

DIGITAL EDITION

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Inuit communities must be invested in to make Canada whole: Obed

ANGELA GISMONDI
Staff Writer

Inuit communities should have the same opportunities as the rest of Canada when it comes to the infrastructure and services that many Canadians take for granted, said Natan Obed, opening keynote speaker at the 27th annual CCPPP Conference on Public-Private Partnerships.

"Inuit Nunangat faces significant gap in infrastructure and also a lack of many other social and economic development programs that might be considered to be just the fabric and the foundation of the way the which rest of Canada runs," said Natan Obed, president of Inuit Tapiriit Kanatami (ITK), the national voice of Canada's 65,000 Inuit.

"The opportunities for Canada's Arctic are only going to be fully realized by supporting Inuit as partners in this country and partners in the development of this country. We need to be considered as rightful recipients of the services and programs that Canadians take for granted," Obed explained.

"This gap also represents a significant opportunity for many of you in this room to work in partnership with the Inuit while generating a market return for your investment and driving a positive social impact on the environment and on Inuit communities," he noted.

Obed explained Inuit Nunangat is a new term that Inuit have created for their homeland. Most Inuit live in 51 communities spread across the Inuvialuit Settlement Region (Northwest Territories), Inuit Nunangat encompasses Nunavut, Nunavik (Northern Quebec), and Nunatsiavut (Northern Labrador).

Unreliable energy and connectivity, outdated social infrastructure and lack of housing in Canada's north make for a challenging environment in which to develop infrastructure, he noted.

"We have a basic lack of infrastructure which goes back to the very formation of our communities and the colonial relationships with entities that built the initial infrastructure has not been replaced by modern considerations for the infrastructure deficits that we have today," said Obed.

In addition to being two to three generations behind in terms of connectivity, the area also lacks hospitals and a university. Also, most communities are "fly in, fly out" because they are not connected to southern Canadian road infrastructure.

"There is a lack of physical connection and the ease of moving goods and services across our homeland," Obed said. "The reality of connecting one town to another, whether it's through the labour force or goods and services just doesn't exist. Every single project that happens in our homeland is its own little microcosm."

He said the lack of infrastructure is not consistent with Canada's vision for itself and it's time to change that.

"What I described is a part of Canada but the service delivery and the infrastructure I described aren't consistent with the way Canada imagines itself," said Obed. "Imagine if you went to any community along the Great Lakes and there weren't any docks, no way to offload ships into the community. That is the reality for a large majority of our 51 communities and that needs to change."

Change is happening to improve infrastructure in Inuit Nunangat. ITK worked with Inuit leadership to create Inuit-Crown partnership committee which is chaired by Obed and the Prime Minister of Canada.

"It's a direct commitment between the government and Inuit to make sure the priorities we have together can be implemented in a thoughtful structured way," said Obed. "Infrastructure is one of the key priorities of the partnership. Right now, we are undergo-



ANGELA GISMONDI

Natan Obed, president of Inuit Tapiriit Kanatami, the national voice of Canada's 65,000 Inuit, was the opening keynote speaker at this year's CCPPP Conference on Public-Private Partnerships. Obed said that the construction and economic opportunities in Canada's Arctic can only be fully realized by supporting the Inuit as partners.

ing an exercise to cost out the infrastructure deficit in Inuit Nunangat region-by-region and situation-by-situation."

The goal is to identify the deficit and look at solutions and ways to fund it over the coming years through the federal government.

He pointed to the new Iqaluit International Airport as an example of a successful P3 project in the region.

"I don't have the power to say that P3 is the way to go in the future but we are looking

for any possible ways to sustainably develop our communities to address the infrastructure gap and hopefully P3s can play a component in the solution to our infrastructure deficits," Obed said.

He said the group will also explore opportunities with the Canada Infrastructure Bank.

"This country is still being built and the last big project to make this country whole is the investment in infrastructure within Inuit land," he said.

More consultation needed pre-project: Panel

DON WALL
Staff Writer

The P3 model is at risk of losing more major players and needs significant retooling, four panellists speaking at a recent Canadian Council for Public-Private Partnerships conference explained.

