontario's Methodology*, which can be found at www.infrastructureontario.ca

Project risks are defined as potential adverse events that may have a direct impact on project costs. To the extent that the public sector retains these risks under both delivery models, they are included in the estimated cost under the PSC and AFP model as "retained risks". Risks retained under the AFP model are lower than risks retained by the public sector under the PSC model. This reflects the transfer of certain project risks from the public sector to the private sector and the appropriate allocation of risk between the public and private sectors based on the party best able to manage, mitigate, and/or eliminate the project risk.

As a result of a comprehensive risk assessment, the following are examples of key project risks that have been transferred or mitigated under the project agreement to EDTI:

- Project Schedule – risk of a longer construction period and resulting in a higher total program cost.
- Scope Changes During Construction (directed by owner) – risk that the scope of work is changed by the owner during the construction.
- Due Diligence (by the owner in preparation of tender in RFP) – risk that an insufficient level of due diligence is undertaken and communicated to the proponents resulting in reduced tolerance to risk and higher bid price.

- Quality Management – risk associated with meeting design standards and codes as they relate to long-term asset performance.

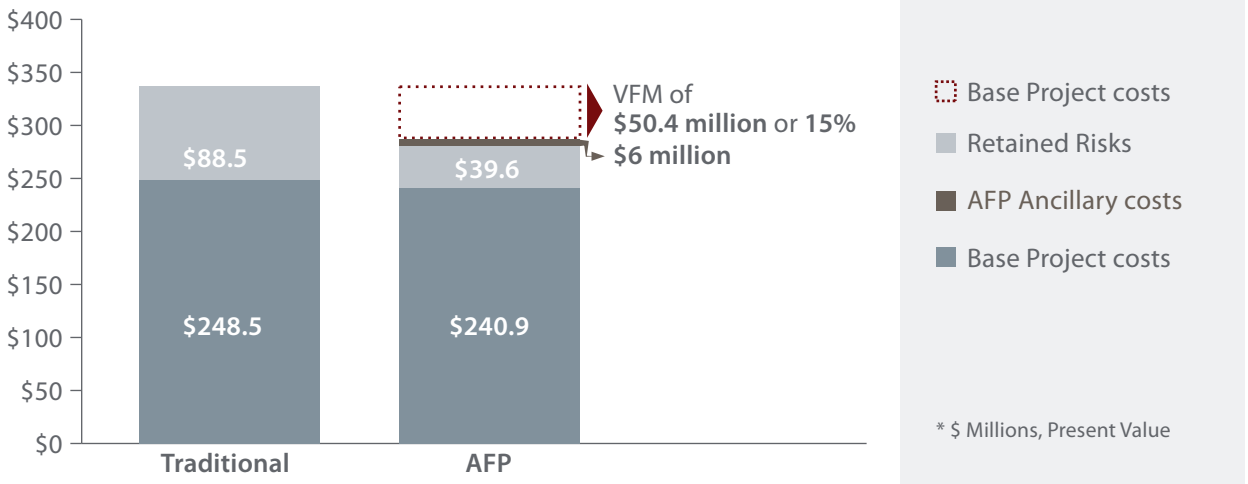
Stouffville Stations Value for Money Results

The VFM assessment of the Stouffville Stations indicates an estimated cost savings of $50.4 million or 15.0 percent (in present value terms) by using the AFP approach compared to traditional delivery.

Traditional Delivery Model (PSC)	$ Millions, Present Value
I. Base Project Costs (Adjusted Base Costs + Financing)	$248.5
II. AFP Ancillary Costs	N/A
III. Retained Risks	$88.5
Total	**$336.9**

AFP Delivery Model	$ Millions, Present Value
I. Base Project Costs (Adjusted Base Costs + Financing)	$240.9
II. AFP Ancillary Costs	$6.0
III. Retained Risks	$39.6
Total	**$286.5**

Estimated Value for Money (cost difference)	$50.4
Estimated Percentage Savings	15.0%



External Review

Ernst & Young completed the VFM assessment for the project. Their assessment demonstrates projected cost savings of 15.0 per cent by delivering the project using the AFP model versus what it would have cost to deliver the project using a traditional delivery model (see letter on page 15).

JD Campbell and Associates (for RFQ phase) and SEG Management Consultants (for RFP phase and onwards) acted as the Fairness Monitor for the project. They reviewed and monitored the communications, evaluations and decision-making processes associated with the project, ensuring the fairness, equity, objectivity, transparency and adequate documentation of the process. SEG Management Consultants certified that these principles were maintained throughout the procurement process (see letter on page 17).

