

RER On-Corridor Works Procurement Strategy

Metrolinx Board of Directors
Update

December 6, 2017

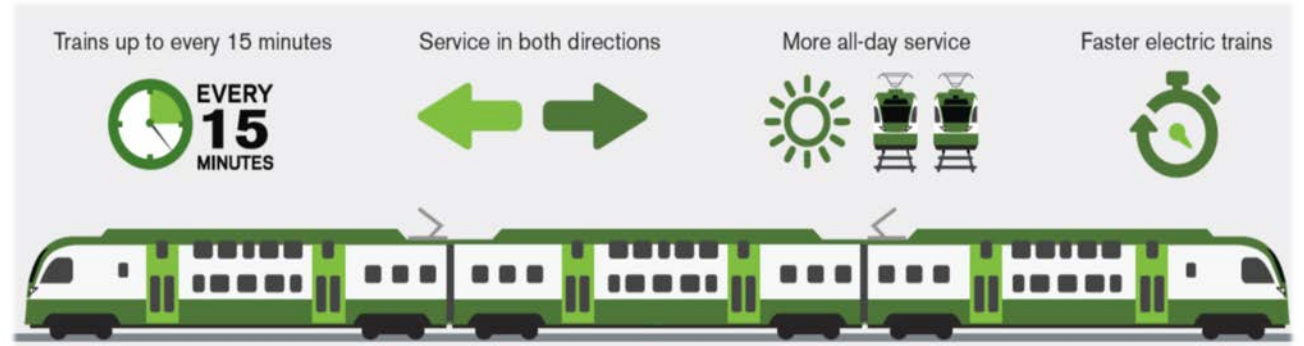


AGENDA

- Introduction
- Design-Build-Finance-Operate-Maintain (DBFOM) delivery model
- Preliminary DBFOM contract scope
- Market Consultation
- Preliminary DBFOM procurement schedule

INTRODUCTION

Regional Express Railway (RER) is the backbone of a seamless regional transit system that provides more choices to choose a safe, frequent, reliable, sustainable and fully integrated world class transit service with all-day two-way services on core parts of the GO rail network by 2025.



The procurement plan to delivering RER breaks the program into three packages:

- Package 1 includes enabling works that support early enhanced service and prepare the network for future system-wide contracts
- Package 2 focuses on off-corridor projects and includes 12 new stations and modifications to existing stations
- Package 3 is network on-corridor infrastructure and delivery of the enhanced train services

Metrolinx intends to employ a design, build, finance, operate and maintain (“DBFOM”) delivery model for Package 3.

WHY THE DESIGN, BUILD, FINANCE, OPERATE AND MAINTAIN DELIVERY MODEL?

Metrolinx intends to employ a design, build, finance, operate and maintain (“DBFOM”) delivery model as it offers the best operational outcomes for RER encouraging value-for-money choices during the design and build phases by the designer/builder and operator/maintainer.

This approach is well suited to railways where everything is connected to operational outcomes:

- Infrastructure that delivers the right capacity and flexibility
- Rolling stock that carries passengers in comfort and convenience
- Control systems that ensure service reliability and safety
- Maintenance regimes that ensure asset performance and system reliability
- Operations plans that deliver the right service levels to meet passenger demand

The DBFOM structure puts all the interrelated decisions required to optimize the operational performance of the railway in one place.

The DBFOM delivery model has successfully been used for the delivery of railway projects in Canada and internationally in the UK, Australia, USA and in a number of South East Asian countries.

DBFOM BENEFITS

This structure allocates major interface risks to the single party who is best positioned to ensure the successful implementation of infrastructure with operations of the system.

- For example, the risk that the chosen signalling technology can deliver the operational headways (the time or distance between trains) needed to meet the required frequency of train services, especially in busy sections of the network like Union Station.

The DBFOM delivery model ensures seamless operations:

- Train driving and operations
- Train control and dispatching
- Safety and security

It allows Metrolinx to focus on specification of the delivery of operations outputs, such as capacity and service quality, that directly contribute to customer experience.

Metrolinx will continue to set the key parameters that determine our customer's experience such as maximum journey time, number of seats available on trains and passenger comfort levels.

PRELIMINARY DBFOM CONTRACT SCOPE

From a procurement, design/construction and maintenance perspective, the general scope of work for the DBFOM contractor ("Project Co") is expected to include:

- *Fleet*: new electric locomotives and electric multiple units
- *Systems*: power system upgrades, and other works to deliver electric traction power, train control and communication systems
- *Civil works*: bridges, retaining walls, noise walls, grading, drainage, track bed and track
- *Union Station*: reconfiguration of platforms, track and vertical transport

Project Co will be responsible for the seamless integration of all these systems and components in a way that delivers the best operational outcome.

PRELIMINARY DBFOM CONTRACT SCOPE (CONTINUED)

From an operations perspective, Project Co will be responsible for all activities required to deliver train services to and between stations, including:

- train driving and operations
- train control and dispatching

Metrolinx will retain responsibility for:

- customer facing staff
- fare retailing and collection
- customer communications (other than audio and video information to passengers on trains)
- wayfinding

Project Co will be responsible for ensuring that train services meet Metrolinx's minimum requirements for service capacity, frequency, journey times, rolling stock cleanliness and passenger comfort.

MARKET CONSULTATION

Metrolinx and Infrastructure Ontario conducted market soundings with potential Package 3 suppliers and service providers in 2016-17.

In advance of commencing the formal procurement process, Metrolinx and Infrastructure Ontario intend to conduct further market soundings with interested organizations in January 2018 to gather market feedback on the potential deal structure and key project issues related to the DBFOM delivery model.

A program of this scale and complexity requires ongoing work with the market and engagement will continue throughout the formal procurement process.

PRELIMINARY DBFOM PROCUREMENT SCHEDULE

The next step on the DBFOM procurement process will be a broader market engagement to finalize deal structure followed by launch of the procurement in 2018.

Key steps in DBFOM procurement process	Dates
RFQ release	Spring 2018
RFP release	Fall 2018
RFP submission deadline	Fall 2019
Contract award	Spring 2020