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VALUE FOR MONEY ASSESSMENT

YOUTH JUSTICE FACILITY REDEVELOPMENT PROJECT

Private & Confidential

June 26, 2007

Bert Clark,
Senior Vice President
Infrastructure Ontario
777 Bay Street, Suite 900
Toronto, Ontario M5G 2C8

Dear Mr. Clark:

Re: Brampton youth justice facility Value for Money Assessment

We have prepared the Value for Money ("VFM") assessment of the Brampton youth justice facility project in accordance with the terms of our contract with Infrastructure Ontario ("IO") dated April 23, 2006.

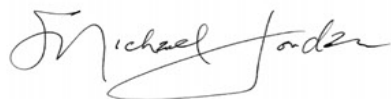
For the Brampton youth justice facility, the VFM summary assessment is based on a comparison of the total project costs at financial close as follows:

1. The traditional delivery approach reflected in the Public Sector Comparator ("PSC") model as compiled by us; and
2. The Alternative Financing and Procurement ("AFP") approach based on the final offer of the successful proponent.

Based on the above analysis, the Brampton youth justice facility demonstrates projected VFM savings of \$9.4 million (or 8.4%) under the AFP approach compared to the traditional delivery approach.

We did not audit or attempt to independently verify the accuracy or completeness of the information or assumptions underlying the PSC, which were provided by IO, and/or the successful proponent's final offer, nor have we audited or reviewed the successful proponent's financial model.

Yours truly,



Michael Jordan
Partner

June 4th, 2007

Mr. Steven Richards
Vice President, Project Legal Services
Infrastructure Ontario
777 Bay Street, 9th Floor
Toronto, Ontario M5G 2C8

Subject: Brampton Youth Justice Facility Project RFP No. OIPC-06-08-I010

Dear Mr. Richards:

P1-Consulting acted as the Fairness Commissioner to review and monitor the communications, evaluations and decision-making processes that were associated with the procurement process for the **Brampton Youth Justice Facility Project** in terms of ensuring fairness, equity, objectivity, transparency and adequate documentation of the evaluation process.

The primary objective of the Brampton Youth Justice Facility Project is to renew, revitalize and expand a publicly-owned facility while incorporating private sector innovation and expertise, using Infrastructure Ontario's build finance model. The RFP process was used to select a pre-qualified proponent to build-finance the Centre's construction and renovation project.

The project is to encompass the construction of a campus-style, medium security facility for young offenders. The project is meant to include the construction of eight new buildings (the residential units and the administration area) as well as renovations on two existing facilities (the education building and services and technical training building). There will be separate buildings for residential use, administration, various services and programs, multi-faith worship, education and recreation. The site will include two playing fields and a parking area for approximately two hundred (200) vehicles.

In our role as Fairness Commissioner, P1-Consulting made certain that the following steps were taken to ensure a fair and open process:

- Compliance with the requisite procurement policies and procedures and the laws of tendering for the acquisition of services relating to public sector procurement;
- Adherence to confidentiality of bids, as applicable, and the evaluation process;
- Objectivity and diligence during the procurement process in order to ensure that it was conducted in an open and transparent manner;
- Proper definition and use of evaluation procedures and assessment tools in order to ensure that the process was unbiased;
- Compliance of project participants with strict requirements of conflict of interest and confidentiality during the procurement and evaluation processes;
- Security of information;
- Prevention of any conflict of interest amongst evaluators on the selection committee;
- Oversight to provide a process where all Bidders were treated fairly.

Property One Consulting Inc.

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The Fairness Commissioner actively participated in the following steps in the process to ensure that fairness was maintained throughout:

- Project kick-off meeting
- Review session of the Draft RFQ and RFP Documents
- Commercially Confidential Meetings with the pre-qualified Bidders by interested Bidders
- Site and facility visits by the Proponent
- Review of the RFQ and RFP Addenda
- Review of evaluation process and guideline
- Proposal receipt, bid evaluation and selection of the Negotiation Proponents
- Oversight of the Negotiation Process

The final step in the process, which we oversaw, was for the Sponsors to select the Preferred Proponent. Bird Construction Company was advised that they were the Preferred Proponent on February 9th, 2007.

