

WINDSOR-DETROIT BRIDGE AUTHORITY

Summary of the Corporate Plan 2015/2016 to 2019/2020

**Including summaries of the 2015-16
Operating and Capital Budgets**

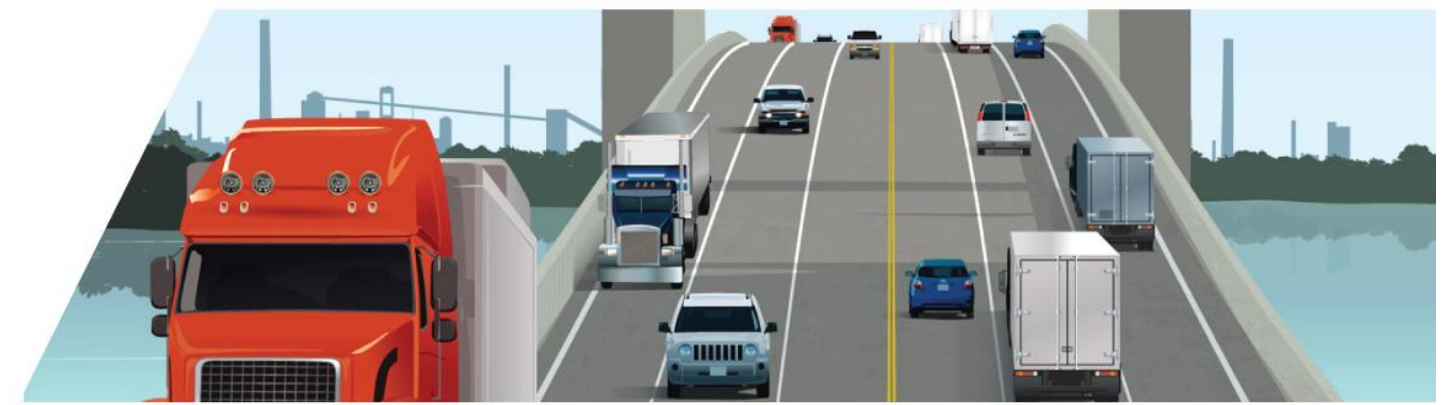




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1. Executive Summary

The Windsor-Detroit trade corridor is and has been the busiest border crossing between Canada and the United States (US). Specifically, the Ambassador Bridge is the conduit for nearly half of all goods that are transported between both countries.

The Windsor-Detroit trade corridor is important for the economies of both Canada and the United States. In order to manage this priority project, the Windsor-Detroit Bridge Authority (WDBA) was established on October 9, 2012 by Letters Patent pursuant to the *International Bridges and Tunnels Act*; its first year of operations was 2014-15. It is a Schedule III, Part I non-agent parent Crown Corporation and is responsible for carrying out the obligations of the Crossing Authority as a party to the 2012 Canada-Michigan Crossing Agreement (Crossing Agreement).

The mandate of the WDBA is to construct and/or operate the Gordie Howe International Bridge¹ that will be delivered as a public-private partnership (P3). The Gordie Howe International Bridge project has four major components, comprised of a:

- **Bridge** – a six-lane cable-stayed or suspension bridge with a span of 850 metres across the Detroit River;
- **Canadian Port of Entry (POE)** – a 53.4 hectare site that will house passenger, commercial and animal customs and border processing, tolling, and maintenance facilities;
- **US POE** – a 60.3 hectare site of similar scale to the Canadian POE, but without toll collection facilities;
- **Interchange with Interstate 75 (I-75)** – consists of the primary connecting overpasses and ramps to and from the US POE and associated local road improvements.

This Corporate Plan Summary provides a report on progress to date and elaborates on the WDBA's plans for the governance and management of the WDBA and the Gordie Howe International Bridge project for the planning period of 2015/16 to 2019/20.

Although the WDBA's first year of operations only began in August 2014, it is notable that the strategic priorities for 2014/15 are progressing. They have either been met or are progressing as planned. As the Gordie Howe International Bridge project is large and complex, 2014/15 priorities will continue to be key strategic priorities in 2015/16.

