

Public-Private Partnership and Toll Projects in Québec

IBTTA

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Orlando



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Outline

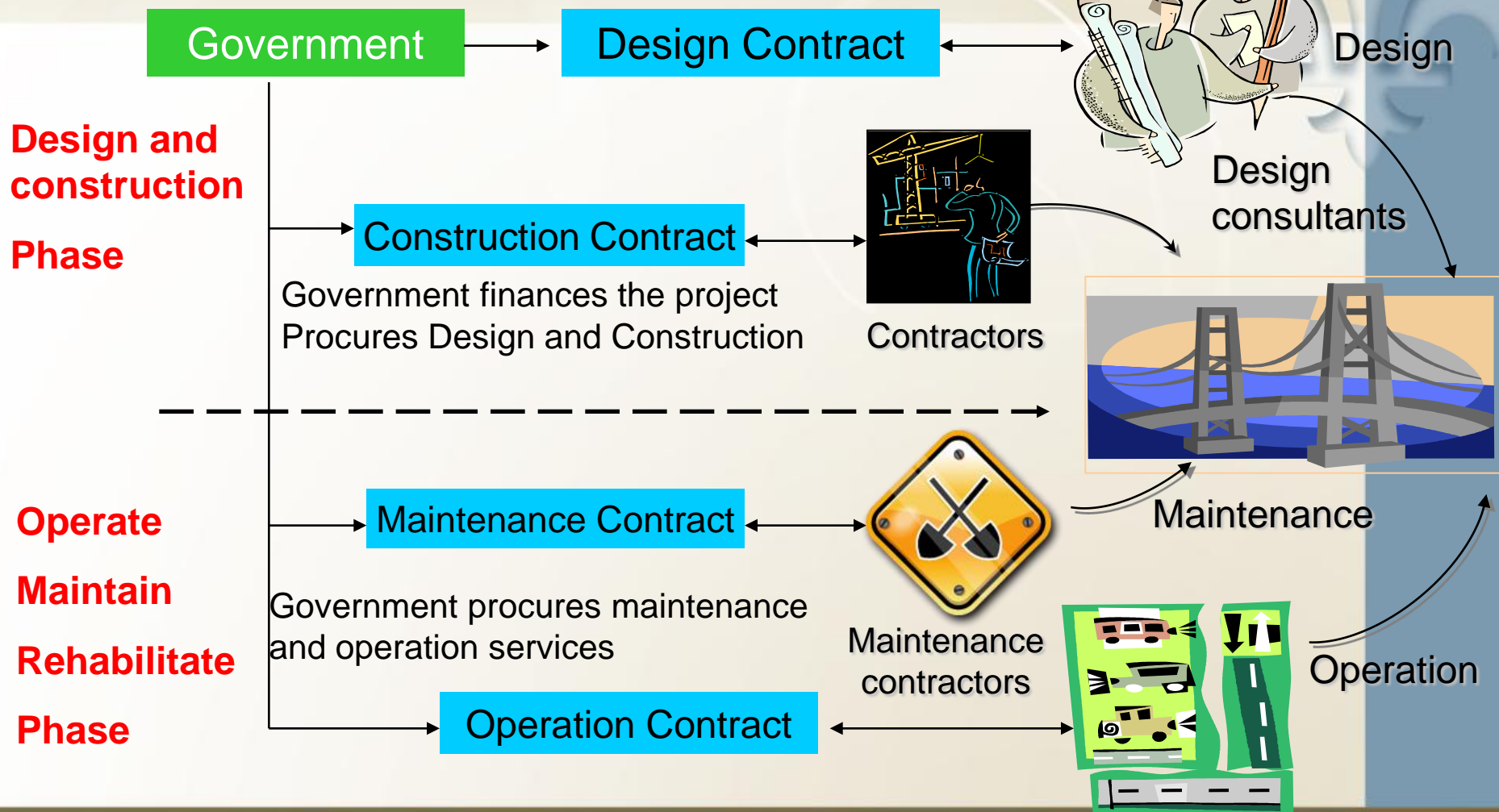
- PPP concept and process
- Overview of projects
 - A-25
 - A-30
- Challenges and keys to success
- Conclusion

