

MINISTÈRE DES TRANSPORTS, DE LA MOBILITÉ DURABLE
ET DE L'ÉLECTRIFICATION DES TRANSPORTS

An Overview of the Public-Private Partnership Model in Québec

June 6th, 2016

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Agenda

- Introduction – The P3 Approach
- Overview of a Few Projects
 - A-25
 - A-30
 - Turcot
- Other P3 Projects in Canada
- Challenges
- Keys to Success
- Conclusions

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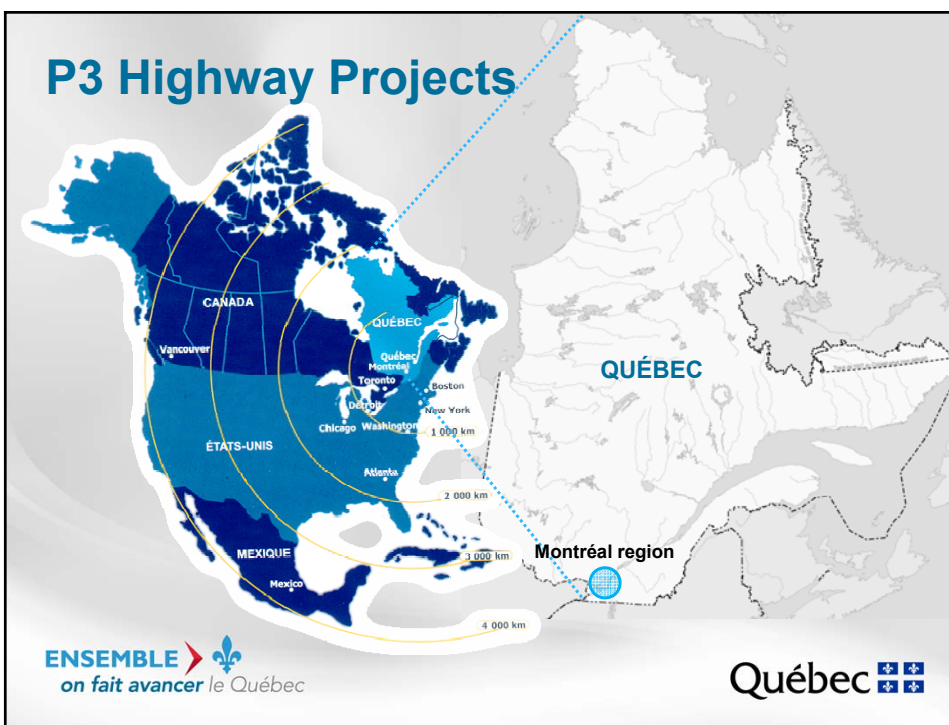
Project Delivery Approaches – Basic Differences

| Conventional procurement | P3 Model (DBFOM) | D-B |
|-----------------------------------|--|--|
| Specific technical requirements | Performance requirements | Performance requirements |
| Means oriented requirements | Result oriented requirements | Result oriented requirements |
| Fragmented project | Integrated project (DBFOMR) | Integrated D-B project |
| Contractors execute work packages | Private partner executes overall project | DB Supplier executes DB portion of project |
| Government financed | Debt and Equity financed | Government financed |

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P3 Highway Projects



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Autoroute 25

- Open to traffic since May 2011

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Autoroute 30

- 42 km of two-lane rural highway
- 2 major bridges over the St. Lawrence river and the Beauharnois Canal (St. Lawrence Seaway) representing 40% of the project cost
- 42 overpasses
- 10 interchanges including a complex interchange (A20 / A540 / A30)



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Autoroute 30

- 35 km additional highway to operate, maintain and rehabilitate
- ETC toll facility and on-site tolling
- Construction cost : 1,5 billion Cdn \$
- Partnership agreement signed September 2008
- 35-year concession to design, build, finance, operate, maintain and rehabilitate
- Open to traffic since December 2012



Autoroute 30



Turcot (D-B and Conventional)

- 4 interchanges and sections of A-15, A-20 and A-720
- Relocate the corridor of A-20 and CN railroad corridor north



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Turcot (D-B and Conventional)

- Project of 3,7 billion Cdn \$
- 20% : conventional approach (work began in 2011)
- 80% : Design-Build approach
- 1.54 billion Cdn \$ D-B contract signed February 2015
- Design-Build work: 2015-2020



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Turcot

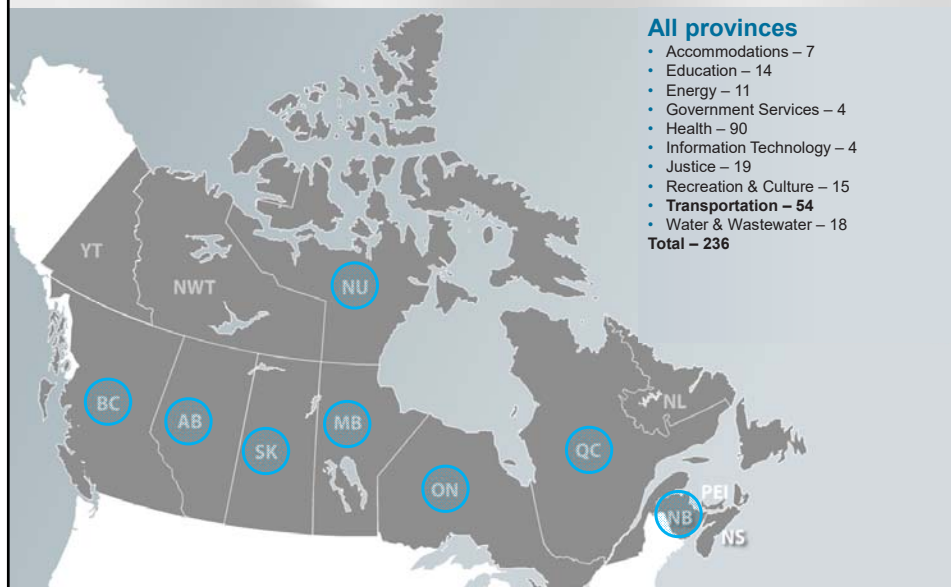


Turcot



Turcot interchange

Other P3 Projects in Canada



P3 Model - Challenges

- PPP model is a new way of doing « business »
- Many stakeholders involved in developing and managing these complex projects
- Insuring a rigorous procurement process
- The PPP model has specific requirements for insuring confidentiality, developing performance specifications, different processes

Keys to Success

- Establish clear goals
- Recognize conflicts between goals
- Manage public perception
- Recognize that more flexibility provides more opportunities
- Evaluate the P3 opportunity on a case by case basis

Keys to Success

- Build internal skill-set to develop and manage the partnership
- Provide committed, experienced and disciplined project management by all stakeholders (public and private partners)
- Look to build balanced risk allocation
- Develop an integrated Solution – lifecycle approach

Conclusion : Benefits of P3

- Best value for money invested
- Accelerate development of major projects
- Optimal risk allocation and risk transfer
- Take into account the full life cycle of the project
- Reduce the pressure on Government budget (short term/long term)
- Promote innovation and technology transfer



Thank you!