In 2015/16, WDBA's key objective is to launch the P3 Procurement process in 2015 along with the following strategic priorities:

- **Property Acquisition:**
 - **Canadian Property Acquisition:** Transport Canada will continue to lead property acquisition activities in Canada;
 - **US Property Acquisition (Michigan):** The WDBA is working with the Michigan Department of Transportation (MDOT) to ensure that all property acquisition in Michigan will be completed by the time (or soon after) financial close with the P3 partner. Right of Way plans and surveys have been completed to support the commencement of the second phase of US property acquisition in April 2015.
- **Acceleration of Early Works:**
 - **Canadian Port of Entry (POE):** site preparation activities on a portion of the POE will be undertaken including the Perimeter Access Road (PAR) Design and Construction as well as Fill Placement on the POE.
- **Utility Relocation:**
 - **Canadian Utilities:** timelines will need to be established and costs associated with the 2015 relocation of utilities on the Canadian Plaza site confirmed; and
 - **US Utilities:** complete relocation designs and enter into contracts for the relocation of all utilities.

¹ The New International Trade Crossing (NITC) was renamed the Gordie Howe International Bridge in May 2015.





The WDBA is expected to be fully staffed for the 2015-2016 fiscal year (FY) with an expected 50 Full Time Equivalents (FTEs). The cost of these 50 FTEs in 2015/2016 is estimated to be \$7,404,118. In addition to the cost of salaries and benefits, the WDBA has other operating costs which are expected to total \$382,032,484 in 2015/16.

In FY 2015/16 the WDBA is also expected to spend \$71,658,310 on capital expenditures.

2. Corporate Profile

2.1 Mission and Mandate

The mission of the WDBA is to create new crossing capacity for the Windsor-Detroit trade corridor that provides for the safe, efficient and secure movement of people and goods across the Canada-US border at the Detroit River in support of the Canadian economy.

The mandate of the WDBA is to construct and/or operate the Gordie Howe International Bridge, and to do so directly or under one or more public-private partnership (P3) agreements with one or more private sector concessionaires procured through a competitive procurement process as contemplated by the Crossing Agreement.

2.2 Governing Legislation and Agreements

The WDBA is a non-agent parent Crown Corporation and is governed by the following legislation and agreements:

- The *International Bridges and Tunnels Act* – Pursuant to ss.29 (1) of this Act, the WDBA was established by Letters Patent as a Crown Corporation on October 9, 2012;
- The *Financial Administration Act* (the FAA) – Under Part X of the FAA, the WDBA is a Schedule III, Part I parent Crown Corporation;
- The Canada-Michigan Crossing Agreement – In June 2012, the Governments of Canada and Michigan signed the Crossing Agreement that provides a framework for Canada to establish a Crossing Authority to design, construct, finance, operate and maintain the Gordie Howe International Bridge under one or more P3 Agreements.

2.3 Governance

As the Gordie Howe International Bridge project is large and complex, there are robust governance structures in place to ensure that the WDBA's operations are effective and efficient and that the Gordie Howe International Bridge project can be completed in the same manner. There are governance structures for:

- Corporate Governance; and
- Project and Procurement Governance.

2.4 Corporate Governance

The WDBA is accountable to Parliament through the Minister of Transport². As a Crown corporation, it is subject to the Crown Corporation governance regime established under Part X of the FAA and other applicable statutes and agreements, as seen above in section 2.2. The following depicts the governance structure of the internal operations of the WDBA:

² Effective November 4, 2015, WDBA reported to Parliament through the Minister of Infrastructure and Communities.





WDBA Board of Directors (WDBA Board)

The WDBA Board is accountable for the stewardship and oversight of the corporation. As per the Letters Patent establishing the WDBA, the WDBA Board is composed of five directors, including the Chair of the Board of Directors and the President and Chief Executive Officer (CEO). The CEO is accountable to the WDBA Board for day-to-day management and performance of the Corporation and supports the WDBA Board in its oversight role. The WDBA Board positions are appointed by the Governor in Council on the recommendation of the Minister.