Québec's strategic location

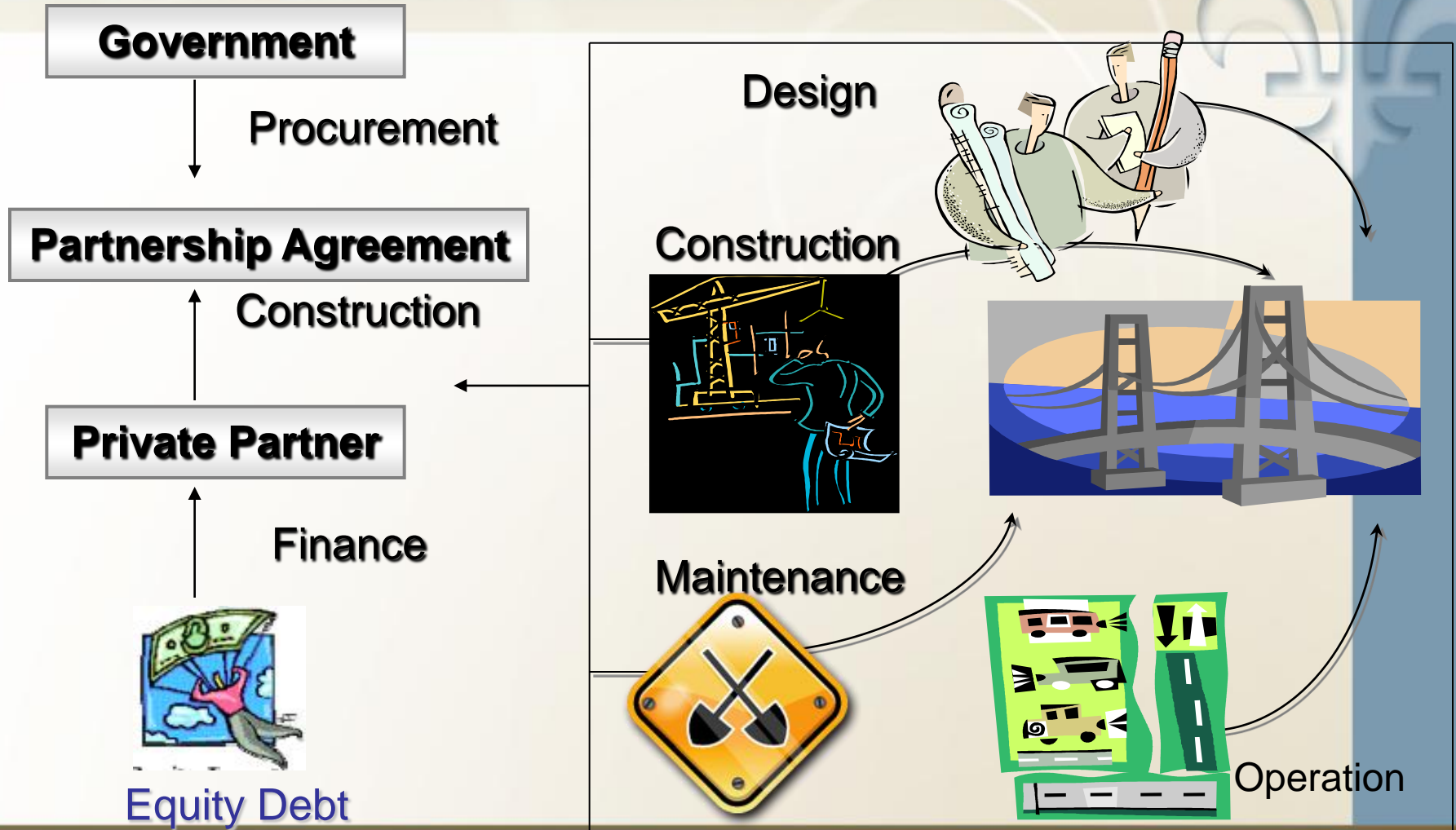


- Located in the northeastern area of North America, on the Atlantic
- Shortest route between Europe and the North American heartland via the Great Lakes / St. Lawrence Seaway

Conventional Procurement



PPP Model (DBFOM)



