



May 19, 2009

Three firms to bid for southeast Calgary ring road

Calgary... Three groups will bid to develop the southeast leg of Calgary's ring road as a public-private partnership (P3).

Five teams responded to the Request for Qualifications issued in March and were evaluated based on experience, personnel, past performance, and financial stability. The teams are consortia composed of financing, construction, design, and maintenance companies.

"I was very pleased by the strong response from industry for this project," said Luke Ouellette, Minister of Transportation. "The strong response shows that industry has confidence in Alberta and the province's economic future."

The three groups asked to submit proposals include:

- Chinook Partnership
- SEConnect
- Southeast Calgary Connector Group

The Request for Proposals will close in January 2010. Bids from the three consortia will then be evaluated against a traditional delivery estimate to ensure they represent good value for taxpayers. The successful bidder will be chosen by March 2010, should the winning proposal fall within the range of the traditional delivery estimate. If the project proceeds as a P3, construction will start in Spring 2010 and be completed by Fall 2013.

The project will extend Stoney Trail from 17 Avenue SE to the east side of Macleod Trail and involves 25 kilometres of six-lane roadway, nine interchanges, two flyover railway crossings and 29 total bridge structures. The roadway's main line will be completely free-flow and have no traffic lights. The contract also includes maintenance of Deerfoot Trail from south of Highway 22X to the junction with Highway 2A. Visit www.transportation.alberta.ca/804.htm for more information on the Calgary ring road.

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Backgrounders: Stoney Trail SE Bidders, Alberta's Public-Private Partnership for Highways

Media inquiries may be directed to:

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To call toll free within Alberta dial 310-0000.

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Stoney Trail SE Bidders

Chinook Partnership

Project Leads: SNC-Lavalin Inc. and Acciona S.A.

Financing: SNC-Lavalin Capital Inc.

Construction Leads: SNC-Lavalin Constructors (Pacific) Inc. and Acciona Infraestructuras S.A.

Design Lead: Stantec Consulting Ltd.

Operation and Maintenance: SNC-Lavalin ProFac Inc. and Acciona S.A.

SEConnect

Project Leads: HOCHTIEF PPP Solutions North America Inc. and Macquarie Capital Group Ltd.

Financing: HOCHTIEF PPP Solutions North America Inc. and Macquarie Capital Group Ltd.

Construction Leads: Flatiron Constructors Canada Limited, Graham Building Services, and Ledcor CMI Ltd. (Joint Venture)

Design Lead: AECOM

Operation and Maintenance: Carmacks Maintenance Services Ltd.

Southeast Calgary Connector Group

Project Lead: Bilfinger Berger Project Investments Inc.

Financing: Bilfinger Berger Project Investments Inc.

Construction Lead: Kiewit Management Co.

Design Lead: Parsons Overseas Company of Canada Ltd.

Operation and Maintenance: Volker Stevin Contracting Ltd.

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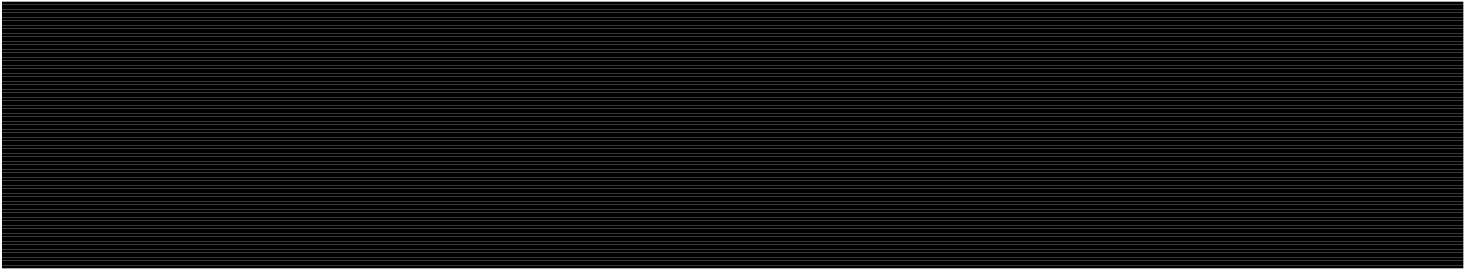
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Alberta's Public-Private Partnership for Highways

Design, Build, Finance, Operate (P3) Process

- Under this process, a private-sector partner is responsible for the design, construction, financing, and operation of a roadway for 30 years. Once the road opens to traffic, government makes monthly payments to the partner over 30 years. Government may advance funds during construction to lower the monthly payments.
- Government is guaranteed a fixed price and delivery date for the road. The private contractor assumes risks such as inflation and weather-related delays. The contractor can be penalized for late delivery.
- Government also receives a 30-year warranty on the work. Under traditional delivery, warranties are usually only one to two years.
- Part of the process includes a comprehensive evaluation of a project's suitability for a P3. P3s are used only when there are clear benefits to taxpayers.
- The northeast leg of Calgary's ring road is being built as a P3. The southeast and northwest legs of Edmonton's ring road were or are being built as P3s.

Request for Qualifications (RFQ)

- The RFQ determines potential partners' qualifications and short-lists potential partners to three proponents.
- Potential partners may be headquartered or operate in any part of the world.
- Potential partners are usually consortia of engineering, construction, financing, and road maintenance companies.

Request for Proposals (RFP)

- The three potential partners identified by the RFQ are invited to submit proposals for the project. Three bidders are optimal because the competitors have a reasonable chance of success and the process remains competitive should one of the bidders withdraw.
- Proposals are evaluated to determine if they represent good value. A proposal's net present value, or its value in today's dollars, is used to compare the proposals with each other and with the traditional delivery estimate. If all proposals exceed the upper limit of the traditional delivery estimate, the project does not proceed as a P3.

Final Contract Award

Government awards the contract to the compliant proposal with the lowest net present value. The successful proponent enters into an agreement with government.

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