As the Fairness Commissioner for the **Brampton Youth Justice Facility Project**, we certify that, to date, the principles of fairness, openness, consistency and transparency have, in our opinion, been maintained throughout procurement process. Furthermore, no issues emerged during the process, of which we were aware, that would impair the fairness of this initiative.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Louise Panneton', is written over a light blue horizontal line.

Louise Panneton
Lead Fairness Commissioner

Table of Contents

Summary 7

Project description 9

Competitive selection process timeline 11

Project agreement..... 12

Achieving value for money 14

Youth Justice Facility

Artist's Rendering



Kleinfeldt Mychajlowycz Architects Inc.

Services and Facilities at the youth justice facility

Facilities and services	Service level
Square Footage of Facility	206,000 square feet in total: 93,000 for residential housing 113,000 administration and support services
Total number of buildings	10 (eight new, two renovated)
Capacity for male youth	162
Capacity for female youth	30
Total number of residential units or "cottages"	6 units, each housing a total of 32 youth
Other on-site facilities	Administration buildings Multi-faith worship centre Education and recreation Indoor gymnasium Outdoor sports fields
Total number of staff	250

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Summary

In 2005, the provincial government implemented *ReNew Ontario 2005-2010*, a \$30-billion-plus strategic infrastructure investment plan to modernize, upgrade and expand Ontario’s public infrastructure, including more than \$1 billion for justice facilities. Projects are assigned to Infrastructure Ontario by the provincial government when it is deemed appropriate to use the made-in-Ontario project delivery model called Alternative Financing and Procurement (AFP), one of the tools developed to overcome the infrastructure deficit in Ontario. The youth justice facility in Brampton, Ontario, is one of the redevelopment projects to be delivered under the Province’s AFP model.

The youth justice facility project involves construction of a medium-security, 192-bed facility in a campus-like setting for the effective management of youth in conflict with the law. The facility, with cottage-like units of 16 beds (2 units make up a residence building), will allow detained youth to move from facilities, which are currently shared with adults, to an integrated facility that will provide them with rehabilitation, education and vocational services, housing and counselling.

The public sector retains ownership, control and accountability for the new facilities.

The purpose of this report is to provide a summary of the project scope, the procurement process and the project agreement, and to demonstrate how value for money was achieved by delivering the youth justice facility project through the AFP process.

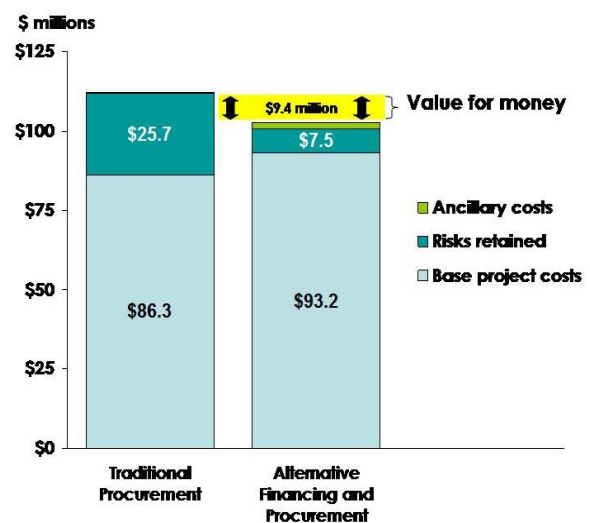
The value for money analysis refers to the process of developing and comparing the total project costs, expressed in dollars measured at the same point in time and related to two delivery models.

Value for money is determined by directly comparing the cost estimates for the following two delivery models:

Model #1 Traditional project delivery (Public sector comparator)	Model #2 Alternative financing and procurement
Total project costs that would have been incurred by the public sector to deliver an infrastructure project under traditional procurement processes.	Total project costs incurred by the public sector to deliver the same infrastructure project with identical specifications using the AFP approach.

The cost difference between model #1 and model #2 is the estimated value for money for this project.

