North Commuter Parkway and Traffic Bridge Project
Market Sounding

Introduction

KPMG LLP ("KPMG") has been engaged by the City of Saskatoon ("the City") to develop a P3 business case for the North Commuter Parkway and Traffic Bridge Replacement Project ("the Project"). As part of the P3 business case, a market sounding exercise is being undertaken to collect insights from the P3 bidder community on several topics related to the Project. The knowledge gained through this market sounding will assist the City to structure a marketable deal that will meet its objectives for the Project.

Project Overview

The City is proposing to build a new river bridge and connecting roadways – the "North Commuter Parkway" – and to replace the existing Traffic Bridge. The Project provides critical commuter connections across the South Saskatchewan River in Saskatoon between residential developments and key employment centres (i.e., the Downtown Core and the Marquis Industrial Area). Saskatoon was reported as the fastest growing city in Canada for the past three years, and the Project is needed to help alleviate major traffic congestion, improve business productivity and enhance the quality of life for the City's citizens.

The City is bundling the North Commuter Parkway and Bridge and the Traffic Bridge into one project totaling approximately 39 lane-kilometers. The City is interested in utilizing a P3 procurement model to deliver the project, including the design, construction, long-term maintenance, rehabilitation and financing of the North Commuter Parkway and the rehabilitation, long-term maintenance and financing of the Traffic Bridge. The City estimates that the total capital costs of the Project are approximately $217 million.

The North Commuter Parkway will:

- Consist of 9.3 km of arterial roadways (4-lane to 6-lane) and a 400-meter river bridge (6-lane).
- Provide for commuter traffic between rapidly developing east side neighbourhoods and the Marquis Industrial area in Saskatoon's north end.
- Include pedestrian and cycling lanes.
- Accommodate initial traffic volumes estimated at 20,000 vehicles per day, rising to between 50,000 to 60,000 vehicles per day when the City's population reaches 400,000.

The Traffic Bridge Replacement will:

- Include demolition and replacement of a steel truss bridge (except the existing piers), originally constructed in 1907 as the City's first vehicular bridge.
- Provide an important linkage for commuters, pedestrians, and cyclists crossing the river between the downtown employment area and residential areas in the south sector of the city.
- Be a 2-lane modern steel truss bridge with multi-use pathways on either side.
- Accommodate average traffic volumes estimated to approach 11,000 vehicles per day.

The anticipated timing of project delivery is:

ITEM	DATE
RFQ Release	January 2014
RFP Release	May 2014
RFP Close	December 2014
Construction Start	January 2015
Construction End North Commuter Parkway and Bridge Traffic Bridge	 October 2016 October 2017
Open to Traffic North Commuter Parkway and Bridge Traffic Bridge	 October 2016 November 2017

Exhibit 1 – Map of the Project

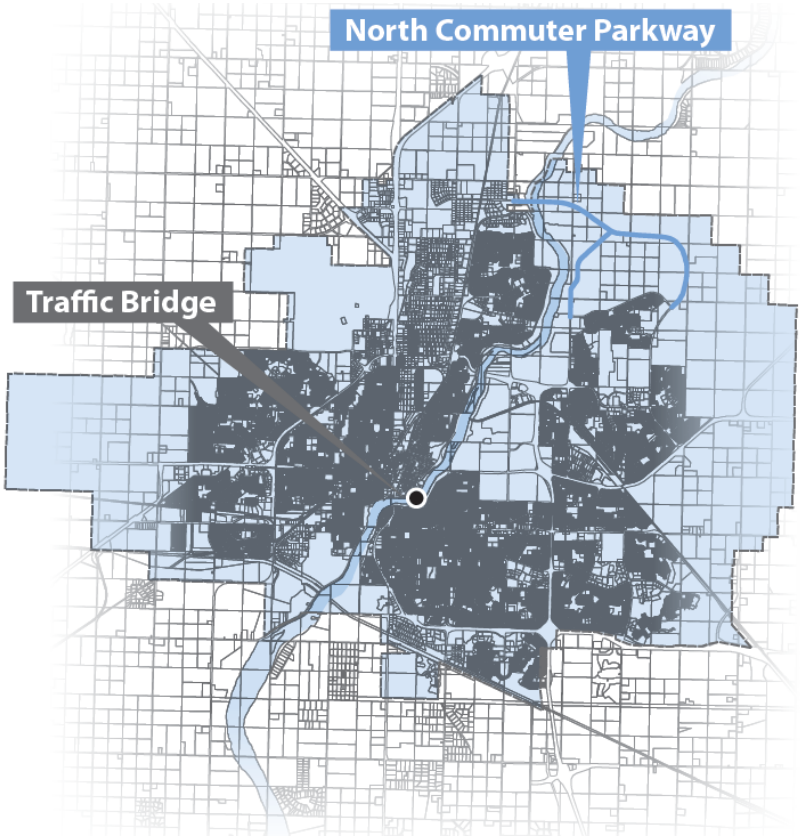
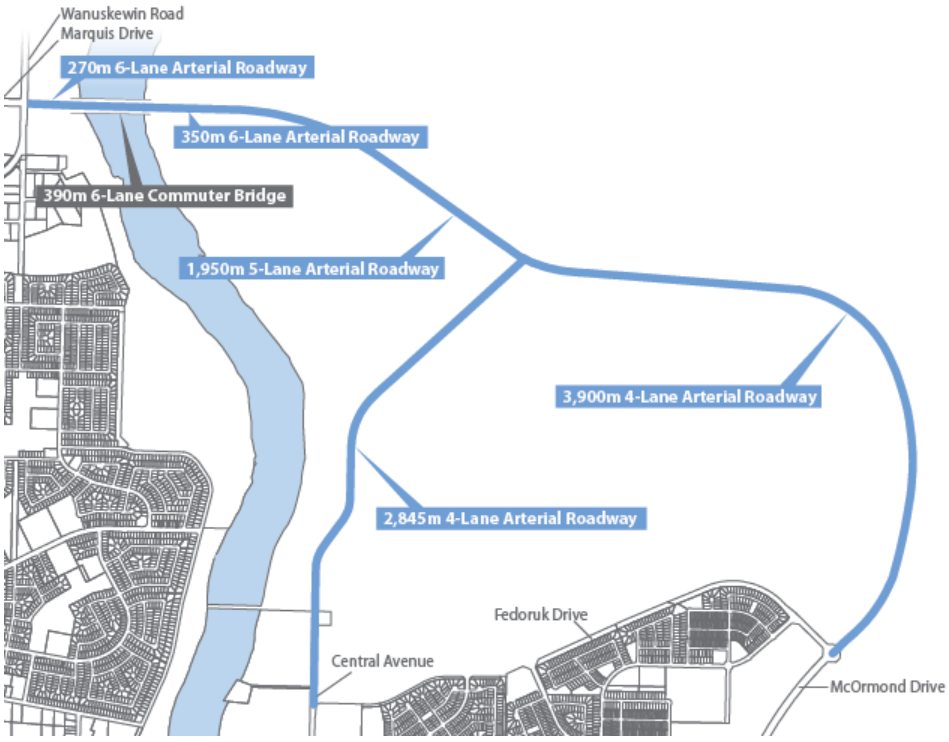