The four – Jonathan Wilkinson, president, infrastructure at SNC-Lavalin; Jody Becker, a senior vice-president with EllisDon; Jensen Clarke, director with Fengate Asset Management; and Dan Stoppenhagen, a vice-president with FLUOR – each expressed hesitation when moderator Sean Strickland, director of business develop-

ment and industry relations for Pomerleau, used a poker analogy and asked if their firms were all-in, holding or folding on P3s.

All four said they were holding. Wilkinson, Clarke, Becker and Stoppenhagen were asked to address the theme Should I Stay or Should I Go? Strengthening the P3 Model.

"What we've seen over the last five to seven years is that the risk-reward pendulum has swung too far," said Wilkinson, whose firm has recently participated in such major projects such as Montreal's Champlain Bridge, Toronto's Eglinton Crosstown and Stage 2 of Ottawa's LRT but now says it

is backing off the sector for the time being.

Project owners are asking firms to accept risks they can't control in contracts, that are outside of skill sets and experience, Wilkinson said. That creates uncertainty and an imbalance in the market, he said.

A key theme throughout the presentations was the need for owners to undertake significantly more consultation at the beginning of projects, and in the case of transit projects, to de-risk them by doing enabling works on such elements as utilities before handing the jobs over to private consortiums.

There needs to be more negotiation and

collaboration at the beginning of the project procurement process – the way it used to be, Becker said, in the early days of P3s.

"When we got into these projects it was predicated on there being a thoughtful risk transfer," she said, noting that if issues arose, there would be "thoughtful conversations" to deal with them.

Wilkinson reiterated that point, suggesting projects unfold more smoothly with more time spent considering project components up front – with more "realism" injected into discussions of schedules and systems, especially in larger projects such as LRTs with so much underground uncertainties.

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Marasco honoured as 2019 P3 champion by CCPPP

TORONTO

Mike Marasco, a trailblazer in the field of infrastructure P3s, has been named the recipient of the 2019 Champion Award by The Canadian Council for Public-Private Partnerships (CCPPP).

Marasco, who recently retired after 12 years as CEO of Plenary Concessions, will receive the prestigious award at CCPPP's 27th annual conference on Tuesday, November 19 at the Sheraton Centre Toronto Hotel.

"Mike has been a recognized and respected leader for the Canadian P3 model. He is truly a champion and completely deserving of this recognition," said Mark Romoff, CCPPP President and CEO.

"He is one of those rare people who have risen above self-interest to advocate for the industry as a whole and is one of the key reasons the Canadian P3 model has become widely accepted and praised."

In particular, the awards committee noted that Marasco has done "missionary work" on



Mike Marasco

both sides of the border and across Canada to educate governments about the P3 model and its benefits, as well as to bring integrity and transparency to agreements while always seeking innovation.

The Champion Award is presented by CCPPP to individuals who have made an outstanding contribution to public-private partnerships in Canada.

He joins a long line of distinguished Canadians who have received the award,

including: the late James Flaherty, former federal Finance Minister; Bert Clark, President and CEO, Investment Management Corporation of Ontario and former President and CEO of Infrastructure Ontario; John Beck, Founder, President and CEO of Aecon Group Inc.; and Sarah Clark, President and CEO at Fraser River Pile and Dredge (GP) Inc. and former President and CEO of Partnerships British Columbia.

"I am truly humbled to be recognized by the Council for my contributions to the P3 industry," said Marasco.

"It was very rewarding to be part of the growth that saw the Canadian P3 market become a world leader. To be among those who previously won this award is a great honour and a nice way to cap off my career as I start a new chapter in my life."

Marasco started in the realm of public-private partnerships in British Columbia where he helped successfully procure the Abbotsford Regional Hospital and Cancer Centre from 2001-

2004. It was the province's first acute care hospital and set a new benchmark for public infrastructure in B.C.

That success led to the launch of Partnerships BC with Marasco as one of the public agency's founding members. During his tenure, the agency closed more than \$4.7 billion in 11 P3 projects in the health, transportation, advanced education and resource sectors.

