100 PROJECTS:

SELECTED
PUBLIC-PRIVATE PARTNERSHIPS
ACROSS CANADA

ABSTRACTS

A publication of:

The Canadian Council for Public-Private Partnerships

Co-sponsored by:

Industry Canada

Airports & Civil Navigation

1. Hamilton International Airport

In response to a Request for Proposals, TradePort International Corporation assumed responsibility for all operations and maintenance at Hamilton International Airport (YHM) from the Region of Hamilton-Wentworth in July 1996. Prior to the partnership the airport was running at a loss of $500,000 annually. It now operates profitably, with no cost to taxpayers and a profit-sharing relationship with the City of Hamilton. The company has facilitated more than $17.6 million worth of capital investment since taking over operations.

2. NAV CANADA

NAV CANADA is a private non-share capital corporation that was established in May 1995 to own and operate Canada's civil air navigation system. On November 1, 1996, Canada became the first country in the world to have a privately owned, operated and financed air navigation system. The Board of Directors structure ensures that the aviation industry, who are users of the system, have input into both how the system is run and what fees are charged. There has been a measurable reduction in operating irregularities since 1996. The company recently installed a state-of-the-art air traffic control system that consolidates radar, flight data, weather and other information on integrated, high-performance workstations, enabling controllers to handle increased traffic levels safely and more efficiently. NAV CANADA is mandated to collect only the revenues required to cover the costs of delivering air navigation services.

3. Pearson International Airport

On December 2, 1996, the Federal Government transferred management, operation and maintenance of Pearson Airport to the Greater Toronto Airports Authority (GTAA), a not-for-profit, non-share capital corporation with a 15-member board that is representative of local government, business, organized labour and consumers. THE GTAA is authorized to operate the airport on a commercial basis and set fees, rates and charges for the use of the airport. The ground lease with the federal government began in December 1996 and lasts for 60 years, with one renewal term of 20 years. An Airport Development Program (ADP) was initiated in 1998 to upgrade the passenger, runway, concession and utility services at Pearson at a total cost of over $4.4 billion.

4. Vancouver International Airport

The Federal Government handed over responsibility to Vancouver International Airport Authority in 1992 under a 60-year ground lease (with a 20-year extension option). When taking over, it negotiated the previous 17 collective agreements representing 300 employees down to two. Recent major capital improvements include a new $250 million International Terminal Building and a $100 million runway in 1996. The Airport Authority created a holding company and a wholly owned subsidiary to provide operating and consulting services to airports and other clients around the world. Annual "rent" is paid to the federal government ($57 million in 1999), which includes both base rent and a percentage of gross revenue earned by the Airport Authority.

Education

5. Aurora College Family Student Housing (NWT)

The development of family student housing at Aurora College was the first public-private partnership of its kind in the Northwest Territories. Following a Request for Proposals process, the Territorial Government signed a 20-year design, build, lease, and operation agreement with Aurora Building Developers, a privately-owned developer from Fort Smith. The 25 three- and four-bedroom townhomes were completed in February 2000, at least five years sooner and at 4% lower cost than through traditional procurement and construction. It is estimated that the partnership will generate $16 million in economic benefits to the community over the life of the agreement. Capital cost of the residence was $4.7 million, and annual lease payments are currently $745,000, which escalate each year.

6. Business at the Summit

Business at the Summit was launched in 1995 as an offshoot of the Treaty negotiation process in British Columbia, and was the first event of its kind in Canada. The intent of the Summit was to encourage proactive economic development discussions directly between First Nations communities and non-aboriginal business leaders, without direct involvement from the Department if Indian and Northern Affairs (DIAND). Each year, stakeholders from DIAND, First Nations and local businesses secure sponsorships and in-kind support from a list of targeted organizations. The event has spawned discussions on a host of new business partnerships with over 30 major banks, consulting firms, utilities, engineering and transportation companies, and individual First Nations and Tribal Groups.

7. JobWaveBC

In January 2000, the Province of B.C., through the Ministry of Social Development and Economic Security, partnered with two private companies in order to provide income assistance participants with direct services and supports to access employment quickly. The private partners are responsible for finding prospective employers, interviewing participants to determine program suitability, providing employment counselling and follow-up. The Province refers approximately 3,000 participants per month to the partners, determines program savings and compensation, and arranges for third party evaluation of the program. It is estimated that the Province will save $125 million in BC Benefits payments as a result of the two-year pilot. The private sector partners share $75 million of the savings, for a net savings to taxpayers of $50 million.

8. O'Connell Drive Elementary School

O'Connell Drive Elementary School, located on the outskirts of Dartmouth, was the pilot of 39 schools built under the Province of Nova Scotia's P3 program. Nova Learning Inc., a private company set up to pursue P3's in school development, was chosen as the successful bidder. Unlike previous design-build projects for schools, Nova was given the opportunity to design a "school of the future" using leading-edge technologies. Project cost was $8 million and the school is leased to the Province for $59,000 per month, including high-speed communications links valued at $7,300 per month. The Government cancelled the P3 school program in the fall of 1999, citing the fact that it did not meet the criteria of "off balance sheet" financing as an operating lease. However, in June 2001, it announced plans to develop 17 new schools throughout the province over the next four years using design-build contracts.

9. Sheridan College Centre for Animation and Emerging Technologies (SCAET)

Sheridan College, located in Oakville, Ontario, issued several unique RFP's in 1998-1999 with several private sector partners involved in networking, data transmission, computer animation and telecommunications. The RFP's included partnership options ranging from sponsorships to preferred vendor agreements. While the agreement with each vendor is unique, they all include risk and reward sharing. Companies provided a variety of services, including equipment leases, donations and capital investments. Many offered discounts greater than the standard educational discount. The capital cost of the facility is estimated at $32 million, partly funded through a $12 million loan from the Province of Ontario, which will be paid back over seven years.

10. TELUS Learning Connection

Four public education delivery organizations in Alberta partnered with TELUS to help teachers obtain skills and resources to integrate information and communications technology in the classroom. It was launched in September 1997 under an initial four-year agreement. The company receives a charitable receipt for its funding, and also provides in-kind donations such as servers and other telecommunications products and services. Over 250 leaders are given release time from classrooms to work with colleagues to provide training, with the goal to have at least one model teacher in every school. Participants also contribute to a website that currently has over 3,000 pages of resources with an average of 2.2 million hits per month. In-kind contributions from all five partners are equal to more than $200,000 annually.

11. Twin Brooks Elementary School

Since 1991, the Edmonton Public School Board has made five proposals for development of a new school in the Twin Brooks community. The most common reason for the Province's rejection of proposals was that the Board did not meet the Provincial Utilization Rate of 85%. The latest proposal, submitted in June 2000, proposed a multi-use facility for the Twin Brooks School. Other partners with the School Board are from the public and private sectors, including a health services organization, a community group, a private doctor's office, and the YMCA. The Edmonton Catholic School Board also joined in the proposal, allowing for a design that would have the two schools at either end of a single community facility, providing a civic focal point for the neighbourhood. The province has asked the Board to address its utilization rates and is evaluating the Twin Brooks submission.

Environmental – Air Quality

12. Drive Clean Program

In 1999, the Ontario Ministry of the Environment's Drive Clean office partnered with several private sector contractors and automotive service outlets to conduct vehicle emission tests and repairs on 4.75 million personal and commercial vehicles in the Greater Toronto Area and Hamilton-Wentworth. The program was expanded to 13 additional southern Ontario urban areas and their commuting zones in January 2001. Instead of delivering the program at government-test facilities, existing privately owned automotive service and repair shops are used. The garages must be accredited through staff training, equipment purchase and signing of a performance contract. The Drive Clean Office is responsible for developing standards, regulations, enforcement and program monitoring. The program has achieved a public acceptance rating of 83% among those surveyed.

13. Toronto Better Buildings Partnership

In line with the Kyoto Protocol to reduce greenhouse gas emissions and the City of Toronto's commitment to reduce $C0_2$ emissions by 20% relative to the 1990 levels by 2005, the City of Toronto began a city-wide initiative of energy efficiency retrofits and building improvements in 1996. This multi-stakeholder partnership includes several energy-related organizations and Energy Management Firms (EMFs). The targets for energy efficiency retrofits and building renewals include public and private sector buildings throughout the City of Toronto. The firms provide training and educational programs, technical advice, system design and installation. To date, 255 buildings have participated in the program, resulting in $10 million annual projected savings and a reduction of 130,000 tonnes in $C0_2$ emissions per year.