The value for money assessment of the youth justice facility project indicates estimated cost savings of 8.4 per cent or \$9.4 million, by using the AFP delivery approach compared to a project of this type that is delivered using a traditional model.



PricewaterhouseCoopers completed the value for money assessment of the project. Their assessment demonstrates projected cost savings of \$9.4 million by delivering the youth justice facility project using the AFP model, over what it would have cost to deliver the project using a traditional delivery model. (See page 2.)

Property One Consulting acted as the Fairness Monitor for the project. They reviewed and monitored the communications, evaluations and decision-making processes associated with the youth justice facility project, ensuring fairness, equity, objectivity, transparency and adequate documentation of the process. Property One Consulting has certified that these principles were maintained throughout the procurement process.

Infrastructure Ontario will continue to work with the Ministry of Children and Youth Services on the youth justice facility project which will remain publicly owned, publicly controlled and publicly accountable.

Project description

Background

In 2005, the provincial government implemented *ReNew Ontario 2005-2010*, a \$30-billion-plus strategic infrastructure investment plan. An update to *ReNew Ontario* was released in October 2006 and is available at www.pir.gov.on.ca

Infrastructure Ontario is an essential component of the *ReNew Ontario* plan. The Crown Corporation was created in 2005 to ensure that new infrastructure projects are delivered on time and on budget.

Under the *ReNew Ontario* plan, projects may be assigned by the Province to Infrastructure Ontario by the provincial government, which uses a made-in-Ontario project delivery model called Alternative Financing and Procurement (AFP). AFP brings private-sector expertise, ingenuity and rigour to the process of managing and renewing Ontario's public infrastructure, while shifting risks associated with cost and schedule overruns away from the public sector.

Ontario's public infrastructure projects are guided by the five principles set out in the provincial government's *Building a Better Tomorrow Framework*:

1. public interest is paramount;
2. value for money must be demonstrable;
3. appropriate public control and ownership must be preserved;
4. accountability must be maintained; and
5. all processes must be fair, transparent and efficient.

The new youth justice facility will be an innovative, medium-security facility that meets the unique needs of youth in conflict with the law. Construction of the youth justice facility is expected to be complete in late 2008, with facility commissioning and opening expected to occur in early 2009.

The Province's decision to proceed with the project is in keeping with the intent of the federal *Youth*

Criminal Justice Act that was proclaimed into force in April 2003 and provides the legislative framework for a more effective and fairer youth justice system in Canada.

The youth justice facility will replace the Toronto Youth Assessment Centre and the Invictus Youth Centre. It will provide youth with rehabilitation, education and vocational training, housing and counselling.

Job creation

The project will create economic value in the GTA as skilled trades people, subcontractors and their suppliers benefit from the capital investment. Over the 20-month project, there will be between 100 and 150 workers on site at the height of construction.

Project Scope

The project involves the construction of a 192-bed facility on the Invictus Youth Centre site in Brampton and includes demolition, new construction and renovation of the existing centre.

While the majority of the aging facilities on the site will be demolished, two will be renovated and eight new buildings will be constructed.

The cottage-style, self-contained residential units and an administrative area will be newly constructed, and an existing education building and technical training building will be renovated.

The facility will total approximately 206,000 square feet, including approximately 77,500 square feet for male housing units and 15,500 square feet for female housing units. The remaining 113,000 square feet (including the renovation of approximately 45,000 square feet of existing space), will accommodate administration, education/training and support services.

Innovative features of the new centre include:

- smaller 16-person units,
- improved sightline for youth service officers,
- on site classrooms facilities for education,
- and extensive rehabilitative programming.

The youth justice facility will be a high-performance, green building. The Ontario government has identified it as a pilot project (to meet the requirements) of the Canada Green Building Council's Leadership in Energy and Environmental Design (LEED) Silver Certification Program. The youth justice facility project has been designed to enable the efficient use of resources and achieve cost effectiveness during its construction and operation.