Delivery Process

Conventional Delivery

- Specific technical requirements
- Means oriented
- Fragmented project
- Contractors execute work packages
- Government financed

PPP Delivery

- Performance requirements
- Results oriented
- Integrated project (DBFOMR)
- Consortium (private partner) executes entire project
- Debt and equity financed

PPP Process



PPP Process

PROJECT GOALS

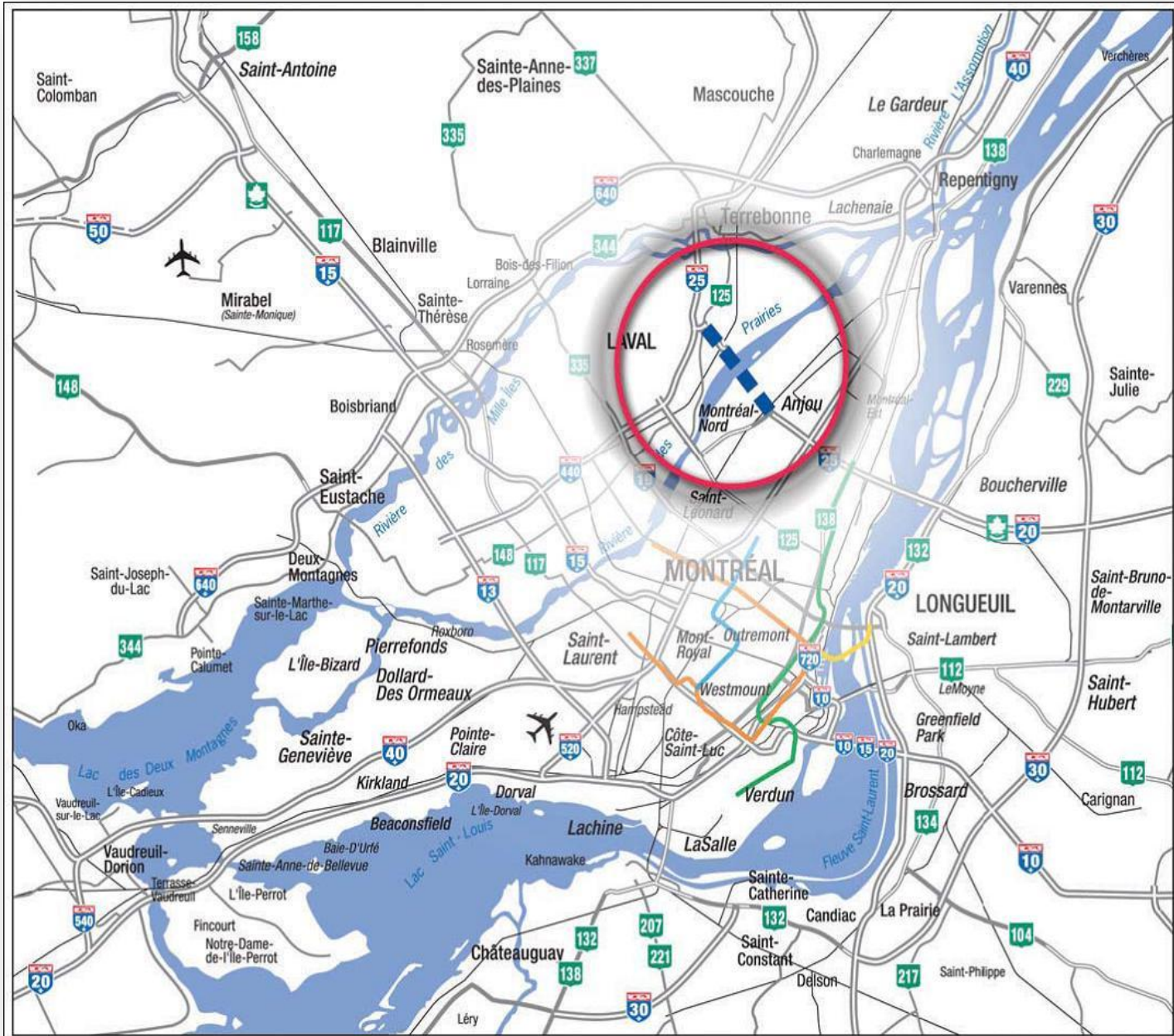
PUBLIC-PRIVATE PARTNERSHIP GOALS

TOLL POLICY GOALS

Québec



Autoroute 25



Autoroute 25

- 7.2 km of two-lane highway, including a three-lane 1.2 km bridge, interchanges and overpasses
- Construction cost : 500 million Cdn \$
- Partnership agreement signed September 2007
- 35-year concession to design, build, finance, operate and maintain
- 100% ETC open road tolling facility
- Open to traffic since May 2011