14. Toronto Better Transportation Partnership

The City of Toronto initiated the Better Transportation Partnership (BTP) in early 2000 to replace its existing light duty fleet with low emission vehicles. The strategy of the BTP is to use the net present value of the fuel savings, realized by the switch from gasoline to natural gas, to renew the existing fleet and gain the environmental benefits available from natural gas vehicles (NGV). The program is currently in the pilot stage, to be evaluated in 2002. Enbridge Consumers Gas provided resources and services for the BTP. The City has targeted to complete conversion of its entire light duty fleet to low emission vehicles by 2005.

Environmental – Biosolids & Incineration

15. Peel Incineration Facility

The Region of Peel, located in southern Ontario, wanted to reduce reliance on landfilling as their traditional landfill site began filling up. The Peel incineration facility is owned by the KMS Power Income Fund. KMS financed, built and owns the assets of the facility, while the Region pays a tipping fee to partially cover the cost of operation. The original facility was constructed in 1992, with the addition of a bottom-ash processor in 2000 and a fifth incineration unit in early 2001. The incineration facility burns 500 tonnes of residential and

ICI waste per day, selling the electricity generated (15 megawatts annually once expansion is complete) back to Ontario Power Generation for a profit. The original capital cost of the facility was $50 million.

16. Toronto Biosolid Beneficial Use Program

USF Canada Ltd., an international supplier of water and wastewater treatment solutions, was awarded the design-build of a biosolids processing facility at the Ashbridges Bay Wastewater Treatment Plant in Toronto in 1999. The plant, expected to be completed early in 2001, will recycle the residual biosolids from the wastewater treatment process into a pelletized product for sale as a fertilizer and beneficial soil amendment. It is being built on the same footprint of the previous incineration facility at Ashbridges. Revenue sharing has yet to be negotiated, but current rates are $13.35 per dry tonne. The City will own and operate the facility once it goes online. The pelletized biosolids market is fairly new, and the City will be negotiating with USF Canada to market and distribute the product to agricultural customers over a proposed 15-year agreement. The capital cost of the facility is $23 million, funded entirely by the City and paid to USF Canada on a monthly schedule.

17. Windsor Biosolids Processing Facility

The City of Windsor, Ont. contracted with Prism Berlie (now Azurix) to build, finance, own and operate a biosolids processing facility for 20 years. The facility was completed in the spring of 1999 and uses heat drying to convert sewage sludge (biosolids) from Windsor's two sewage treatment plants into marketable fertilizer pellets. The City is responsible for providing a minimum of 30,000 wet tonnes per year to Azurix. The company is responsible for transportation from the City plants, all facility operations, permits and marketing the pellets to end-users. The original capital cost of the project, financed by then-Prism Berlie, was $10 million.

Environmental – Landfill & Recycling

18. Essex-Windsor Regional Landfill

In 1997, the County of Essex and City of Windsor, Ontario, began operating a 58-hectare regional landfill that takes waste from the local area. The municipalities decided to solicit new funding for the landfill in order to expand it, increase revenues and improve efficiencies. MFP Financial Services Ltd., a private financial solutions advisor, won the RFP and set up an Investment Trust. The Trust leases the landfill from the owner, the Corporation of the County of Essex, and sub-leases it to the operators, the Corporations of the City of Windsor and the County of Essex. Low interest rates were achieved for initial capital costs and guaranteed for any landfill expansions over the following 38 years. Revenues are achieved through an innovative pay-per-use program. MFP also set up a specialized amortization model, which amortizes individual cell development costs over the estimated life of each cell.

19. Guelph Recycling Program

In 1998, the City of Guelph, Ont. was approached by SUBBOR, a private waste management and engineering firm, to design, construct, own and operate a mixed waste organics recycling operation adjacent to the existing Wet/Dry waste processing facility. SUBBOR leases the land from the City under a three-year agreement (2000-2003), with the option for a ten-year extension. The facility provides greater than 90% diversion from landfill, produces biogas to generate electricity; and no composting is required to complete the treatment. The facility cost $25 million to build, which was funded through and investment loan from Industry Canada, the National Research Council and by Eastern Power / SUBBOR.

20. Toronto Waste Disposal Plan

The City of Toronto had been searching for a large-scale waste disposal alternative for over a decade, which culminated in a Request for Proposals in the fall of 1999. Discussions with the first choice proponent were terminated in October 2000 when the company and City staff could not agree on compensation for "unavoidable costs." Consequently, the City signed a 20-year contract with Republic Services to provide hauling and disposal for the City's waste. As a result of diverting 285,000 tonnes a year from the Keele Valley Landfill over the course of 2001 and 2002, its service life will be extended until the end of 2002.

Environmental – Wastewater Treatment & Delivery

21. Alberta Capital Region Wastewater Treatment Plant

In order to maintain value for money and improve efficiency, the communities surrounding the City of Edmonton began contracting out wastewater treatment operations in 1984. OMI Canada's contract with the Alberta Capital Region Wastewater Commission (ACRWC) began in 1998 for the fixed price operation and maintenance of facilities until 2006. Under the agreement, OMI is responsible for capital improvements paid for by the ACRWC. The system serves approximately 170,000 residents surrounding the City of Edmonton. Capital improvements expected over the life of the agreement total $2.5 million. Revenues have been steadily increasing due to increased demand for sewage services.

22. Edmonton Sanitary Servicing Strategy Fund

Because of the large capital expenditure required to build sanitary trunk sewers, neither the City of Edmonton nor the local developers could afford to fund the front-end costs. A strategy was developed for funding this infrastructure with developers, homebuilders and the City. This initiative involved development of a shared, self-sufficient Trust Fund to pay for $430 million of trunk sewer construction over the next 50 years. Instead of having to borrow considerable dollars for new construction, the Fund provides sufficient accumulation and interest prior to construction. The 2001 revenues are expected to be $7.5 million with expenditures of $10 million. It is anticipated that the Fund will remain in a positive balance throughout its life.

23. Halifax Harbour Solutions

The Halifax Regional Municipality is seeking a solution to build and operate up to four new wastewater treatment plants to process discharges and runoff at less cost than in-house. Responses to the Request for Proposals were submitted on October 13, 2000 by two consortia for the design-build of sewage collection systems and the design, building, financing, and operation of four new wastewater treatment plants. Ownership would remain with the Halifax Regional Municipality (HRM) unless otherwise required in support of a financing proposal. The operating period is for 30 years beginning when the first facility is commissioned. The expected total capital cost is $315 million, of which $210 million will be provided by HRM. Approximately $50 million of this was already raised through a surcharge on local water rates.

24. Norfolk Wastewater Treatment

US Filter Operating Services began the contract with the Regional Municipality of Haldimand-Norfolk (now Town of Norfolk), located in Southwestern Ontario in January 1998. The five-year operations and maintenance contract covers 13 wastewater treatment facilities, 43 pumping stations, related watermains and management of the biosolids land application program. USF offered existing municipal staff improved wages, benefits and advancement opportunities. The record of environmental compliance has improved along with a better maintenance regime. A computerized maintenance management system was instituted along with aggressive preventive and predictive maintenance. Cost savings are estimated to be $1 million per year, which is 34% better than under municipal management.

25. York Region Trunk Sewer

In May 1999, the Region of York issued an RFP for the design-build of a sewer trunk line along a main artery (Ninth Line). Council authorized awarding of the contract to a private consortium (McNally International and BFC Civil J.V.) in June 2000. The consortium's alternative proposal included a provisional item for tunnelling of an adjacent trunk sewer line on Sixteenth Avenue, which would result in significant savings to the Region versus contracting the project separately. The guaranteed maximum price of the trunk sewer line construction is $35.3 million, with a total project cost of $37 million. A unique partnership aspect to this project was the development of a Partnering Charter, which was a non-legally-binding agreement between the design-build team and the Region to work proactively together, thereby minimizing public disruption and maintain cost accountability.

Environmental – Water & Wastewater Treatment

26. Canmore Water & Wastewater Treatment

Following an RFQ and RFP process beginning in 1999, the Town of Canmore signed a 10-year utility management agreement in May 2000 with EPCOR, a diversified utility company wholly owned by the City of Edmonton. Contracted services include water and wastewater treatment, water distribution, wastewater collection, storm drainage, biosolids handling meter reading, billing and account management. The Town retains ownership of all assets and receives the revenue stream from residents' utility bills, although EPCOR distributes the bills themselves. Expected savings amount to over $1 million in operations over the first five years of the contract and over $3 million in capital in the first 3 years of the ten-year contract.

27. Goderich Water & Wastewater Services

The Town of Goderich initiated a contract with USF Canada Inc. for operation and maintenance of its water and wastewater treatment facilities, water distribution system and sewage collection system. The contract term is five years, beginning in December 2000, with an option to renew for an additional five. USF Canada has assumed all maintenance risk for the assets, and instituted a state-of-the-art computerized maintenance regime. Operational efficiency will allow the expansion of services to clients outside the Town boundaries.