Competitive selection process timeline

Infrastructure Ontario has entered into a project agreement and guaranteed maximum price contract with Bird GTAYC Inc., a special purpose entity owned indirectly by Bird Construction Income Fund ("Bird") and an affiliate of Bird Construction Company to expand and renovate the facility. The procurement stages for the youth justice facility project were as follows:

March 21, 2006 – May 30, 2006

Request for qualifications

A request for qualifications (RFQ) was issued inviting interested builders to submit their qualifications to undertake the project. Nine companies pre-qualified as RFP proponents:

- Aecon Buildings
- Bird Construction Company Ltd.
- Bondfield Construction Company Ltd.
- Eastern Construction Company Ltd.
- EllisDon Corp.
- Kenaidan Contracting Ltd.
- PCL Constructors Inc.
- SNC-Lavalin Group Inc.
- Vanbots Construction Corp.

August 24, 2006 – December 8, 2006

Request for proposals

A request for proposals (RFP) was issued to the pre-qualified proponents, setting out the bid process and proposed project agreement to build and finance the project.

Bid submission

Bids were submitted by the RFP proponents in December 2006 and evaluated by Infrastructure Ontario and the Ministry of Children and Youth Services using the criteria set out in the RFP.

February 9, 2007

Preferred proponent notification

Bird Construction Company was selected as the successful RFP proponent on the basis of their proposed price and project schedule, in accordance with the evaluation criteria set out in the RFP.

March –April 2007

Commercial and Financial Close

The project agreement and guaranteed maximum price contract was executed by Bird and Infrastructure Ontario.

Financing for Bird to complete the project was arranged by CIT Group Securities (Canada) Inc.

April 2007 – December 2008

Construction

Construction began on April 2, 2007. During the construction period, the builder's construction costs will be funded by its lending group, led by CIT Group Securities (Canada) Inc. through monthly loan requests from Bird. Construction will be carried out in accordance with the guaranteed maximum price contract.

April 2009

Completion and payment

It is anticipated that the project will reach substantial completion in early 2009, at which time the financing will be repaid by the Province.

Project agreement

Legal and Commercial Structure

Infrastructure Ontario has entered into a project agreement and guaranteed maximum price contract (project documents) with Bird to carry out the construction and financing of the youth justice facility project. Under the terms of the project documents, Bird will:

- build the youth justice facility project, which will be completed in 2009;
- provide a financing package for project construction; and
- ensure that, at the end of construction, the building meets the requirements specified in the project documents.

The public sector retains ownership, control and accountability for the youth justice facility including the new buildings constructed as a result of the project.

Construction and completion Risk

Key risks associated with the construction of the facilities have been transferred to the builder by way of the project documents, including:

Construction price certainty

Bird will construct the facilities for a guaranteed maximum price of \$93.2 million, which includes their financing costs. The builder's guaranteed maximum price may only be adjusted in very specific circumstances, agreed to in advance, in accordance with the change order procedures of the project documents.

Scheduling, project completion and delays

Bird has agreed to reach substantial completion of the construction of the facilities by April 2009. The construction schedule can only be modified in very limited circumstances, in accordance with the project documents.

Bird's repayment of the construction financing will not commence until substantial completion (i.e., until it has completed building the project and it has been certified as complete by Infrastructure Ontario's consultant).

Costs associated with delays that are the responsibility of the builder must be paid by the builder.

Design co-ordination

The guaranteed maximum price contract provides that the builder is responsible for all design coordination activities to ensure that the facilities are constructed in accordance with the design. For example, if a fan is shown on the mechanical drawing but it is not connected on the electrical drawing, it is Bird's responsibility to rectify this design deficiency. Under the traditional model, the costs of these risks would have been borne by the Province.

Costs associated with design deficiencies that are the responsibility of the builder must be paid by the builder.

Construction financing

The builder is required to finance the construction of the project until the facility is turned over to Youth Justice Services. The project documents provide that the builder will be responsible for all increased financing costs resulting from any builder delay in reaching substantial completion. This shifts significant financial risk to the builder for late delivery.

Schedule contingency

The project documents provide Infrastructure Ontario with a 30-day schedule contingency, also known as a schedule cushion, which shields the Province for up to 30 days of delay costs for which the Province is responsible. While delays caused by the Province are expected to be minimal, the schedule cushion provides the Province with some protection from the risk of delay claims by the builder.