Part X of the FAA establishes that the duties and responsibilities of the WDBA Board are to set corporate objectives and direction, ensure good governance, monitor financial performance, approve budgets and financial statements, approve policies and by-laws and ensure that risks are identified and managed.

Directors of the WDBA Board are required to act honestly, diligently, carefully and in good faith, in accordance with the FAA. They operate under the terms of corporate by-laws designed, among other things, to prevent conflict of interest and are required to recuse themselves from decision-making on issues where they are potentially in a conflict of interest.

Committees and Panels of the WDBA Board

Since the beginning of its operations, the WDBA Board has been and is building a strong foundation for sound corporate governance and has established a(n):

- *Audit Committee*, as required by Section 148 of the FAA, the responsibilities of the Audit Committee include reviewing and advising the WDBA with respect to the financial statements that are to be included in the annual report of the corporation it also oversees internal audits of the WDBA;
- *Governance and Human Resources Committee* to support the WDBA. Responsibilities will include approving a suite of policies to govern the management of human resources; and
- *Capital Markets Advisory Panel* to support due diligence around financing options for the Gordie Howe International Bridge project.

A *Labour Markets Advisory Panel* will be established as well, given the important impact the Gordie Howe International Bridge project will have on employment.

International Authority

As required by the Crossing Agreement, the WDBA will regularly brief and seek certain specific approvals throughout the P3 procurement process from the International Authority (IA). The IA has six members with equal representation from Canada (two appointed by Canada and one by the WDBA) and Michigan.

2.5 Project and Procurement Governance

Three governments, seven government agencies, one Crown corporation, and one international approval body have a direct stake in the design, construction and operations of the Gordie Howe International Bridge project. The roles and responsibilities of each of the organizations are governed by one or more of the following: legislation; inter-governmental agreements; working groups; and committees. The most important of these frameworks are the:

- *Bridge To Strengthen Trade Act* and the *International Bridges and Tunnels Act*;



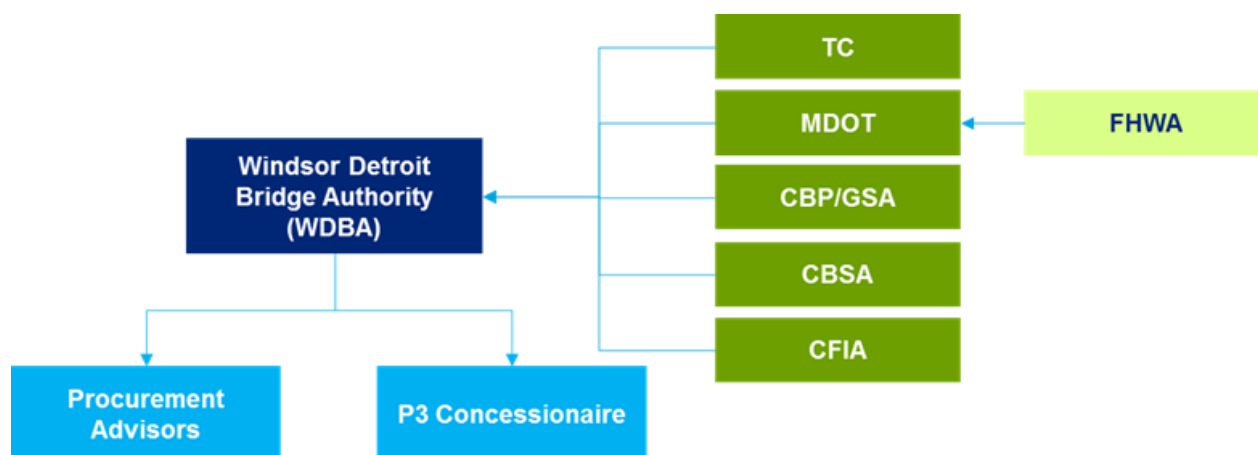
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- *Financial Administration Act (FAA)*;
- 2012 Crossing Agreement and its Acknowledgements;
- 2015 US Federal Plaza Arrangement (between Canada and the US);
- *Customs Act*;
- *Health of Animals Act*; and
- 2013 US Presidential Permit for the New International Trade Crossing.