28. Hamilton-Wentworth Water & Wastewater Treatment

In 1995, the Region of Hamilton-Wentworth (now City of Hamilton) signed a 10-year operations and maintenance contract with Philip Utilities Management Corporation (PUMC) for wastewater treatment and water purification, and a second contract to operate and maintain over 100 outstations and remote facilities. The contracts included guaranteed economic development (creation of 100 full-time jobs), joint marketing, and $15 million in capital investment. In May 1999, the Region signed a new agreement with Azurix, who purchased the Region's contract from PUMC, to design, build, finance and operate an upgraded preliminary treatment system at the Woodward Avenue Wastewater Treatment Plant valued at $7.5 million. The Region is guaranteed $703,000 (1995 dollars) in annual savings, Azurix receives the additional $1 million, employees receive monies under a profit-sharing plan and the remaining profits are split 60:40 between Azurix and the Region.

29. Port Hardy Water Treatment Facility

Port Hardy signed a 20-year performance contract with EPCOR (then Aqualta) in 1999 to design, build and operate a water treatment facility and related waterworks infrastructure. It was the first public-private partnership for a water utility in B.C. There is also an additional five-year wastewater management contract for the sewer collection system and two treatment plants. EPCOR is responsible for all technological performance and has underwritten the risks related to water quality regulatory changes over the first five years of the contract. The company provided a cost guarantee for the life of the contract and receives incentives for operating cost savings. The District of Port Hardy is responsible for revenue collection. The cost of plant construction was $3.67 million, which is considerably less than the estimated $6 million price tag had the project been delivered in-house.

Environmental – Water Treatment & Delivery

30. Halton Water Delivery Project

In 1998, the Region of Halton called for design-build proposals for new water delivery infrastructure. The Region of Halton created what it termed a "partnership triangle" to deliver the infrastructure needs of this project both quickly and cost-effectively. The three parties consisted of the Region as regulatory overseer, the development community as funding source and the construction team (D'Orazio-Walter Joint Venture) as design-build consortium. The first phase consisted of new trunk water and wastewater mains, and an intermediate sewage pumping station along the Highway 25 corridor. Phase Two will involve further development of watermain arteries and pumping stations throughout the Region. Total expenditures for the first components are $29 million, which is part of the larger infrastructure renewal program totalling $79 million for Phase One. The pipe is paid for almost entirely by the development community, and costs were 20% below the original project estimates.

31. Lake Major Water Treatment Plant

The Lake Major Water Treatment Partnership (LMWPT), a 50/50 partnership between Inland Pacific Waterworks (member of BC Gas Inc.) and CH2M Waterworks (Canada) Ltd., who were the preferred proponents after submission of the Request for Proposals in 1997. The plant, completed in December 1998, serves 100,000 residents of Dartmouth, N.S. The facility has an output capacity of 20 million gallons per day, expandable to 32 million gallons. Contract provisions set damages if LMWPT delivered the project late. The fixed-price contract protected taxpayers and ratepayers from cost over-runs. Compared to the City's own estimate to undertake the project, LMWPT delivered a facility with savings of $200,000 in capital costs.

32. London & Area Water Treatment Facilities

In November 2000, the City of London issued an RFQ for the operation and maintenance of the Lake Huron and Elgin Area Primary Water Supply Systems, along with several of the area's Secondary Water Supply Systems. Six consortia responded, and the City will be issuing an RFP to the qualified bidders in March 2001 for a ten-year contract with an optional five-year extension. An interim operating agreement with the Ontario Clean Water Agency is in place until the water board signs a new contract with the successful proponent. The current combined population served is 420,000 residents, with a treatment capacity of 410 million litres per day. It is expected that transition to private operation would begin in October 2000, and full operation would commence in January 2002.

33. Moncton Water Treatment Facility

In 1998, the City of Moncton formed a partnership with USF Canada, a private water and wastewater management company, under two contracts. The first was the design, build and finance of a new water treatment facility to serve the 100,000 residents in the City of Moncton and neighbouring towns of Dieppe and Riverview. The second contract was an operations and maintenance agreement and lease for the facility over 20 years. USF Canada has guaranteed a fixed rate for water charges throughout the contract (it sells the treated water to the City). Savings over the life of the 20-year contract are expected to be $12 million, based on the calculations by the City to run the operation itself. The total of the construction and operation contracts is $85 million.

34. Seymour Filtration Project

In November 2000, the GVWD received submissions from six consortia in response to a call for Expressions of Interest and Statements of Qualifications. The contract will be a design-build-operate under either: 1) a five-year term with the GVWD's option for a 15-year renewal, or 2) a 20-year contract. It is expected that a short-list will be announced in early 2001, and the contract will be awarded by the end of 2001, following an RFP. The Seymour Plant will serve one-third of the Region's water needs, or 800,000 residents, when it begins operation (slated for 2005). Output is anticipated to be up to one billion litres per day.

35. Winnipeg Water Treatment

The City of Winnipeg is conducting studies to consider various public-private options, including design, construction, ownership and operation of a new water treatment facility. Design of the facility is scheduled for completion by 2003, with construction of the facility starting in 2004 and operation in the fall of 2006. A $54 million rehabilitation of the existing aqueduct is currently on going, and is expected to extend its life for at least another 50 years. Total estimated capital cost for a new plant is $204 million, which includes design, construction and environmental approval costs. Operating costs are estimated at $12 million annually. In1993, the City established a Water Treatment Plant Reserve Fund to cash finance $102 million of the project by 2006, and the balance will be financed through long-term debt.

Healthcare – Infrastructure

36. Centracare Psychiatric Care Facility

Changes in health care delivery, including smaller institutions, advances in mental health care and balancing program delivery costs with facility operating costs prompted the need for a new 50-bed tertiary psychiatric care facility in New Brunswick. Cardinal Pomerleau Inc., a private company specializing in facility construction and property management, was chosen as the financier, builder and operator following a Request for Proposal. It leases the building to the Province under a 25-year operating agreement. The company is responsible for major capital maintenance (e.g. roof replacement, mechanical systems), while the Province covers day-to-day operational expenses. By closing the previous 1500-bed facility and using a private partner, the Province was able to reduce construction and operating costs significantly. The capital cost of the facility was $6,425,000, paid for by Cardinal Pomerleau Inc.

37. University Health Network Redevelopment

In September 1998, the UHN announced a major redevelopment plan to demolish several buildings at the Western and General Hospitals, construct new ones and renovate others. In order to fund the initiative, the UHN used a unique vehicle - a private sector bond issue. It allowed the hospital redevelopment to be approved sooner (3 months total) and construction competed faster than through traditional grants-based funding. The latter would have meant an estimated 15 - 25 year project timeline. The bonds are to be repaid over a 25-year period from annual capital contributions and operating savings achieved through reduced real estate and improved operational efficiencies. The UHN secured $281 million of the $349 million required for hospital redevelopment. The remaining capital came from private sector research partnerships, real estate sales and income earned from bond proceeds during construction.

Healthcare – Service Delivery

38. Shouldice Hospital

Shouldice Hospital is a privately owned, partly publicly-funded institution that has become internationally renowned for its hernia treatment specialty, as well as its clinical and low cost per patient record in relation to general public hospitals. The Hospital receives a global budget allocation for general hospital operation from the Ontario Ministry of Health, and unlike public hospitals, must return any surpluses back to the Ministry. Under the Private Hospitals Act, it is also not permitted to operate a foundation or conduct charitable fundraising. The Hospital incurs a cost of only $24.50 for disposable items following surgery versus the average of CDN$250 to $850 per hernia surgery in the rest of North America. Under a 1996 study comparing the case costs of 25 hospitals providing hernia procedures, Shouldice's per diem costs were up to 70% lower than the average of $825 to $1,000 per day.

39. Telehealth Ontario

The Province of Ontario began a pilot telecare program in Northern Ontario in June 1999. Clinidata, a private provider of telephone triage services, was chosen to operate the pilot. Following release of the Task Force Report, in July 2000, the Ministry of Health and Long-Term Care (MOHLTC) issued an RFP for operation of a new 24-hour, seven days a week telecare service in the 905 and 416 area codes (Greater Toronto Area). Clinidata, the successful vendor, signed a 4.5 year contract to operate the telecare service in the Greater Toronto Area beginning in February 2001, and has hired approximately 150 Registered Nurses. The nurses will help callers decide whether they need to go quickly to an emergency room, see their doctor or other community health service provider, or administer self-care at home. It is anticipated that the 416/905 rollout will receive approximately 600,000 calls in its first year of operation.