Commissioning and facility readiness

The builder must achieve a prescribed level of commissioning of the new facility at substantial completion and must co-ordinate the commissioning activity within the agreed upon construction schedule. This assures that the Province will receive a functional building facility at the time the Province pays for the work.

Activity protocols

The builder and Infrastructure Ontario’s consultant are required to establish a schedule for project submittals by the builder, which takes into account the timing for issuance of supplemental instructions by Infrastructure Ontario’s consultant. This protocol mitigates against the builder alleging delay as a result of an inability to receive supplemental instructions in a timely manner in the course of the work.

Youth Services sets out the principles for any changes to the project work/scope during the construction period, including:

- requiring processing and approval of change orders from Infrastructure Ontario;
- specifying the limited criteria under which change orders will be processed and applied;
- Infrastructure Ontario’s approval for all owner-initiated scope changes from the Ministry of Children and Youth Services.

Furniture, Fixtures & Equipment (FF&E) procurement installation

Under the Project Agreement, Bird is responsible for procuring, storing and installing the FF&E to ensure that the timing of the delivery and installation of the FF&E does not negatively impact the construction schedule.

Leadership in Energy and Environmental Design (LEED) design and construction obligations

Bird shall perform the works so as to achieve the prerequisites and credits required to achieve Silver LEED certification.

In addition to the above key risks being transferred to the builder under the project documents, the financing arrangement entered into between Bird and CIT Group Securities (Canada) Inc. ensures that the project is subject to additional oversight, which may include:

- an independent budget review by a third-party cost consultant;
- monthly reporting and project monitoring by a third party cost consultant;
- the requirement that change orders must be within the project contingency or funded by the Province; and
- the requirement that prior approval be secured for any changes made to the project budget in excess of a pre-determined threshold.

LEED certification

The new facility will be designed to comply with the Canada Green Building Council's Leadership in Energy and Environmental Design (LEED) requirements. LEED buildings must meet high standards that address matters such as indoor air quality and energy efficiency. These buildings enjoy some of the highest user satisfaction rates in North America.

Change order protocol

In addition to the variation procedure set out in the project documents, Infrastructure Ontario’s change order protocol with the Ministry of Children and

Achieving value for money

PricewaterhouseCoopers' value for money assessment demonstrates a projected cost savings of 8.4 per cent, or \$9.4 million, by using the Alternative Financing and Procurement (AFP) approach to deliver the youth justice facility project, as compared to the traditional procurement approach.

Model #1 Traditional project delivery (Public sector comparator)	Model #2 Alternative financing and procurement
Total project costs that would have been incurred by the public sector to deliver an infrastructure project under traditional procurement processes.	Total project costs incurred by the public sector to deliver the same infrastructure project with identical specifications using the AFP approach.

PricewaterhouseCoopers was engaged by Infrastructure Ontario to independently assess whether – and, if so, the extent to which – value for money will be achieved by delivering this project using the AFP method. Their assessment was based on the value for money assessment methodology outlined in *Assessing Value for Money: A Guide to Infrastructure Ontario's Methodology*, which can be found at www.infrastructureontario.ca. The approach was developed in accordance with best practices used internationally and in other Canadian provinces, and was designed to ensure a conservative, accurate and transparent result. Please refer to the letter from PricewaterhouseCoopers on page 2.

Value for money concept

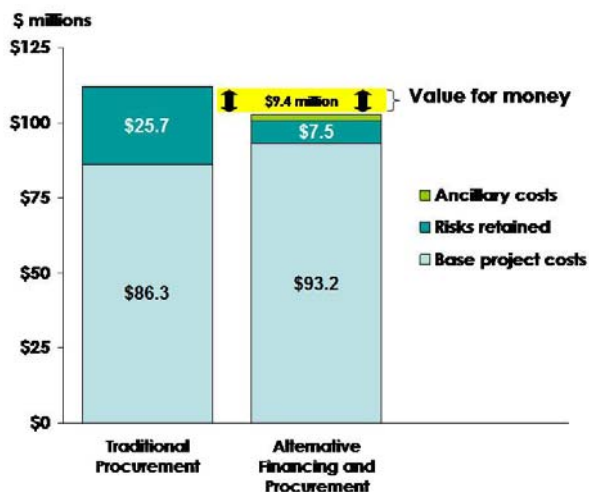
The goal of the AFP approach is to deliver a project on time and on budget and to provide real cost savings for the public sector.