IV. PROJECT AGREEMENT

➤ Highlights of the Project Agreement

The Project Agreement signed between IO, Metrolinx and EDTI defines the obligations and risks of all parties involved. Key highlights that pertain to the construction terms are below:

- Contract Price Certainty – A $254.5 million fixed-price contract (without inflation) to design, build and finance the Stouffville Corridor project. Any extra costs incurred as a result of a schedule overrun caused by the contractor will not be paid by the Province.
- Scheduling, Project Completion and Delays – EDTI has agreed to a substantial completion date of December 2020. The schedule can be modified in limited circumstances in accordance with the project agreement. A sizeable payment will be made by the Province at substantial completion, providing further incentive for EDTI to complete construction on time.
- Site conditions and contamination – EDTI is responsible for managing and where required, remediating any contamination at the site. This includes contamination that was disclosed or reasonably anticipated from site condition reports, or that is caused by EDTI or any of its parties.
- Construction Financing – EDTI is required to finance the construction of the project and is responsible for any additional financing costs if there is a delay reaching substantial completion of the project.
- Commission and Facility Readiness – EDTI must achieve a prescribed level of commissioning at substantial completion within the agreed-to schedule. This ensures Metrolinx will be able to achieve in-revenue service in December 2020.

V. COMPETITIVE SELECTION PROCESS

The procurement process for the Stouffville Corridor project, from RFQ to Financial Close, took 20 months to complete.

After concluding a fair and competitive procurement process, Metrolinx and IO entered into a project agreement with EDTI to design, build and finance the project.

➤ Procurement Process

i. Request for Qualifications | July 6, 2016

- Metrolinx and IO issued a request for qualifications (RFQ) to solicit interested parties to design, build and finance the project.
- On August 10, 2016, the RFQ period closed and the Sponsors received statements of qualifications from three teams.
- RFQ submissions were evaluated by IO and Metrolinx. High standards were set to ensure the pre-qualified consortia exceeded the technical and financial standards required for this complex and large project. The evaluation process resulted in three proponents being pre-qualified.

ELLISDON TRANSIT INFRASTRUCTURE

- Developer: EllisDon Capital Inc.
- Constructor: EllisDon Civil Inc.
- Design: WSP/MMM
- Architecture: Architecture 49
- Financial Advisor: EllisDon Capital Inc.

KENAIDAN OBAYASHI TRANSIT PARTNERS

- Developer and Constructor: Kenaidan Contracting Ltd. and Obayashi Canada Ltd.
- Design: IBI Group and R.V. Anderson Associates Ltd.
- Financial Advisor: Rocklynn Capital Inc.

KIEWIT-BIRD JOINT VENTURE

- Developer and Constructor: Peter Kiewit Infrastructure Co. and Bird Design-Build Construction
- Design: Stantec and Perkins & Will
- Financial Advisor: TD Securities, Kiewit Canada Development Corp. and Bird Capital Limited Partnership

ii. Request for Proposals | September 16, 2016

- A request for proposals (RFP) was issued to the pre-qualified proponents, setting out the bid process and proposed project agreement for the project.
- The proponents spent a year to prepare high-quality, competitive submissions.

V. COMPETITIVE SELECTION PROCESS

iii. Proposal Submission | September 8, 2017

- The RFP period closed on September 8, 2017. All proponents submitted bids on time.
- September-December 2017: bids were evaluated using criteria as set out in the RFP by an Evaluation Committee comprised of subject matter experts from IO, Metrolinx and technical consultants enlisted by the Sponsors. The extensive evaluation process resulted in EDTI receiving the highest score.
- On November 23, 2017, the 'first-ranked proponent' – also referred to as the First Negotiations Proponent – EDTI, was then notified of their standing.

iv. Preferred Proponent Notification | February 1, 2018

- After successful negotiations with the First Negotiations Proponent, EDTI was selected as the preferred proponent. EDTI best demonstrated the ability to meet the specifications outlined in the RFP, including technical requirements, construction schedule, price and financial backing.

v. Commercial and Financial Close | March 7, 2018

- Upon conclusion of negotiations and once a financing rate was set, a Project Agreement (contract) was executed between EDTI, Metrolinx and IO on March 7, 2018.

ELLISDON TRANSIT INFRASTRUCTURE

- Applicant Lead: EllisDon Capital Inc.
- Construction: EllisDon Civil Ltd.
- Design: WSP / MMM
- Financial Advisor: EllisDon Capital Inc.