Human Resources

40. Aboriginal Development Program

The Regional Municipality of Wood Buffalo, located in northern Alberta, has one of Canada's highest proportions of Aboriginal people as a percentage of the entire population. A three-year agreement (the Capacity Building Agreement) was signed between the Athabasca Tribal Council (ATC) and a group of resource industry companies, called the Athabasca Regional Developers. Some recent projects include: a Youth Career Path program; training and hiring of four Aboriginal technicians to represent their communities in new oil sands developments; education funding for ten people to become local experts in home maintenance and construction; and a research partnership with the University of Alberta to evaluate and inventory social programs in local communities. The funding requirement as determined by the ATC/Industry Terms of Reference is in the order of $1.5 million per year. Industry reviews the programs described under these terms and will fund certain programs to a maximum of $850,000 annually.

41. Saskatchewan Multi-Party Training Plan

Phase One of the Multi-Party Training Plan began in 1993 as a cooperative, training-to-employment initiative among the province, federal government, Aboriginal agencies, Northlands College, and the northern mining industry. It enables competing mining companies to pool their labour projections and other partners to combine resources in linking training directly to the mineral sector's demand. Phase Two of the Plan began in 1998, adding all northern Métis and First Nations agencies, a gold mining company, the three major uranium mining companies, and several federal and provincial departments involved in economic development, training and employment. Participating agencies will share an aggregate total funding of $13 million over five years for the implementation of Phase Two. To date, the partners have funded 1,500 training seats with 90% of those enrolled of Aboriginal ancestry.

Information Technology

42. Alberta Wellnet

Following a competitive process to find private sector partners, the Alberta Department of Health and Wellness signed a 6-year agreement with IBM Canada to provide a range of consulting and technical services to develop Alberta Wellnet. The system is an umbrella for a series of province-wide and regional initiatives to build an integrated health information network in the province. Users include health authorities and their hospitals, physician offices, pharmacies, the Ministry of Health and Wellness and other healthcare providers. The Pharmaceutical Information Network is scheduled to begin rollout in 2001. IBM is developing an integrated application and investing in enhancing most of the hardware as well as software licenses to the users for a fixed price.

43. Atlantic Canada On-Line

Atlantic Canada On-Line (ACOL) has been operating since November 1997, enabling government clients to quickly retrieve, search, update and register information needed for business transactions or for legislative compliance purposes. Following a Request for Proposals, the Atlantic provincial governments and Unisys Canada Inc. signed a seven-year contract on May 10, 1996. Unisys designed, owns and operates ACOL, while the governments provide the information assets and remain custodians of the data. Joint responsibilities include marketing, pricing and assisting departments in making their databases available. Online services include Driver Insurance Abstracts and a Personal Property Registry. Unisys invested $10 million in designing and developing the ACOL service. The business model for each service offering is transaction based.

44. B.C. Justice Integrated System (JUSTIN)

The B.C. Ministry of Attorney General and Sierra Systems, a private IT development firm headquartered in B.C., signed a five-year strategic alliance agreement in 1996. The system allows police agencies, Crown Counsel, Court Registry, the Judiciary and Corrections to share and re-use information captured during each stage of the justice process. Data is re-used to produce legal documents, which are electronically signed. The Government will receive royalties from the sale of JUSTIN to other jurisdictions. By March 31, 2001, the system will be available to 8,000 users throughout the province, and information will represent approximately 94% of the criminal caseload.

45. B.C. OnLine

In May 1999, the Government implemented a 10-year operating agreement with MacDonald, Dettwiler and Associates Ltd. (MDA), a BC-based international software systems engineering and land information company, to operate the province's online information service. BC OnLine currently serves almost 8,000 customers (including lawyers, real estate agents, appraisers and environmental consultants). Services include information on property assessments, companies, gas/electrical permits, land titles, manufactured homes, personal property, taxes, wills and site environmental information. MDA receives a performance-based development fee to ensure that the system remains sate-of-the-art. The company also receives a $1.50 transaction fee from end users for existing products, and a slightly lower transaction fee for future similar products. The Province may receive new fees and royalties from new types of products.

46. Emergency Services Mobile Communications Project

The Province completed a Common Purpose Procurement process in June 1998 for the consolidation and replacement of five two-way public radio networks. A 15-year design, build, finance, and operate contract was signed with Bell Mobility Radio Inc. The system is the first of its kind involving the pooling of a public safety radio spectrum, and the sharing of public and private radio tower sites as well as other infrastructure assets, resulting in a common network across the province. Moreover, the service has been designed to expand beyond the provincial public safety/emergency services agencies, representing 40-50 thousand users, and to accommodate other network users in the broader public sector (e.g. municipal police/fire agencies). Efficiencies result from the pooling of technical infrastructure and resources, resulting in cost avoidance for the Province over the life of the agreement, estimated to be $50 million.

47. Lanark Communications Network

In 1994, Lanark County (located west of Ottawa) began looking for options to deliver advanced telecommunications applications and infrastructure throughout the area. In 1998, a not-for-profit corporation called the Lanark Communications Network (LCN) was formed to administer the project with membership from local school boards, hospitals, private companies and the County. In February 1999, LCN signed a four-year Memorandum of Understanding with Bell Canada to deploy a high-capacity telecommunications network throughout the County in both public and private organizations. LCN also formed a partnership with the Centre for Geographic Information Systems, a local service provider and Autodesk to deliver GIS services. Other initiatives include distance education, a wide area network linking local hospitals and a program to facilitate design of Internet-based agri-business applications.

48. Manitoba Government Online Services

In 1997, the Province signed a five-year agreement with IBM Canada Inc. for delivery of electronic services across several departments (Consumer & Corporate Affairs, Family Services & Housing; and Education & Training). What became known as the Better Systems Initiative (BSI) launched eGovernment services through a central website. The system consists of five major services: The Personal Property Registry; Land Titles Survey Index; The Human Services Guide (describes services, eligibility information, and contact numbers for services or referrals); Subsidy Eligibility Estimator and Student Financial Assistance. Project. Costs are estimated at $137 million, with funding allocated yearly based on specific deliverables. The project uses a self-funding model where departments coordinate their improvements and system development efforts, sharing expertise, services and technology.

49. Nova Scotia TeleHealth Network

The project linking all 42 healthcare facilities in Nova Scotia was completed in September 1999, making it the first province-wide network in Canada. The TeleHealth Network transmits medical data, video images and audio between doctors or other health care workers at two or more locations. It also allows doctors and other health care workers to conduct face-to-face consultations while working in different communities. Nurses, doctors and others can use the network to participate in continuing medical education sessions from remote locations. TecKnowledge Healthcare Systems Inc., a private IT company specializing in healthcare solutions, has been operating the now province-wide system since 1997 under an operating contract. A new Request for Proposals is targeted for completion in 2000-2001.

50. Ontario Data Services Improvement Program

The main goal of the Data Services Improvement Program (DSIP) was to upgrade 306 telephone exchanges across Ontario to the Special Services Digital Network (SSDN) standard, which is a universal measure for high speed voice and data infrastructure. The system will enable video-conferencing (for telehealth, distance learning, and commerce), as well as data networking for business and public sector institutions. The upgrades will also allow local Internet Service Providers to establish operations in new markets on equal footing with their urban counterparts. Partners included Bell Canada, Ontario Telephone Association, 20 local independent telecom companies, Regional Networks for Ontario and the Ontario Rural Council. Total project cost was over $13.2 million, funded through$.2 million from the Province and $9 million from the private sector.

51. Operation Online

Operation ONLINE was officially launched in November 1996 as a not-for-profit corporation established to advance growth in Newfoundland and Labrador's information technology sector. Activities involve partnering and business development, accessing national and international markets, promotion and awareness, building human resources and supporting economic growth in other sectors. Areas of particular focus include distance education, new media, telehealth and e-business. The brokering of strategic partnerships locally, nationally and internationally, with both public and private entities, has been successful in developing local expertise and bringing new investment to Newfoundland and Labrador. Operation ONLINE is funded over five years through a $10 million investment from the Canada/Newfoundland Agreement on Economic Renewal.

52. Publications Ontario On-Line

Publications Ontario is responsible for distributing all of the Government of Ontario's public access documents. In 1997, it decided to go ahead with an e-commerce application. The first component developed was Enhanced On-line Catalogue Ordering System (EOCOS), which is used by more than 500 libraries across Ontario to order over 10,000 government publications directly. The project was expanded to an Internet storefront allowing the public to browse abstracts of all the publications and make purchases online with a credit card. Along with documents for purchase, the system also provides links to free documents that are available on other Ontario Government websites. Web Front, a Toronto-based web design company, was chosen as the website developer and is a vendor of record for the project's on-going operation. It receives a per diem for operation and maintenance of the website and database application.

