

An Approach to Extending P3 Transit Projects – Lessons Learned

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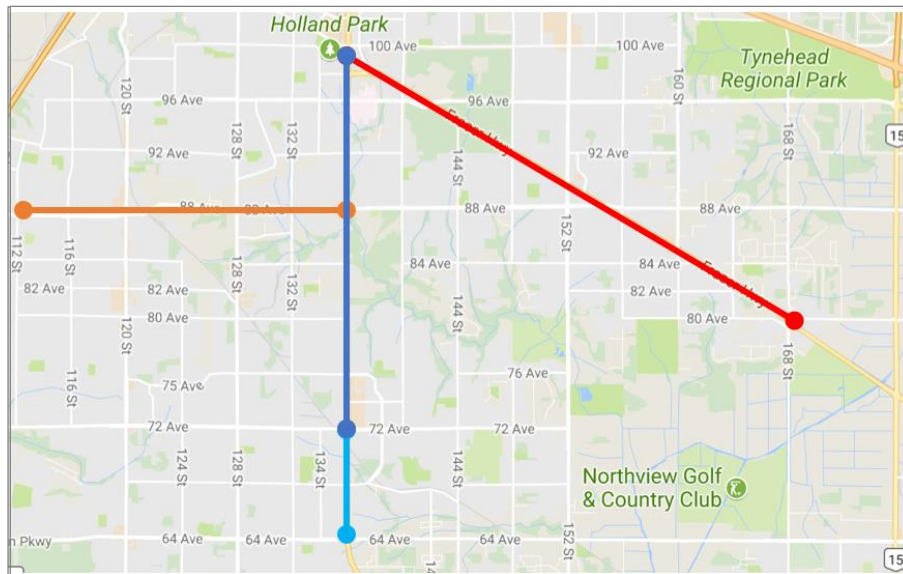
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Scenario

- Maple Leaf City, Canada
- One LRT line delivered as a P3 (DBFOM+V)
- 5-years into operations (30-year O&M term)
- Transit agency has aspirations for system expansion but doesn't know where to start



Project Sponsor Interests

- Customer experience
- Flexibility for future expansion
- Protecting public \$\$
- Maintaining competitive tension
- City shaping aspirations

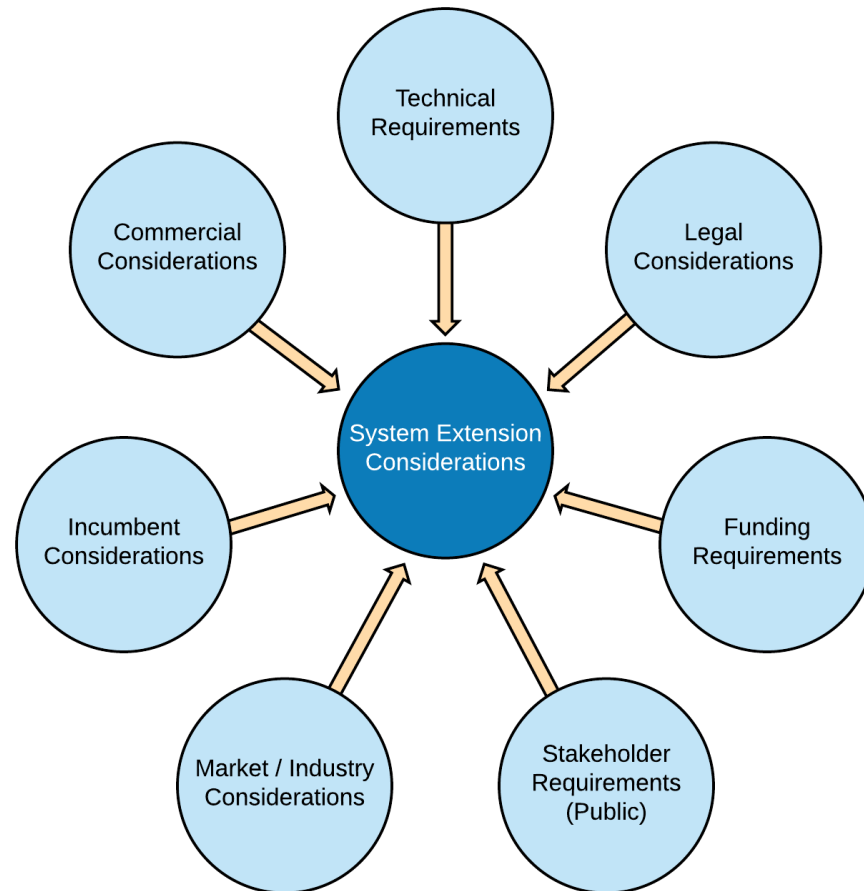


P3 Concessionaire Interests

- Impact on risk profile
- Impact on payment mechanism
- Interface and interoperability requirements
- Commercial structure of concessionaire
- Satisfying lenders



Perspectives



Range of Models to Consider

- Combination of sole-source and open procurement
 - Ottawa Confederation Line (Canada)
 - Gold Coast (Australia)
- Terminate existing contract
 - Nottingham Express (UK)
- Utilize interface agreements
 - London Docklands (UK)

Observations / Key Takeaways

- No silver bullet
- Implications of doubling down on long-term exclusive O&M deals
- Trade-off between long-term flexibility and certainty
- Responsibility for operations and train control is a major challenge
- Protecting the risk profile should be a priority for both project sponsor and concessionaire
- Protect the possibility of system expansion in the original tender