➤ Design and Construction Phase

vi. Construction Phase | 2018 – 2020

- The design and construction phase begins in March 2018, with construction to commence in September 2018 and will be carried out in accordance with the project agreement and the builder's schedule as approved by the Sponsors.
- During the construction period, the builder's construction costs will be funded through their own equity, bond and lending arrangements, which will be paid in monthly installments based on the construction program set out by EDTI.
- Project construction will be overseen by Metrolinx with IO providing contract management oversight.

viii. Payment

- EDTI will receive two milestone payments during construction and a substantial completion payment expected in December 2020.

VI. CONCLUSION

This report provides a project overview and summary of the procurement process for the Stouffville Stations project, and demonstrates that a VFM of $50.4 million or 15.0 percent (in present value terms) will be achieved by using the AFP approach compared to traditional delivery.

Going forward, IO, Metrolinx and EDTI will continue to work together to ensure the successful delivery of the Stouffville Corridor project.

Ernst & Young Orenda Corporate Finance Inc.
100 Adelaide Street West
PO Box 1
Toronto, ON
M5H 0B3

Tel: +1 416 943 3000
Fax: +1 416 943 3365
ey.com/ca

Building a better working world

Infrastructure Ontario
777 Bay Street, 9th Floor
Toronto, ON M5G 2C8

04 June 2018

To whom it may concern:

Re: Value for Money Analysis – Regional Express Rail – Go Station Improvements on Stouffville Corridor

Ernst & Young Orenda Corporate Finance ("EYOCF") has reviewed the Value for Money ("VFM") assessment for the Regional Express Rail ("RER") Go Station Improvements on the Stouffville Corridor Project (the "Project") at the Financial Close stage. The analysis was prepared for Infrastructure Ontario ("IO") and the Project using the IO VFM analytical framework, which is generally consistent with approaches used in other jurisdictions.

The VFM assessment is based on a comparison of the total project costs of the Project under:

1. The traditional delivery approach, as reflected in the Public Sector Comparator ("PSC") model; and
2. The Alternative Financing and Procurement ("AFP") model estimation of the total project costs, as reflected in the Successful Bid.

The VFM assessment as noted above was prepared using the following information (collectively the "Information"):

i. A Risk Matrix developed for IO by MMM Group Limited and adjusted to reflect project specific risks; and

ii. Construction and other cost estimates as reflected in the Successful Bid. Other VFM model assumptions as provided by IO.

The cost information and underlying assumptions were not independently audited or verified for accuracy or completeness.

The results of the VFM assessment demonstrate an estimated VFM cost savings of 15.0% by using the AFP approach to deliver the Project in comparison to using the traditional delivery approach.

Yours sincerely,

Ernst & Young Orenda Corporate Finance Inc.

ERNST & YOUNG ORENDA CORPORATE FINANCE INC.

OPTIMUS | SBR
Management Consulting

30 Adelaide Street East, Suite 600
Toronto, ON M5C 3G8
T: 416.649.6000 www.OptimusSbr.com

Infrastructure Ontario
1 Dundas Street West
Suite 2000, Toronto
Ontario M5G 2L5

Attention: Michael Inch
Vice-President, Procurement

Subject: **Fairness Report – Request for Proposal ("RFP") Stage for the Regional Express Rail – Stouffville Stations RFP No. 16-283**

Dear Michael:

SEG Management Consultants Inc. a division of OPTIMUS|SBR ("SEG") was engaged as the Fairness Monitor to review, observe and confirm the processes of communication, evaluation and decision-making associated with the procurement process for the Request for Proposals for the Regional Express Rail – Stouffville Stations RFP No. 16-283, issued by Infrastructure Ontario. Our role related to ensuring openness, fairness, consistency and transparency from the RFQ transition through to the conclusion of the Project RFP process.