53. Saskatoon Tax Management System

In 1997, the City signed an open-ended agreement with Sierra Systems Group, a private IT systems integration firm, to develop a management application for property tax processing. The software tracks the assessed values of over 75,000 households, applies the mill rate and generates customized tax bills. The application also has the ability to keep track of customers and is integrated with the City's revenue collection system. Based on the fact that the software was the first of its kind for Sierra, the City assigned rights to the company to market the application to other municipalities in return for a share of the sales. The Corporate Information Services Department has recouped most of the cost of its own tax management system through royalties on sales to other municipalities.

54. Sault Ste. Marie Innovation Centre

The Sault Ste. Marie Innovation Centre officially opened on November 2, 2000 as a not-for-profit corporation. Although still in its development stage, the Centre will expand the area's capacity to provide both IT consulting and solutions to public and private sector organizations throughout the Algoma District.

EDS Canada functions as the IT integrator for the Centre, providing both consulting services and applications that will be used for future projects. The first service area of the Innovation Centre, the Integrated Geomatics Service (IGS), has been established with EDS as the project manager. Other services to be developed include: IT solutions and administration; integrated health care technology; business development and IT support for new companies; and development and implementation of call centres.

55. Smart Choices

The cities of Coquitlam and Port Moody, B.C. formed the demonstration project (known as "Smart Choices") for B.C. under a not-for-profit corporation along with the local school board and Douglas College. The goal of their initiative is to encourage greater public use of the Internet and provide single-window Internet access to government and community services. Key projects include: a community portal (unified Internet access to community services and information); a continuous learning resource (Learning Linkage); personal safety information; economic and community asset information for businesses; and access to government and community services through an interactive registration and payment system for leisure, cultural educational and municipal services. Partnership discussions are proceeding with large private-sector firms that will bring in additional resources and in kind contributions beyond existing government support.

56. The electronic Child Health Network

The goal of eCHN is to ensure children's health information is available quickly, easily, and securely wherever the patient seeks care. The Hospital for Sick Children (HSC) partnered with IBM Canada, based on its expertise in software and systems configuration, for a three-year pilot project beginning in 1997. The three major components are: an information website on child health for parents and children; an online practitioner forum; and an electronic network that allows linked healthcare facilities to coordinate and share patient information. The pilot stage of the project is now complete, and the system will be expanded to seven more healthcare providers over the next year. The system also has the potential to include telehealth so physicians in remote areas will benefit from access to current health information and additional resources. The initial $15 million cost of implementing the three-year proof of concept stage was shared by HSC, the Ontario Ministry of Health and IBM.

Inventory Management

57. Consolidated Clothing Contract

Until this program was implemented, the Department of National Defense (DND) had to contract for each item of clothing separately, resulting in procurement lead times up to 400 days. Following a competitive bidding process, Logistik Unicorp was selected as the consolidated manufacturer and distributor under a five-year contract, beginning in 1996. As a result, it became responsible for approximately 500 generic items and over 4,000 separate NATO stock numbers. DND also transferred an existing clothing inventory valued at $80 million to Logistik's facilities. System improvements have meant that 98% of orders are now shipped within 17 days. The introduction of an automated ordering system, an improved reporting system and adequate inventory on hand has contributed to this success, which has prompted DND to consider introducing electronic ordering for all Canadian Forces members. The value of the contract totals $107 million over 5 years.

Justice/Corrections

58. Downtown Commercial-Law Court Project

The City of Chilliwack approached the Province to pursue avenues for joint funding and possible building partnerships. They decided that a law court combined with commercial/retail space, public plaza and clock tower would provide an economic stimulant in the downtown area. An RFP was issued for the design, building and ownership of the "Five Corners Project," which will consist of a 32,000 square foot courthouse, and a three-story, 18,000 square foot commercial/retail building. The City and Province will together lease

15,000 square feet of the commercial/retail space with the remaining 3,000 square feet being offered to local business at fair market values. Negotiations with Van Maren, a local private construction firm, were completed in January 2000 and construction is expected to commence in March 2001. The value of the project is estimated to be in excess of $10 million.

59. Ontario Correctional Facility Modernization

In 1996, the Government of Ontario began a major effort to expand, retrofit and build new adult and young offender corrections facilities throughout the province. The initiative includes partnering with private companies as well as other government and non-profit organizations for the delivery of corrections facility operations. Major projects involving the private sector include: a five-year contract for the operation of a new 1,200-bed correctional facility in Penetanguishine; operation of a cook chill food preparation unit at the Maplehurst Correctional Complex, to serve meals at several other facilities; and possible design-build and/or operation of two new strict discipline facilities in Merrickville and another location in Southwestern Ontario.

Land Development & Revitalization

60. ByWard Market Building Revitalization

The City of Ottawa wanted to reintroduce specialty food retail in the city-owned ByWard Market Building and since renovation and operation costs were too high for the City to bear, it looked to the private sector for a long-term partnership. The ByWard Market Building Revitalization Group (BMBRG) is a partnership of five business people who have a stake in the market. Under the 30-year lease, BMBRG pays the City a portion of the rent it receives from tenants. The Building has proven to be a catalyst for development in the area with increased sales reported by outdoor market stands around it. The Building is also fully leased, and ground floor square footage increased by 300%. BMBRG invested over $2 million in the renovation, with an additional $2 million from tenants for retrofits. The City of Ottawa receives rent on a sliding scale from 5% of the first $200,000 in annual net rent to 50% of any annual net rent above $300,000.

61. Deerfoot Business Park (Calgary)

In March 1998, the City partnered with a local developer, Remington Development, to jointly develop an industrial-commercial park in suburban Calgary and share in the proceeds. Before proceeding with development, a formula was calculated to ensure that both the City and Remington received the proportionate number of lots to their investment. First, a "Swing Lot" was assigned in the original lot distribution. Following verification of actual development costs, a pro-rated interest in proceeds from the Swing Lot was assigned to each party. Each party was then provided with a number of serviced lots proportionate to their contributions. Industrial land was serviced and sold in 16 months versus the minimum 36 months if the City developed on its own. To date, over $60 million in building construction has been completed. The net gain for the City was $997,000, which equalled a 25.5% ROI.

62. Maple Ridge Downtown Development

In 1998, Maple Ridge Town Centre Development Ltd. approached the town to develop the downtown area, and agreed to provide funding for planning architectural reviews, traffic studies, environmental impact analysis and economic feasibility studies. In return, the company along with other firms in its consortium, would receive the contract to build and renovate several buildings. Components included: expansion of the existing library; a new arts centre; an addition to the leisure centre; a new Youth Centre; a seven story office building with commercial/retail space on the ground floor; a 100-room hotel and underground parking; and an expansion and refurbishment of the existing Memorial Park. The Town entered a 5-year lease with the developer for the library, youth centre, leisure centre expansion, parking, and some office space. Total capital costs for the project are $50 million, which were set at a fixed price.

63. Toronto Waterfront Revitalization

Toronto is one of the few major cities in the world that has not undergone a recent major refurbishment of its docklands. Properties along the 46-kilometre waterfront are owned by the federal, provincial and municipal government as well as the private sector. The three governments established the Task Force on Waterfront Revitalization, which issued recommendations in the spring of 2000 on housing, transportation, remediation, financing and management. A development corporation to oversee the project is being investigated and the City is preparing a Central Waterfront Official Plan. It is anticipated that private sector participation in land development and infrastructure construction would be tendered through a series of RFP's over the next decade or more. Total project costs for the initiative are estimated at $5.2 billion and additional costs of building development by the private sector are calculated to be $7 billion.

Ports & Seaways

64. Belledune Port Authority Refinancing

In 1998, management of the Port of Belledune in New Brunswick transferred to a local, independent Authority. With it came the responsibility for financing a $38 million loan from the federal government. Financing of the Belledune Port Authority (BPA) incorporated a hybrid lease securitization where terms typically used in the private sector were adapted to the public-private financing. The private institutional lenders and the BPA equitably share the benefits of the agreement. The former obtained an attractive higher fixed-rate return on their investment and the BPA received a significantly lower fixed interest rate because the covenants were shared with NB Power, a large tenant at the Port. The federal loan was refinanced through the issuance of $27 million in Secured Trust Notes, which are secured by an assignment of revenues from a lease with NB Power, a tenant at the port.

65. Goderich Harbour Revitalization

In 1996, the Town of Goderich, Ont. purchased the local port from the federal government for $650,000. The Town then conducted negotiations with Sifto Canada Inc., the port's largest user, to establish a non-profit port manager (Goderich Port Management Corporation) with Board representation from Sifto. Sifto also acquired the land on which its salt mine is located from the Town at fair market value. Commencing in January 2000, the GPMC paid the Town for its original capital investment and other costs incurred to negotiate the purchase. User fees were also lowered in comparison to those charged by Transport Canada in order to keep the port more competitive with others in the area. To fund long-term capital investments, the Town and GPMC established a trust account of $1.4 million per year from user fees at the port.