Given the unique and complex nature of the project, the WDBA, with the support of Transport Canada, has developed a robust governance structure that is consistent with obligations imposed on federal Crown corporations by the Government of Canada and the requirements of the Crossing Agreement and the US Federal Plaza Arrangement. This governance structure follows best practices in the procurement of federal infrastructure projects and for major P3 projects. Additionally, the WDBA and Transport Canada are taking advantage of applying lessons learned from the recent procurements of other federal P3 projects.

The involvement of each of the government agencies varies by the project component that is relevant to it, and is detailed below:



- **The WDBA** – the Project Authority for the Gordie Howe International Bridge project. All activities related to the delivery and procurement of the project must be managed and approved by the WDBA; it will have responsibility for funding all such activities, with funding provided by Canada. The WDBA will direct all project activities and work closely and collaboratively with other government agencies. As required by the Crossing Agreement, the WDBA will regularly brief and seek approvals throughout the P3 procurement process from the International Authority.
- **The International Authority** – will have an ongoing oversight function. The International Authority will approve Michigan land acquisition, the selection of a Fairness Monitor (see section 4.1.2) to oversee the P3 procurement process; the key P3 procurement documents (RFQ, RFP, Project Agreement), and the winning proposal resulting from the P3 procurement process.
- **Transport Canada** – is responsible for undertaking land acquisition in Canada. Transport Canada will also support the WDBA in relation to utility relocation work.
- **Michigan** – is responsible for property acquisition in Michigan, via MDOT. MDOT will have significant involvement in developing the design specifications for the I-75 interchange. The WDBA will meet and coordinate with MDOT to ensure that Michigan is fully informed about, and is able to provide input on, all material project developments.





- **US Federal Highway Administration (FHWA)** – the Crossing Agreement stipulates that up to \$550 million of Canadian funding towards Michigan project components can be used to leverage US Federal Highway Aid for other highway projects in Michigan.
- **Canada Border Services Agency (CBSA)** – under Section 6 of the Canadian *Customs Act*, the owner/operator of an international toll bridge facility is required to provide border inspection facilities for the CBSA. Transport Canada established a working group and committees to support the process of preparing the Statement of Requirements for the Canadian POE.
- **Canadian Food Inspection Agency** – under section 31 (2) of the *Health of Animals Act*, the Minister of Agriculture and Agri-Food Canada can require the owner/operator of an international bridge to provide animal inspection facilities for CFIA activities. The Minister of Transport has designated that these facilities are necessary for the Gordie Howe International Bridge project.
- **US General Services Administration and Customs (GSA) and Border Protection (CBP)** – the US Federal Plaza Arrangement sets out the roles and responsibilities whereby the WDBA, with funds from Canada, will fund the construction, operations and maintenance, and lifecycle repairs for the US POE. The US will provide funding for border inspection personnel and furniture, fixtures and equipment for operations. CBP officials will work with CBSA to seek operational efficiencies.

2.6 P3 Procurement Project Management Team

To advance the procurement, the WDBA has established a multi-disciplinary Project Management Team led by a Project Director and overseen by the WDBA’s CEO and Board of Directors.



The multi-disciplinary functional teams supporting the Gordie Howe International Bridge procurement process include a:

- *Project Management Team* – will handle the day-to-day management and coordination of the P3 procurement. This team will be responsible for coordinating with other WDBA work teams that interact with or impact on the procurement process.
- *Legal Stream* – will be responsible for providing and coordinating all legal advice for the procurement process;





- *Technical Stream* – will be responsible for all technical aspects of the P3 procurement process;
- *Financial Team* – will have lead responsibility for all financial aspects of the procurement process;
- *Transaction Stream* – will be responsible for designing and executing the P3 Transaction; and
- *Partner Management/Communications Stream* – will be responsible for coordinating and managing MDOT, the CFIA, the CBSA, the US GSA and the CBP engagement throughout the planning, procurement, design and construction phases.