SEG hereby presents its final procurement fairness attest report to Infrastructure Ontario at the conclusion of the RFP stage in the procurement process, describing how the procurement process has complied with requirements. The following chart included below is in accordance with Infrastructure Ontario's procurement guidelines. It summarizes our involvement and findings:

Stage	Task	Fair (Yes / No)
Pre- RFP Issue		
1.	The procurement documents, including the evaluation tools, were reviewed and were deemed to be consistent with the guidelines established by Infrastructure Ontario and the Procurement Framework	Yes
2.	The RFP open period was consistent with the Procurement Framework	Yes

30 Adelaide Street East, Suite 600
Toronto, ON M5C 3G8
T: 416.649.6000 www.OptimusSbr.com

Stage	Task	Fair (Yes / No)
3.	The time and place of the closing were clearly identified in the procurement documents	Yes
RFP Open Period		
4.	Procurement documents were made available in an open and equitable manner	Yes
5.	Mandatory meetings were clearly identified in the procurement documents and there were no meetings of which all Proponents were not notified	Yes
6.	Answers were made available to all Proponents for all questions that were submitted through the Request for Information protocols	Yes
7.	Infrastructure Ontario confirmed that the requisite information would be made available regarding the results of the procurement	Yes
8.	All participants confirmed their adherence to the conflict of interest and confidentiality requirements throughout the RFP Open period	Yes
9.	Protocols were in place to control access to information as appropriate, including protection of Commercially Confidential information	Yes
10.	Proponents confirmed their adherence to the conflict of interest and confidentiality requirements in their submissions	Yes
11.	The submissions were logged and recorded upon receipt, clearly confirming Proponent submissions were received on time	Yes
12.	The composition of the Evaluation Committee adhered to the Evaluation Framework document	Yes
13.	There was a protocol in place to ensure that document confidentiality was maintained	Yes
Post RFP Close		

30 Adelaide Street East, Suite 600
Toronto, ON M5C 3G8
T: 416.649.6000 www.OptimusSbr.com

Stage	Task	Fair (Yes / No)
14.	The evaluation criteria and process were included in the RFP	Yes
15.	The evaluation and scoring guideline were finalized before the Closing	Yes
16.	Evaluators were trained on the evaluation tools	Yes
17.	The pricing was contained in a separate envelope and any Mandatory requirements were adhered to for the proposals that were evaluated	Yes
18.	The pricing envelopes were opened only for Proponents who met the requirements of the procurement process according to the RFP and Evaluation Framework	Yes
19.	Evaluations were done in an unbiased manner and in accordance with the Evaluation Framework	Yes
20.	The selection of the "First Negotiation Proponent" was approved according to the RFP documents and Evaluation Framework	Yes
21.	Debriefings are to be provided for all unsuccessful Proponents and are to be offered for the successful Proponent.	Yes

Observations and Findings

The procurement process is established clearly in Infrastructure Ontario's guidelines. The evaluation process and criteria described in the procurement documents were applied consistently and equitably. In the final evaluation discussions, the evaluators demonstrated that they had been diligent in their responsibilities, that they were able to support their individual evaluation assessments and that they held no bias for or against any Respondent. There were no unresolved issues at the RFP stage of the procurement. Consensus was reached and confirmed by all evaluators. An official record was produced to document the evaluation and scoring consensus decisions, including the supporting rationale.

Conclusion

As a result of the Evaluation Team consensus processes, and presentation to the Evaluation Committee on November 14th, 2017, an approval of the RFP results and identification of a First Negotiation Proponent was

30 Adelaide Street East, Suite 600
Toronto, ON M5C 3G8
T: 416.649.6000 www.OptimusSbr.com

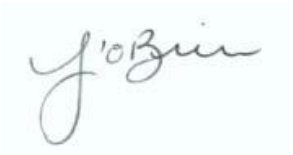
achieved. SEG confirms that the identified First Negotiation Proponent successfully satisfied the requirements of the RFP evaluation process and was the highest scoring Proponent in this process.

As the Fairness Monitor for the Project, we certify that the principles of openness, fairness, consistency and transparency have been, in our opinion, properly established and maintained throughout the procurement process. Furthermore, we were not made aware of any issues that emerged during the process that would impair the fairness of this initiative.

As Fairness Monitor, we attest that:

a) the Project RFP process was conducted in accordance with the provisions of the RFP, and met the fairness and transparency requirements established in the RFP and other related policies of Infrastructure Ontario and the Government of Ontario.
b) the Sponsors' personnel and external advisors adhered to Infrastructure Ontario's conflict of interest and confidentiality requirements, and
c) all Applicants were treated consistently in the evaluation process and in accordance with the Project RFP and the established principles of fairness, openness and transparency.

SEG Management Consultants Inc. a division of OPTIMUS|SBR



_____

Lead Fairness Monitor

Jamie O'Brien

_____

Corporate Lead

Greg Dadd

VP, Procurement and Fairness Advisory Services

Infrastructure Ontario

1 Dundas Street West, Suite 2000,
Toronto Ontario M5G 2L5

www.infrastructureontario.ca

Ontario
Infrastructure Ontario