Exhibit 2 – Map of the North Commuter Parkway



Purpose of the Market Sounding

The purpose of this Market Sounding is to gather information and perspectives from organizations that are active in the development, maintenance and financing of road and bridge projects. Through this Market Sounding we would like to understand:

- The potential level of private sector interest in the proposed project.
- The challenges or barriers that may hinder private sector interest in participation, and potential mitigating strategies.
- Changes to the deal structure that could improve market acceptability.

Information gathered during the Market Sounding will be used in the development of the project procurement approach and associated business arrangements.

Market Sounding Questions

A. Company Information and Experience

1. What is the nature of your business?
    a. Size (e.g. annual sales, number of employees)?
    b. Location of operations?
    c. Scope of operations (design, construction, long-term maintenance, rehabilitation, financing)?

2. What is your past involvement on roads and/or bridge infrastructure in Saskatchewan? If relevant, briefly describe the project(s) and any best practices/lessons learnt.

3. Have you participated in a Design-Build-Finance-Maintain ("DBFM") infrastructure project before? If yes, what role did you play in the project (design, construction, long-term maintenance, rehabilitation, debt financing, and/or equity financing)?

4. For a project such as this, in which of the following areas would you be interested in participating?
    - Design
    - Construction
    - Maintenance
    - Financing

B. Project Risk Allocation

1. Given the tight construction deadline of October 2016 for the North Commuter Bridge component of the project and the potential requirement for an environmental assessment depending on the design of the bridge and the requirement for in-river work, in what ways would the P3 Contractor look to the City to help manage environmental approval risk? From your experience, are there technological alternatives for the construction of river bridges that can limit the environmental approvals required?

2. It is currently contemplated that the P3 Contractor will be responsible for environmental cleanup of a site upon which the west approach to the bridge on the North Commuter Parkway will be located. Are there any related risks that the P3 Contractor would not be able to absorb? If so, what are they? How could the City share in such risks?

3. The P3 Contractor will *not* be responsible for replacing the existing piers for the Traffic Bridge although will be expected to maintain the existing piers over the proposed 25-year operations term. Is this a risk that the P3 Contractor would be willing to accept?

C. Construction

1. For the North Commuter Parkway component of the Project, the proposed construction period is from January 2015 to October 2016, with all road and bridge segments open to traffic by October 2016. What are your views on this schedule?

2. Would it be more suitable for construction of these two projects to be carried out in parallel by separate construction crews or for a single crew to complete both projects separately? Are there any synergies associated with bundling the two projects? Please explain.

D. Maintenance

1. In your opinion, what are some of the challenges that a P3 Contractor would face in assuming responsibility for maintenance of City owned roads and bridges? How could these challenges be addressed by a proponent? By the City?

2. Will the availability of local partners to undertake the maintenance work affect your interest in this project? If so, do you know what firms you would look to partner with?

3. Since the City provides a large portion of local road and bridge maintenance services in the City, would you consider subcontracting the City to provide the maintenance services required under the P3 Agreement? If so, how do you foresee the partnership being structured compared to a private maintenance firm?

E. Financing

1. As noted in the introduction, the estimated budget for this project is around $252 million. Are there limitations on the size of project you would be willing to participate in? If so, what are they?

F. Concluding Questions

1. Based on the information provided above, how likely is it that you would participate in this project (e.g., unlikely, likely, highly likely)? What are the factors that will influence your decision to participate?

2. Is there any other information you would like to share with us in relation to this project?

3. Can we contact you again if we have follow up questions?

Thank You.