The value for money analysis compares the total costs, expressed in dollars and measured at the same point in time, of delivering the same infrastructure project under two delivery models; the traditional delivery model (public sector comparator or "PSC") and the AFP model.

The cost difference between model #1 and model #2 is referred to as the value for money. If the total cost to deliver a project under the AFP approach (model #2) is less than the total cost to deliver a project under the traditional delivery approach (model #1), there is said to be positive value for money. The value for money assessment is completed to determine which project delivery method provides the greatest level of cost savings to the public sector.

The cost components in the VFM analysis include only the portions of the project costs that are being delivered using AFP. Project costs that would be the same under traditional delivery or AFP, such as land acquisition costs, furniture, fixtures and equipment, are excluded from this VFM calculation.

The value for money assessment is developed by obtaining detailed project information and input from multiple stakeholders, including internal and external experts in hospital project management and construction project management. Components of the total project costs under each delivery model are illustrated below:



It is important to keep in mind that Infrastructure Ontario’s value for money calculation methodology does not attempt to quantify a broad range of qualitative benefits that may result from using the AFP delivery approach. For example, the use of the AFP approach will more likely result in a project being delivered on time and on budget. All benefits of having a project delivered on time cannot always be accurately quantified.

Other qualitative benefits relate to the existence of Infrastructure Ontario – a central organization to coordinate the development of a number of projects. Infrastructure Ontario has standardized documents, increased up-front due diligence and applied best practices to each of its projects; however, it would be difficult to accurately quantify these benefits.

These qualitative benefits, while not quantified in this value for money analysis, are additional benefits of the AFP approach that should be acknowledged.

Value for money analysis

For a fair and accurate comparison, the traditional delivery and AFP costs are future-valued to substantial completion to compare the two methods of delivering a Build Finance project at the same point in time. It is Infrastructure Ontario’s policy to use the current public sector rate of

borrowing for this purpose to ensure a conservative and transparent analysis. For more information on how project costs are future-valued and the value for money methodology, please refer to *Assessing Value for Money: A Guide to Infrastructure Ontario’s Methodology*, which is available online at www.infrastructureontario.ca.

Base Costs

Base project costs are taken from the price of the contract signed with Bird GTAYC Inc. and include all construction and financing costs. The base costs between AFP and the traditional delivery model differ as follows:

1. Under the AFP model, the private party charges an additional premium as compensation for the risks that the public sector has transferred to them under the AFP project documents. In the case of traditional delivery, the private party risk premium is not included in the project costs as the public sector retains these risks.
2. The financing costs are higher under AFP because the financing rate that the private sector is charged is higher than the financing rate of the public sector.

In the case of the AFP model, the base costs are extracted from the price agreed among the parties under the project agreement. For the youth justice facility project, these were \$93.2 million.

If the traditional model had been used for the youth justice facility project, base costs would have been estimated at \$86.3 million.

Risks Retained

The public sector has always had to bear costs that go beyond a project’s base costs. Total project costs exceed base costs in large part due to contingencies for the project risks.

Project risks may be defined as potential adverse events that may have a direct impact on project costs. To the extent that the public sector retains these risks, they are included in the project cost.

The concept of risk transfer and mitigation is key to understanding the overall value for money assessment. To estimate and compare the total cost of delivering a project under the traditional delivery method versus the AFP delivery method, the risks borne by the public sector (which are called “retained risks”) should be identified and accurately quantified.

Comprehensive risk assessment not only allows for a fulsome value for money analysis, but also helps Infrastructure Ontario and the public sector sponsors ensure that the party best able to manage, mitigate and/or eliminate the project risks, is allocated those risks under the project documents.