He then moved on to Plenary Group and CEO of Plenary Concessions, the subsidiary responsible for design, construction and asset management of all Plenary projects throughout North America. In his role as CEO, Marasco was also responsible for business growth and teaming, with the objective of identifying and developing new infrastructure opportunities and markets across North America, including the Communications Security Establishment Canada project, the Humber River Hospital and the University of California, Merced's 2020 Project.

DCN NEWS SERVICES

Alberta tackles school projects with eye to provincial P3 future

WARREN FREY

Digital Media Editor

Alberta's new government is launching a P3 bundle of schools as its first step to a more ambitious infrastructure plan.

Alberta minister of infrastructure Prasad Panda and deputy minister Andy Ridge explained at a market sounding session, at the recent annual conference of the Canadian Council for Public-Private Partnerships in Toronto, how its provincial government will tackle new public-private partnership (P3) projects starting with a series of schools in and around Edmonton and Calgary.

Panda said part of the information gathering process to go forward with news schools included studying what hadn't worked with school projects under the previous NDP government.

"I wanted to meet the parent and teacher groups to get

specific examples and we'll do that in the next few months, get their input and address them in the new contracts. That's the beauty of P3, we can have an extended warranty for 30 years to address those problems. We can also build in innovation in the early design phase, obtain cost and schedule certainty, and build these projects much faster and cheaper using those experiences," he said.

The previous government had spent money on the design of the Edmonton and Calgary schools, and Panda said the current government would consult with their P3 proponents to see if there was an appetite to use those designs and consolidate them into a P3 package.

"It's an option, but we don't want to lose time, because those schools have a hard deadline," Panda said.

Ridge added when P3 projects come under criticism, it's

often more because of a lack of initial planning and not weakness in the P3 model.

"Some of the issues we encountered with P3 schools related to planning and design challenges were where students required the addition of modular classrooms, there wasn't the appropriate planning for landscaping or drainage, and as a result mud was being tracked into the schools," Ridge said.

"It was less of a P3 issue and more of a planning challenge, but in a P3 model when adding more people than originally planned you need to work through a contract. In a traditional school you just have more kids going through and increase your cost," he added.

"The benefit of a P3 contract is it keeps the contract relationship honest but when the world changes you need to work through a more rigorous process and I think that's what people react to, that ability to move quickly and course cor-

rect but you have to properly plan."

The province of Alberta is also launching a 20-year capital plan next year to address infrastructure needs and deficiencies over the long term for anything falling under the definition of public infrastructure including broadband, irrigation, and roads and bridges, Panda said.

"We want to identify (these projects) and include them in 20-year evidence-based long-term planning so future governments can actually use that for budgeting within those 20 years," he said.

A new office dedicated to P3 projects has also been established to help ministries coordinate their approaches, Ridge said.

"Individuals (in the office) are accountable for all government P3 activities, but their role is to manage the overall framework and the process to bring P3s through the capital planning process, facilitate procurement for financial support or financial analysis, and preparation of business case opportunity papers," he said.

The office is within the ministry of infrastructure but works with other ministries to identify P3 opportunities, Ridge added, and is supplemented by financial analysis consultants and advisors from other jurisdictions.

"It's one thing for Alberta to be rolling through a capital plan and a P3 pipeline but we want to make sure about what other jurisdictions in Canada are doing to make sure we aren't competing, essentially, for the same resources or capital. That office will manage those relationships as well," he said.

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Active & Emerging Sectors Summary

Health: 101 projects in operation or under construction across Canada valued at \$29.9 billion



7
In Procurement

15
Under Construction

79
Operational

The Surrey Memorial Hospital Critical Care Tower was built via a P3.