66. St. Lawrence Seaway

Under the agreement with the Federal Government until March 31, 2018, The St. Lawrence Seaway Management Corporation (SLSMC) – a not-for-profit entity – operates and maintains leases, licences, bridges, tunnels and locks along the Seaway. The Government of Canada continues to own the infrastructure and to act as regulator. Beginning in 1998, the SLSMC invested significant capital in information technology systems, including a state-of-the-art traffic management system, and plans for 2001 include an e-commerce component for users as well as online traffic and weather information. The SLSMC is governed by an eight-member Board, composed of Seaway users and appointees from the Federal Government, Province of Quebec and Province of Ontario. In fiscal year 1999/2000, the SLSMC spent $23.4 million on asset renewal and amortization with revenues of $76 million.

Property Management

67. CBC Building Management

In response to a Request for Proposals, the CBC signed a five-year agreement with ProFac Facilities Management Services, a private operator of building assets and property. The operations and maintenance agreement includes 3.3 million square feet in 52 buildings from Vancouver to St. John's. The service contract includes heating & air conditioning operation, cleaning, security, utilities provision, courier services, and printing, and was phased in across the country beginning in September, 1997. ProFac also advises on capital planning, real estate and leasing services. Penalties are assigned if ProFac does not meet specified levels for critical systems, but also receives credits for failure-free operation. The annual value of the contract is $18.8 million, which represents a cost savings of 20% from when CBC managed its own assets.

68. Goose Bay Airforce Base

Following an RFP in 1998, the Department of National Defence began a five-year contract with Serco Facilities Management Inc., an international task management company, to operate and maintain a wide variety of services at the Goose Bay Airforce Base, located in Northeastern Labrador. These included air traffic control, weather services, transportation, facilities and grounds maintenance, fire services, food and accommodation services and purchasing. An interesting human resources component to this project was the successful application by the Public Service Alliance of Canada to act as the bargaining agent for Serco employees under the contract and the subsequent Canada Labour Relations Board ruling that Successor Rights applied to the transfer. The initial contract was for $135 million over five years, which resulted in approximately $14 million annual savings, taking into account the bill for successor rights.

69. Government of Nunavut Buildings

Nunavut Construction Corporation, an Inuit owned construction company, was chosen to design, finance, build, own and operate the new government buildings under a 20 year lease arrangement with the Territorial Government of Nunavut. The project consists of 10 government office buildings (including the Legislative Assembly in Iqaluit) and 250 units of employee housing in 11 different communities throughout Nunavut. The final office buildings and housing units were completed in the spring of 2000 on budget, one year ahead of the four-year schedule. Nunavut Construction Corporation is responsible for all operation and maintenance of the buildings and will retain ownership of assets upon expiration of the lease. Total project cost was in excess of $130 million.

70. National Trade Centre Food Operations

In 1996, Toronto City Council approved appointment of O&Y/SMG Canada to manage the National Trade Centre at Exhibition Place. Council also directed the company to manage the RFP process for a private food service contractor. Following RFP submissions from five vendors, the City of Toronto signed a five-year contract in 1997 with Servo Canada. The company designed and financed the construction of a 10,000 square foot kitchen facility and several food concessions located throughout the one million square foot trade floor space. Servo is responsible for the provision of all food catering in the facility and other Exhibition Place venues, and assists with marketing and promotions for events. Servo Canada leases the kitchen and associated office space from Exhibition Place for $1 per year plus taxes. Exhibition Place receives a guaranteed percentage of sales each year and additional payments based on further gross revenue levels.

71. Ontario Realty Corporation

ProFac, a private sector provider of facility management services, was awarded a 5-year contract by the Ontario Realty Corporation (ORC) to provide services to government owned buildings as well as leased sites occupied by government functions effective October 1, 1999. ProFac manages approximately 31 Million square feet of space in over 2,100 buildings in the Greater Toronto Area and Southwest Regions. Principal activities include but are not limited to facilities management services, real estate strategy, asset management planning, lease administration services and project management services. Unique to this contract is a gain sharing / new business component that offers ProFac the opportunity to develop new business initiatives with the Ontario Government that will generate revenues or achieve permanent savings for the ORC. Performance is rated quarterly with results tied to financial remuneration. Annual operating value of the contract is $65 million, with $24 million in capital expenditures per year.

72. Real Property Services

Public Works and Government Services Canada (PWGSC), through its Real Property Services Branch (RPS), opted to source private sector property and facility management firms for the management and operations of over 300 Crown-owned buildings across Canada. PWGSC awarded 13 separate three-year contracts with four option-years to Brookfield LePage Johnson Controls (BLJC), a private facility management services firm, effective May 28, 1998. The company's contractual mandate includes, but is not limited to, property management services, project delivery services and retail letting services where applicable. BLJC's performance is determined by three Key Performance Indicators (KPIs): asset integrity, customer satisfaction and financial performance. The annual budget for all buildings is over $200 million. The baseline operating costs under BLJC were reduced by 10%, resulting in sustained savings of $20 million per year.

73. Royal Ottawa Health Care Group

In 1995, the Royal Ottawa Health Care Group (ROHG) issued a Request for Proposals to divest the performance and management of its non-core support services. Brookfield LePage Johnson Controls (BLJC), a national private facilities management firm, won the bid to manage the facilities for 5 years. Their services include: nutrition and food services; custodial and linen services; supply chain management including purchasing, physical plant operations and maintenance; and space planning. Since the start, BLJC has met all the quality requirements of The Royal Ottawa Health Care Group and its customers, with 30% fewer personnel. The agreement calls for ROHCG to assume the streamlined cost of services performed by BLJC plus a fixed, annual fee. Sustainable cost savings achieved beyond pre-established budgets are passed onto ROHG, and a portion of these are returned to the company as a one-time payment.

Recreation

74. Brampton Centre for Sports & Entertainment

In January 1997, the City of Brampton signed an agreement with Brampton Sports Centre Inc., a partnership of two private developers with experience in the hospitality industry. Realstar was responsible for design, building, partial financing, operation and leasing of the facility for 34 years and Edilcan was responsible for the construction of the building. The Centre for Sports & Entertainment was completed in September, 1998, and includes four ice pads (three practice ice pads and a main 5,000-seat spectator bowl), a 300-seat restaurant and 30 private suites. The private partners receive $230,000 per year as a return on equity. The City receives $250,000 as a repayment of the loan. Once these payments are made, operating profits are split 60% for the City and 40% for the private operator. Capital cost of the Centre was $26.5 million.

75. Chilliwack Family Leisure Centre & Fair Grounds

The City of Chilliwack, B.C. issued a Request for Proposals (RFP) for the design and building of a new leisure centre and outdoor sports area on November 21, 2000. The target date for completion is July 1, 2002. Components called for in the Leisure Centre RFP include a training and lap pool, wave and child's pool, fitness and aerobics studios, office and commercial areas, food concession, outdoor pool and skateboard park. The City also wants the facility able to accommodate a future seniors centre, youth centre, multi-purpose space and gymnasium. The winning firm is expected to be chosen in spring, 2001. A successful proponent from the leisure centre operation RFP is also expected to be chosen at that time. The City also released two Requests for Expressions of Interest for private firms to design-build and operate recreation facilities on the 65-acre fair grounds. Estimated project costs are $12.3 million for the leisure centre and $2 million for sports field improvements.

76. Collicutt Centre

In January 1999, the City of Red Deer, Alta. issued an RFP for a company to design and build an innovative community leisure centre in the heart of the City. A consortium including local architecture firm Group 2 Architects was chosen as the successful proponent, and consulted with local sports organizations as well as residents to design the facility's components. When completed in May 2001, the Centre will house an NHL-sized ice arena with future expansion capabilities for two more surfaces, gymnastics centre, food retail area, field house, soccer centre chiropractic clinic, two climbing walls, waterpark, indoor running track, and fitness centre. Several sports fields have also been developed around the facility. City Council directed the Centre's management to achieve an 80% cost recovery target for operation, versus the standard 50% - 60% recovery format. As a result, the local gymnastics club and minor hockey commission became capital founding partners and rent space throughout the year. Total project cost is estimated at $30 million.

77. Cranbrook Multi-Purpose Recreation Complex

The City of Cranbrook, B.C. signed a 30-year design, build, finance, lease, operate and transfer agreement with Vestar Inc. (formerly KeenROSE Energy Services), a private building development and property management firm. The facility includes a 4,250-seat arena, training pool and leisure pool. The existing library building is adjacent to the complex, and is under discussion for an additional operations contract. Construction was completed in December, 2000, which is about 6 months ahead of the original schedule. Under the operations agreement, the City has 1,500 hours per year of arena time to be sold, subsidized or given to community groups. The balance is available to Vestar to sell at $125 per hour. Vestar guaranteed the capital cost of the facility at $22.6 million.