The functional teams, above, will be led by a full-time dedicated official from the WDBA and supported by the core external procurement advisors and internal WDBA and government agency subject matter experts.

3. Operating Context

The Gordie Howe International Bridge project is a high profile project in both Canada and Michigan. It has attracted significant media and public attention over the last decade as a result of support of the Gordie Howe International Bridge project from various levels of government, industry associations and residents.

3.1 Project History

The Gordie Howe International Bridge project resulted from increasing demand on the aging infrastructure in the Windsor-Detroit region. In 2001, Transport Canada formed a bi-national partnership with the US Federal Highway Administration (FHWA), MDOT and the Ontario Ministry of Transportation to determine the need for, plan and develop new crossing capacity for the Windsor-Detroit corridor.

A Planning/Need and Feasibility Study was completed in 2004 and concluded that among other things, that the existing crossings would not provide adequate service over the planning horizon, even with capital and operational improvements and that a new crossing should be located in the Windsor-Detroit corridor.

As a result, the bi-national partnership launched environmental assessments in 2005 to meet legislative requirements in Ontario, Canada, and the US. These processes concluded that with the implementation of appropriate mitigation measures, the project was not likely to cause significant environmental impacts.

Budget 2007 announced that the Government of Canada would create a new public entity to manage and operate this key piece of federally-owned transportation infrastructure. This announcement came to fruition when the WDBA was established as a Crown Corporation on October 9, 2012.

Although established in 2012, the WDBA's first year of operations was 2014-15. It is currently transitioning activities from Transport Canada (which has held responsibility for advancing the Gordie Howe International Bridge project approvals over the past ten years); the WDBA will also continue to build on pre-procurement work that was initially undertaken by Transport Canada.

3.2 Project Rationale

The Windsor-Detroit trade corridor is the busiest border crossing between Canada and the US the Gordie Howe International Bridge project will address key issues and constraints with regard to border crossing capacity in the region.

First, the Gordie Howe International Bridge will provide redundancy in the Windsor-Detroit corridor. Currently, other Ontario-US crossings carrying fewer trucks and less trade have more capacity and redundancy. Given that the Detroit-Windsor trade corridor is



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Canada’s busiest commercial land border crossing, there is a significant need for new, modern infrastructure to ensure the continued flow of people and goods across the border.

Second, all cross-border traffic using the Ambassador Bridge travels through an urban area with 17 signalized road intersections to access Highway 401. The Province of Ontario constructed the Rt. Hon. Herb Gray Parkway, which will provide direct access from Highway 401 to the Gordie Howe International Bridge.

Thirdly, a secure alternative crossing is needed to accommodate future traffic projections and provide sufficient surplus capacity.

3.3 Project Components

The Gordie Howe International Bridge project consists of four major components:

- **Bridge** – six-lane cabled-stayed or suspension bridge with a span of 850m across the Detroit River with no piers in the water. It will be a high-level bridge to allow for navigation clearance.
- **Canadian Port of Entry (POE)** – a 53.4 hectare site that will house customs and border processing, tolling, and maintenance facilities. The POE will meet the design guidelines established by the Canada Border Services Agency and the Canadian Food Inspection Agency.
- **US Port of Entry (POE)** – a 60.3 hectare site and of similar scale to the Canadian port of entry, but without tolling. Most of the US POE will be devoted to border inspection services.
- **Interchange with Interstate 75 (I-75)** – comprises the primary connecting ramps to and from the US POE and associated local road improvements.



The Gordie Howe International Bridge project will be delivered as a P3 with a proposed model of design-build-finance-operate-maintain (commonly referred to as DBFOM).