SUBMITTED IMAGE

Description: Of the 285 P3 projects in Canada, the health sector accounts for more than a third. This past year saw a number of new and completed projects from coast to coast to coast. Nova Scotia is in procurement for its \$2-billion Queen Elizabeth II Health Services Centre Redevelopment. Earlier this fall, Ontario released a pipeline of 10 health-care projects coming in the next five years, including refurbishments or expansions to Kingston General Hospital and Hamilton Health Sciences. On the Prairies, the Saskatchewan Hospital North Battleford

has opened, replacing a century-old facility with a modern and integrated mental health and correctional complex. In British Columbia, the RFQ has closed for the design, construction and partial financing of Vancouver's new downtown health campus: the \$1.9-billion St. Paul's Hospital. In Canada's North, the Stanton Territorial Hospital has opened in the Northwest Territories and Nunavut has started looking at a business case to consider using the P3 model to build new elder care homes in the Kitikmeot and Kivalliq regions.

Water/Wastewater: 21 projects in operation or under construction across Canada valued at \$2 billion

2
In Procurement

6
Under Construction

13
Operational



SUBMITTED IMAGE

The City of Saint John, N.B. recently celebrated the opening of its Loch Lomond Drinking Water Treatment Facility.

Description: The need to upgrade water and wastewater treatment plants continues to be a pressing issue for Canadian municipalities large and small. This year, Mapleton, Ont., decided to do something different and reached out to the Canada Infrastructure Bank, which announced in July it is investing up to \$20 million in the township's project. The Ontario municipality is seeking a consortium to design, build, finance, operate and maintain its new and existing water and wastewater infrastructure for up to 20 years. The bank's investment will "improve the cost of project financing and attract private capital

expertise while ensuring appropriate risk transfer to the private sector," CIB said in a news release. In June, the City of Saint John also celebrated the completion of its Safe, Clean Drinking Water project with the opening of the new state-of-the-art Loch Lomond Drinking Water Treatment Facility. "I am exceptionally proud to be celebrating the completion of the Safe, Clean Drinking Water Project for the residents of Saint John. Today's achievement is a result of years' worth of work and tireless dedication from a team of professional staff lead by Saint John Water, in partnership with Port City Water Partners," said Saint John Mayor Don Darling.

Transportation:
79 projects in operation or under construction across Canada valued at \$64.2 billion

24 11 44
In Procurement Under Construction Operational

Description: Transportation is currently the hottest sector in Canada's P3 market and there is little indication of it slowing down. Using the P3 model, governments across Canada are delivering complex projects such as LRTs, subways, bridges and highways to ease congestion, decrease greenhouse gas emissions and increase economic growth. This summer, the Samuel De Champlain Bridge officially opened to vehicle traffic in Montreal, while this fall the Regina Bypass, the largest transportation infrastructure project in Saskatchewan's history, opened after four years of construction. The City of Ottawa and Ontario's Waterloo Region also opened their first light-rail transit systems while construction continues on the Réseau express métropolitain (REM) in Montreal and the Edmonton's Valley Line LRT. The biggest news in this sector came in April when Ontario announced a \$28.5-billion transit plan involving four major projects in the Greater Toronto Area: the Ontario Line; the Yonge North Subway Extension; the Scarborough Subway Extension; and the Eglinton Crosstown West Extension. In Alberta, two new LRTs are in the works with Edmonton preparing to return the Valley Line West Extension project to market. In the Northwest Territories, work is underway on the 97-kilometre Tlilcho All-Season Road and in Nova Scotia three consortiums have prequalified for the Highway 104 twinning project between Sutherlands River and Antigonish. In Quebec, the rehabilitation of the longest underwater highway tunnel in Canada has also been greenlit.

Education: 15 projects in operation or under construction across Canada valued at \$3.1 billion

15 2 13
In Procurement Under Construction Operational

Description: The big news coming into P3 2019 is that Alberta is considering returning to the P3 model for five new schools. Previously, the province built 40 schools during three phases of public-private partnerships earlier this decade. "As promised in our fiscal plan, we are investing in infrastructure that is financially sustainable, drives the economy and creates jobs. Alternative financing and public private partnerships are being closely considered where they can provide on-time and on-budget results," said Alberta Infrastructure Prasad Panda. In the post-secondary market, colleges and universities are also warming to the idea of P3s across North America, typically for student residences such as Loyalist College in Belleville, Ont., which recently issued a request for pre-qualifications for a \$40-million DBFOM project. The short list is expected later this month.

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