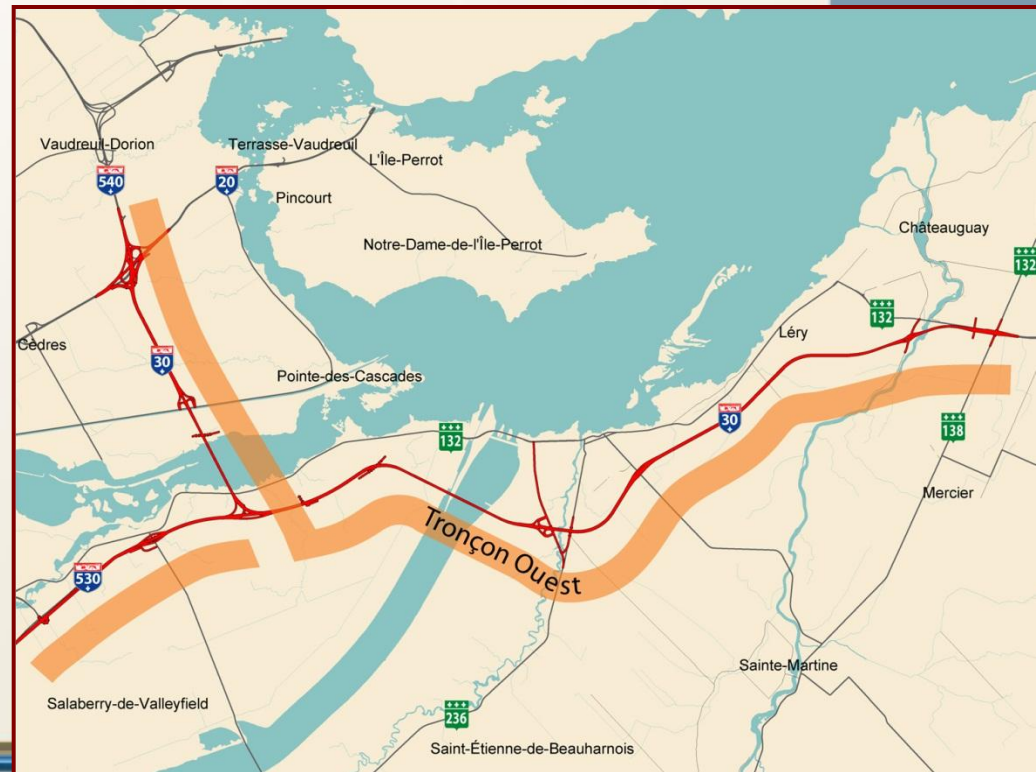


Autoroute 30



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
- 2 other important river crossings
- 42 overpasses
- 10 interchanges including a complex interchange (A20 / A540 / A30)



Autoroute 30

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



Autoroute 25 and 30

Payment mechanisms include :

- Progress payments during construction
- Availability payments (**bid item**)
- Toll revenues

Challenges

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

Keys to Success

- Establish clear goals
- Recognize conflicts between goals
- Manage public perception
- More flexibility provides more opportunities
- Case by case analysis of PPP opportunity
- Clear project definition
- Rigorous procurement process

Keys to Success

- Committed, experienced and disciplined project management by all stakeholders (public and private partners)
- Build internal skill-set to develop and manage the partnership
- Open communication channels between public and private sector
- Balanced risk allocation
- Integrated Solution – Design-Build, Operations, Tolling
- Lifecycle approach

Benefits of a PPP

- Best value for money invested
- Accelerates development of major projects
- Optimal risk allocation and risk transfer to the private sector
- Takes into account the full life cycle of the project
- Reduces the pressure on Government budget
- Promotes innovation and technology transfer



Thank you!