78. Guelph Sports & Entertainment Complex

The City of Guelph issued the RFP in 1996 for design, construction, financing, ownership and operation of a new sports and entertainment complex. Nustadia Developments Inc., a private stadium developer-operator, was chosen as the successful proponent. When the Eaton's department store moved out of its 100,000 square foot space in Guelph's downtown shopping mall, the City purchased it for $1.8 million and Nustadia amended its proposal to include development of that site. Construction was completed in September 2000, and the company entered into a 35-year lease agreement for the land and operating contract for the building. The stadium includes 5,000 seats, 31 private boxes, a restaurant, bar and one ice pad. Nustadia holds a 20-year lease with the Guelph Storm and total capital cost of the facility was $21 million.

79. Millennium Recreation Park (Waterloo)

In the spring of 1999, the City of Waterloo, Ont. purchased 400 acres of land for a new recreation park and facilities. Elements include a nature trail, 18-hole golf course, clubhouse, passive recreation areas, multiple sports fields and preservation of a Mennonite farmstead. The multi-use facility includes four Olympic-size ice pads with varied seating capacities of 250-500 per rink. The building also contains an indoor field house with artificial turf fields, two gymnasiums, a performing arts stage, as well as banquet, meeting, and program rooms. The soccer fields and baseball diamonds will be ready in spring 2001, and the golf course and recreation complex will open in September of 2001. The City is considering the merits of outsourcing golf course maintenance and food service operations throughout the Park. The total estimated project cost for the park is $56.7 million. Funding sources include a $7 million fundraising campaign, $850,000 from internal reserves, and $48.8 million through a multi-faceted 30-year lease with MFP Financial Services.

80. Sarnia Sports & Entertainment Centre

The new Sarnia Sports & Entertainment Centre was opened on September 7, 1998, and was the product of an agreement between the City of Sarnia, Lambton College, and Nustadia, a private consortium of design-build and facility operators. The centre consists of a 5,200 capacity main arena, private suites, club/lounge seats, an additional ice pad with seating for 200; and a full service restaurant. The partnership began following negotiations with Lambton College to provide five acres of land and 1,300 parking spaces adjacent to the proposed main centre. Once the land was obtained, the City issued a Request for Proposals for a private firm to design, build, lease and operate the facility for 20 years, with options for renewal. The City retains ownership of the facility. Total capital cost for the Centre was $15.9 million. In addition, Lambton College provided approximately $3 million in land and assets, which was leased to the City for $1.

81. Skyreach Place

The 30-year deal signed with RG Properties Ltd. in 1997 was the third attempt by the City of Kelowna to find a builder, financier and operator for a new stadium and concert venue. The City provided an initial investment to RG Properties to offset construction costs, and further funding is made on a sliding scale over the 30-year lease. The agreement also included selling the land for the facility for $1 and selling adjacent commercial properties at fair market value to RG Properties. The facility and facility lands will be sold back to the City after 30 years for $1. RG Properties designed the 6,000-seat stadium to expand to 7,500 seats for concert venues and also included 33 corporate boxes. The City of Kelowna invested $6 million as shares in the holding company set up to operate Skyreach Place, which gave it the authority to ensure that the land would be transferred back at the end of the agreement.

82. Victoria Multi-Purpose Complex

Victoria released a Request for Expressions of Interest for a new arena in February 2001, and will submit an RFP to a qualified shortlist later in the year. A consultant has been commissioned to conduct a market study and financial analysis so that private developers and the City will have a benchmark against which to compare proposals. At that time, the City will have more information to determine the facility's size and uses. It is expected that the facility will have a seating capacity of 7,000 to 9,000 people. The private sector will have the option to upgrade the existing Memorial Arena or develop a new site. A major tenant, such as a hockey franchise, would also provide a solid foundation for funding. Given the City's proximity to 12 other municipalities and the existence of a regional level of government (Capital Region District), Victoria will be considering opportunities for joint funding.

Research

83. Cranberry Drying Process

In order for Atoka Cranberries, a private cranberry grower and processor based in Quebec, to achieve its capture of 10% market share worldwide, it required research and testing that would produce a reliable cranberry drying process quickly. Agriculture and Agri-Food Canada provided research and start-up funding to Atoka over a 22-month project, beginning in 1998. The partners succeeded in developing an innovative drying process that established Atoka as the largest Canadian cranberry processor. A license agreement was signed with the company to ensure an appropriate return on the Government's investment of capital and knowledge. The plant is designed to produce 4 million pounds of dried product per year as an alternative to conventional air drying, which uses up to 44% more energy.

84. Durum Wheat Research Project

The Agriculture and Agri-Food Canada (AAFC) Semiarid Prairie Agricultural Research Centre at Swift Current, Saskatchewan issued an RFP in 1996 for partners to assist with the commercialization of new durum wheats. The Research Centre signed a 6-year (renewable) agreement with the Saskatchewan Wheat Pool to fund research and to support commercial evaluation and market testing. The AAFC Research Centre was responsible for the development of the varieties and for getting the necessary quality criteria support for registration. The Saskatchewan Wheat Pool gets the marketing rights and royalties from seed sales. The Canadian Wheat Board was responsible for developing domestic and international markets and devising storage and shipping methods. In 2000, there were some 40,000 hectares in commercial production of one of the two new varieties. Within the next couple of years these new varieties will likely result in additional farm income of more than $125 million annually.

85. Ontario Research & Development Challenge Fund

The Ontario Research and Development Challenge Fund (ORDCF) was introduced through five provincial ministries in 1997 to promote research excellence and partnerships between business and research institutions. Project requirements include at least one-third funding from the private sector. The Fund supports both longer-term discovery research and shorter-term research with more immediate industrial applications. Eligible applicants include universities, colleges, hospitals, and not-for-profit research institutes. Companies, venture capital funds and business organizations are eligible private partners. Recent projects funded by the ORDCF include new media research at Sheridan College and three medical imaging projects targeted at earlier detection and better treatment of cancer and heart disease. The Province is investing $500 million over 10 years. Contributions from industry, business, research institutions and other R&D supporters are expected to generate a total investment of $2.5 billion in research and development activity.

Transportation – Bridges

86. Charleswood Bridge

Following a Request for Qualifications and Proposals process in 1994, the City of Winnipeg selected DBF Ltd., a local design and construction firm, to develop the 152-metre bridge and associated roadworks, in two parts. Part One was for DBF to design, build, finance, own and perform major maintenance on the bridge and road to the south. Under a 30-year lease agreement, the City will make annual ascending lease payments to DBF. Part Two was for design and construction of roadwork to the north of the Bridge. The bridge was completed in 1995, which City staff estimated was two years faster and $1 million less expensive than if they had delivered the project on their own. The capital costs were $10 million for Part One and $5 million for Part Two.

87. Confederation Bridge

After receiving three unsolicited proposals for a bridge-tunnel solution in 1985-1986, the Federal Government issued an Expression of Interest in 1987. At the end of 1993, the Government announced it had entered into an agreement with Strait Crossing Development Inc., a consortium of developers. The 35-year agreement called for the design, financing, construction and operation of a fixed link between New Brunswick and PEI. The bridge was designed to withstand the harsh environment of Northumberland Strait and to have a service life of 100 years, which is two to three times the design life of similar infrastructure. Direct construction costs were $730 million and private financing raised $660 million, which covered construction costs after interest was earned over the construction period. The Government pays Strait Crossing $41.9 million in 1992 dollars, adjusted each year to 75% of the CPI for 35 years.

Transportation – Buildings

88. Toronto Union Station Revitalization

In August 2000, the City of Toronto and GO Transit purchased the real estate assets of the Toronto Terminal Railways Company at Union Station for $80 million. The station's annual passenger rail volume is 35 million, which exceeds that of Pearson International Airport, the country's busiest airport. The City issued a Request for Expressions of Interest (RFEI) in January 2001 for private sector options to restore, expand, operate and maintain the assets. The RFEI indicates an opportunity to develop retail/commercial and office space and propose additional commercial area through excavation. The City is evaluating independent governance models to oversee the redevelopment and operation of the facility, which is a key element in securing federal funding. Once staff has evaluated the proposals, the City expects to release an RFP to qualified bidders in the summer of 2001. A building condition audit indicated that short-term repair requirements from the developer would total $4.4 million.