The term of the P3 contract will include the construction period of four to five years, plus a 30-year concession (i.e. operating) period. It is intended that the P3 procurement process will be two-phased and include, a Request for Qualifications (RFQ) and a subsequent Request for Proposals (RFP) (to be discussed in section 4.2).





3.4 Project Risk Management

The WDBA has identified key risks related to achieving its key objective of launching the P3 procurement process in 2015 as well as advancing the project overall.

The WDBA maintains a detailed project risk register, which is regularly reviewed and updated, containing a full inventory of risks for all project components with corresponding mitigation measures.

4. Key Objective, Strategic Priorities and Planned Activities

4.1 Review of 2014-15 Strategic Priorities

Following the CEO's appointment on August 5, 2014, and with the first meeting of the WDBA Board taking place on August 13-14, 2014, the WDBA began working immediately on two parallel strategic priorities, designed to position the corporation to efficiently and effectively carry out its mandate.

These will continue to be key strategic priorities in the coming year (2015-16) and include:

- **Building Capacity / Operationalizing the WDBA** – In order to be in a position to move the Gordie Howe International Bridge project forward, the WDBA has had to establish itself as a corporation, from the point of view of:
 - Building the required human resource capacity to deliver; and
 - Launching WDBA operations.
- **Launching the P3 Procurement** – In order to launch the P3 Procurement process in 2015, the WDBA has built on Transport Canada's work and undertaken a wide range of key pre-procurement activities within the following categories:
 - Agreements, including those mandated under the Crossing Agreement;
 - Technical Issue Resolution;
 - Early Works; and
 - Property Acquisition.

4.1.1 Building Capacity / Operationalizing the WDBA: Building the required human resource capacity to deliver

A project with the size and scope of the Gordie Howe International Bridge requires the dedication of appropriate human resources to facilitate the efficient and effective execution of the P3 Procurement process and the delivery of the project. As such, it is critical that the WDBA have the internal capacity required to lead the project.

Appointment of CEO, Appointment of Chairman, WDBA Board, and International Authority

Since the appointments of the CEO in August 2014 as well as the Chairman and the WDBA Board between June and October 2014, the WDBA has progressively taken over the project's management and direction from the Transport Canada team that had previously advanced project approvals over the past ten years. The transition of the project activities from Transport Canada will be completed during calendar year 2015 as the WDBA acquires the necessary human resources.

It should also be noted that all six members of the IA Board (two members by Canada, one by the WDBA and three by Michigan) have also been appointed; this occurred from July to November 2014.





Identification of critical positions required to deliver the Gordie Howe International Bridge project and manage the corporation; acquisition of the required human resources

In its efforts to fully transition from Transport Canada, the WDBA has identified the critical positions required to deliver the Gordie Howe International Bridge project and manage the corporation. The WDBA has developed a comprehensive HR/staffing strategy and identified opportunities to maximize and leverage available expertise with the skill sets that are required to deliver the Gordie Howe International Bridge project. The WDBA estimates that its staffing strategy will permit it to resource the essential skills in a more timely and cost-effective manner.

Currently, the WDBA has a total of 15 employees at various levels and is continuing to actively staff the balance of the positions. The WDBA has also established salary bands and a benefits package—including a defined contribution pension plan consistent with government directives. WDBA has also retained a pension and benefits provider to complete the salary/benefits and pension offering.

4.1.2 Building Capacity / Operationalizing the WDBA: Launching WDBA operations

The WDBA has taken steps to bring in the appropriate human resources so that it can fully take over responsibilities from Transport Canada. In addition, the WDBA Board has been building a strong foundation for sound corporate governance, including adopting its first by-law.

Implementation of policies and frameworks to guide the WDBA's operations

Since the end of February 2015, the Board has met 15 times to provide the direction and oversight required to move forward on short-term strategic priorities. In that time, the WDBA Board has established, or has been in the midst of establishing governance committees (see section 2.3.1). The WDBA Board has also adopted a number of key corporate policies, including a Public Communications and Official Spokesperson Policy, a Media Protocol, and a Travel and Hospitality Policy. A Relocation Policy is in place as well as a pension and benefits provider. The WDBA Board has also officially assumed the Government's practices for Proactive Disclosure; travel and hospitality expenses of the Chair and the CEO will be posted on the WDBA's website quarterly.