Under the traditional delivery method, the risks retained by the public sector would be significant. As discussed on pages 12-13, the following are examples of risks retained by the public sector under the traditional delivery method that have been transferred under the project agreement from the public sector to the builder:

- Potential cost overruns
- construction price certainty;
- design co-ordination;
- construction financing;
- scheduling, project completion and potential delays;
- commissioning and facility readiness; and
- activity protocols; and

Examples of these risks include:

- *Design coordination/completion:* Under the AFP approach the builder is responsible for all design coordination activities to ensure that the facilities are constructed in full accordance with the design in the project agreement. The builder is now responsible for: inconsistencies, conflicts, interferences or gaps in the contract documents and particularly in the plans, drawings and specifications; and design completion issues which are specified in the

contract documents but erroneously left out in the drawings and specifications.

- *Scheduling, project completion and delays:* Under the AFP approach, the builder has agreed that it will provide the facility for use by the Province by a fixed date and at a pre-determined price to the Province. Therefore, any extra cost (financing or otherwise) incurred as a result of a schedule overrun caused by the builder will not be paid by the Province, thus providing a clear motivation to maintain the project’s schedule. Further oversight includes increased upfront due diligence and project management controls imposed by the builder and the builder’s lender.

Under the traditional approach, these risks would have been borne by the public sector. For example, design coordination risks that materialize would be carried out through a series of change orders issued during construction. Such change orders would, therefore, be issued in a non-competitive environment, and would typically result in a significant increase in overall project costs for the public sector.

The added due diligence brought by the private party’s lenders, together with the risk transfer provisions in the project documents result in overall cost savings as these transferred risks will either be better managed or completely mitigated by the private sector builder.

A detailed risk analysis of the youth justice facility project concluded that the average value of all project delivery risks retained by the public sector under traditional delivery is \$25.7 million. The analysis also concluded that the average value of project risks retained by the public sector under the AFP delivery model decreases to \$7.5 million.

For more information on the risk assessment methodology used by Infrastructure Ontario, please refer to the third party risk assessment report by Altus Helyar’s available at www.infrastructureontario.ca.

Ancillary Costs

There are significant ancillary costs associated with the planning and delivery of a large complex project that could vary depending on the project delivery method. For example, there are costs related to each of the following:

- *Project management fees:* These are essentially fees to manage the entire project. Under the AFP approach, these fees will also include the costs of Infrastructure Ontario.
- *Transaction costs:* These are costs associated with delivering a project and primarily consist of legal and advisory fees. Under the AFP approach, in addition to legal, these fees will also include fairness and transaction advisory fees. Architectural and engineering advisory fees are also incurred to ensure the facility is being built according to specifications.

The ancillary costs are quantified and added to both models for the value for money comparison assessment. Both project management and transaction costs are likely to be higher under AFP given the greater degree of up-front due diligence. The ancillary costs for the youth justice facility project, under the traditional delivery method are estimated to be \$0.1 million as compared to \$1.9 million under the AFP approach.

For a detailed explanation on ancillary costs, please refer to *Assessing Value for Money: A Guide*

to *Infrastructure Ontario's Methodology*, which is available online at www.infrastructureontario.ca.

Calculating value for money

The analysis completed by PricewaterhouseCoopers concludes that the additional costs associated with the AFP model are more than offset by the benefits of the AFP model, which includes: a much more rigorous upfront due diligence process, reduced risk to the public sector, and controls imposed by both the lender's and Infrastructure Ontario's standardized AFP procurement process.

Once all the cost components and adjustments are determined, the aggregate costs associated with each delivery model (i.e., traditional delivery and AFP) are calculated, and expressed in Canadian dollars, as at substantial completion date. In case of the youth justice facility project, the estimated traditional delivery cost (i.e. PSC) is \$112.1 million as compared to \$102.8 million under the AFP delivery approach.

The positive difference of \$9.4 million between the above project costs represents the value for money for using the AFP delivery approach, and is usually expressed in percentage terms. For the youth justice facility project, estimated cost savings of 8.4 per cent over the traditional delivery model were demonstrated.

¹ Numbers are rounded for presentation