Transportation – Parking

89. Dundas Parking Management Program

In 1998, the Town of Dundas, Ont. (now City of Hamilton) formed a partnership with ParkSmart Inc., a privately held parking management firm, under an eight-year contract. ParkSmart operates and maintains the entire parking system, collects all revenues, performs parking by-law enforcement and provides customer service. Parking revenues from meters, lots and enforcement are shared between the two partners, resulting in positive net revenues for the Town. ParkSmart provides all required capital and incurs all of the operating expenses. New technologies such as vehicle detection systems, electronic meters, an interactive voice response system for customer service and automated ticket issuance devices have contributed to increased revenues and improved efficiency. Since the partnership began, the percentage of parkers who park illegally has dropped from 35% to 15%. In the first fiscal year, revenues increased 122%.

Transportation – Public Transit

90. Niagara Falls People Mover

The Niagara Parks Commission, operates a tourist transit system along the Niagara Parkway between Niagara Falls and Niagara-on-the-Lake, which serves over 450,000 riders annually (1997). A surge in demand has prompted the City to look at expanding the system with a private sector partner through a proposed design-build-operate contract. This expansion would involve approximately 10 kilometres of service with 13 stations, mainly in the City's core. A Request for Qualifications and Request for Proposals process is estimated to finish sometime in 2002.

91. Strathcona Transit

In 1996, Strathcona County Transit and Greyhound entered into a service agreement whereby Strathcona Transit would manage freight, courier and passenger ticket sales on behalf of the company in return for commissions. This partnership took only six weeks to implement following the start of discussions with Greyhound in May 1996. It has succeeded in increasing transit revenues, adding additional staff and infrastructure, providing a single stop for transit and intercity bussing, and offering a courier service to the large petroleum, commercial and light industrial customers in the County. In November 1996, Strathcona Transit was able to build a new transit building and hire additional staff from the profits of the contract with Greyhound. The County receives 12% commission on freight service plus $1.50 per waybill. They receive 10% commission on transit tickets.

Transportation – Roads

92. 407 ETR

The original 69-kilometre portion of Highway 407 ETR, which runs east-west across the top of Toronto, was created under a design-build agreement with Canadian Highways International Corporation, a private infrastructure development company. It was completed in 1998 at a fixed price of $929.8 million. In April 1999, the Province of Ontario sold 407 ETR to 407 International Inc., a private consortium of international construction and infrastructure development firms, for $3.107 billion. The sale represents the largest privatization in Canadian history. The consortium leased the lands from the Province for a period of 99 years and owns the road, buildings and other structures on 407 ETR lands. In addition, the consortium will finance, design and build deferred interchanges, as well as west and east-partial extensions of the highway. The consortium has authority to set toll rates, but is required to meet pre-set traffic congestion relief targets set by the Province in order to raise tolls above a certain level.

93. Cobequid Pass

The Cobequid Pass is a 45-kilometre section of the TransCanada Highway (Highway 104) across Northern Nova Scotia between Truro and Amherst completed in 1997. It was the first highway in Canada to include private financing. The Province passed legislation to create Highway 104 Western Alignment Corporation, an arms length non-profit company, to operate and maintain the highway. It has authority to borrow money and set toll rates with no recourse to the Province for any debt, which succeeded in financing the project off-balance sheet. Atlantic Highways Corporation, a subsidiary of Canadian Highways International, was formed to design and build the highway and to operate the toll collection system for 30 years. The company receives a management fee to cover the costs of managing toll operations. The Cobequid Pass was built for $113 million, which was $10 million less than if it had been built using traditional methods.

94. Fredericton-Moncton Highway Project

In 1998, the New Brunswick Highway Corporation (NBHC) – a provincial Crown Corporation – signed a concession agreement with New Brunswick Project Company Inc. (the Project Company), a not-for-profit company created to manage and operate the Fredericton-Moncton Highway as a toll highway for 50 years. The capital cost of the highway was to be financed through toll-based and lease-based debt. The Project

Company raised $540 million in lease-based debt, which will be paid back through the sub-lease payments from NBHC, and $149.5 million in toll-based debt, which was to be paid back through toll revenues. NBHC and the Project Company have a 30-year operating contract with the private Maritime Road Development Corporation (MRDC), who is constructing the road. In March 2000, the Government announced that it would eliminate the tolling system and transfer debt to the Government's books. In its place, it implemented a traffic counting system with corresponding monthly payments to the Project Company to pay for its toll-based debt.

95. South Surrey Interchange

An agreement between the City of Surrey, the B.C. Transportation Finance Authority and the B.C. Ministry of Transportation and Highways in 1998 prompted a joint proposal call to design and build a new interchange on Highway 99 using surplus provincial land and capital from the City. The private developer, B.A. Blacktop, was also responsible for development of the surplus lands, revenues from which would be considered the Province's share of funding the interchange. An additional off-ramp from the interchange allowed rezoning of adjacent land for retail use, and a 200,000 square foot shopping centre was developed on the site. In order to help reduce the project delivery time, the City obtained environmental approvals based on a conceptual design, which is not standard practice in the province. Construction costs totalled $9.25 million, with the City contributing $2.6 million in cash plus some surplus land, and the Province providing 18.5 acres of land adjacent to the interchange.

Utilities

96. Bruce Nuclear Power Plant

In September 1999, Ontario Power Generation (OPG) issued Expressions of Interest for private equity options in the Bruce Nuclear facilities, consisting of eight Candu reactors. The Ontario Government approved a lease agreement in principle with British Energy in July 2000. The agreement involves an 18-year lease between OPG and Bruce Power for the Bruce A and B plants as well as the purchase of inventory (including fuel stocks). Bruce Power is a separate operating company set up for the deal, with 95% ownership from British Energy and 5% equity from the two main unions at the site. As the facility owner, OPG retains contractual responsibility for nuclear used fuel, waste management and decommissioning of the Bruce facilities. These liabilities will be funded through revenues from the lease, which runs until 2018 with an option to extend for up to 25 years. The total liability, including historic costs inherited from Ontario Hydro and the future costs associated with the lease, is estimated to be approximately $3.1 billion (net present value).

97. Cornwall Electric

On July 31, 1998, the City of Cornwall, Ontario completed the sale of Cornwall Electric and its wholly-owned subsidiary CDH District Heating Limited to Enbridge Inc., at a purchase price of $68 million. This transaction was the first such transfer in Ontario of a municipally owned electric utility to private sector ownership, and made Cornwall one of the few debt-free municipalities in the province. The two partners signed a 35-year franchise agreement. The contract stipulated that Cornwall Electric must serve anyone requiring electricity service within the City, and must have the City's consent to cancel, sell or transfer the franchise to anyone except another Canadian subsidiary of Enbridge Consumers Energy Inc. Employment for all existing employees was provided with equivalent salaries, pensions and benefits. Guaranteed annual rate increases of no more than 3% were stipulated in the agreement.

98. Enwave District Energy Limited

In 1998, Enwave needed to obtain significant capital to develop the Deep Lake Water Cooling (DLWC), which would cool commercial and public buildings in the downtown core using naturally renewable cold water from Lake Ontario. As a non-share capital corporation, this financing proved difficult. In 1999, legislation was proclaimed enabling Enwave to be incorporated under the Ontario Business Corporations Act. The Ontario Municipal Employees Retirement System (OMERS) became a partner with the City of Toronto, and made an initial investment of $39 million with an additional $12 million for future capital projects. The DLWC project will replace existing in-house air conditioning systems in commercial and government buildings, involving the construction of a new water intake, pumps, pipes and heat exchangers to transfer the cold energy in the water from Lake Ontario to the district cooling system.

99. Hydro Mississauga

In 1999, the City of Mississauga, Ont. issued a Request for Proposals and City Council announced in March 2000 that it would enter into a strategic partnership with Borealis Energy Corporation, a wholly owned subsidiary of the Ontario Municipal Employees Retirement System (OMERS). Under the 20-year agreement, the two partners formed a new company, Enersource, with 90% ownership from the City of Mississauga and the remaining 10% from Borealis. The new company has two divisions, one responsible for retail (energy sales, telecommunications) and the other providing distribution. Under the new structure, the City of Mississauga holds $180 million in rate base equity shares, equivalent to 90%. Borealis invested $20 million in shares, which is equal to 10%.

100. Sudbury District Energy Corporation

In 1997, the City of Greater Sudbury, Natural Resources Canada (NRC) and Sudbury Hydro began studying the technical and economic potential for a district energy system in the downtown area. The City issued an Expressions of Interest and chose Toromont Energy Ltd. as the preferred partner in the summer of 1998. A new energy company, Sudbury District energy Corporation (SDEC), was created with equal shares from the City and Toromont. The system currently serves 11 private, commercial and government clients in the downtown core. The central heating, cooling and power system replaces individual plants in downtown buildings. The project has resulted in reduced capital costs, more stable energy costs over the long term and a foundation for future economic growth in the downtown area. It has also reduced greenhouse gas emissions due to improved efficiency and economies of scale. The total capital cost of the project was $15 million, with a 20% equity interest from the City of Greater Sudbury.