The WDBA is in the process of establishing a sound framework for financial management and control. An interim framework for procurement is in place, which will be updated, as appropriate, with the on-boarding of additional staff and advisors.

Additionally, in keeping with government expectations, as per the FAA, the Board has set corporate objectives and direction, ensured good governance, monitored financial performance, approved budgets and financial statements, and has ensured that risks have been identified and managed appropriately. The WDBA Board, with the assistance of key advisors, has, and will continue to, take an active role in reviewing and approving procurement and project delivery related documentation and processes. These will include developing the project schedule and the development of the RFQ, RFP and Project Agreement documentation and in the selection of all key advisors.

Establishment of a physical and virtual presence

Another step in launching WDBA operations was secured in February 2015 when the WDBA moved into their permanent space in downtown Windsor, Ontario. Additionally, the design of the WDBA's website is nearing completion and, with the assistance of external expertise, the corporation is establishing a framework for sound records and information management in line with the government's expectations and to enable the WDBA to meet its obligations under such statutes as the *Access to Information Act* and the *Privacy Act*.





Recruitment of support outside of Transport Canada during the pre-procurement phase

In order to further operations, the WDBA has retained the services of a number of core external advisors. These core advisors will support the WDBA throughout the pre-procurement phase, the P3 procurement phase and the construction of the project. These key advisors bring a complementary and additional set of skills and capacity—beyond those of the staff of the WDBA, Transport Canada, MDOT and other government agency project partners and include a:

- **General Engineering Consultant (GEC)** – The GEC serves as the primary advisor for most of the technical work. The GEC team will work full-time on the Gordie Howe International Bridge project for the duration of the P3 procurement process and potentially through the construction period.

The GEC’s work will include site preparation oversight in the US and Canada, engineering and technical design, specifications and requirements development for all components of the project, right-of-way surveys and support for real property transactions, utility relocation coordination, security options analysis, risk management, other civil, electrical, mechanical, geotechnical and environmental engineering aspects of the project.

The GEC will also support the P3 procurement process and will also work with other core advisors and consultants being engaged by the WDBA.

- **P3 Financial and Transaction Advisor** – This advisor is required to continue to update and refine the project business case and financial model, provide advice on the proposed project deal structure and develop the financial specifications and evaluation criteria for the P3 procurement documents and other financial advice, as required. The P3 Transaction Advisor will be responsible for developing, implementing and managing the P3 procurement process. This includes the development and coordination of the required procurement documents (i.e. P3 RFQ, RFP, and Project Agreement)
- **Capital Markets Advisor** – This advisor will be a key resource in considering the potential financing options that flow from the project business case over a critical 90 day period.
- **P3 Legal Advisor** – The P3 Legal Advisor is required to draft the Project Agreement and to provide legal advice throughout the P3 procurement process.
- **P3 Fairness Monitor** – The P3 Fairness Monitor will oversee the P3 procurement process (a requirement in the Crossing Agreement and an industry best practice). The Fairness Monitor will ensure that the procurement process is conducted with openness, transparency, integrity and accountability. It will review the RFQ and RFP, report on any failure to comply with fairness requirements, and produce a report confirming compliance with those requirements.

For all procurements, the WDBA used fairness monitors to provide assurances around the integrity of the procurement process (this monitor is in addition to the P3 Fairness Monitor).

- **Other Advisors** – Where possible, the WDBA will solicit the advice of other government departments and agencies (such as Public Works and Government Services Canada [PWGSC] or PPP Canada). Best practices and lessons learned from previous projects will be leveraged to help ensure a smooth transaction process for the Gordie Howe International Bridge, while at no time undermining the arms-length nature and independence of the WDBA.

Overall, the WDBA has been able to conduct 40 transactions related to either acquiring consultant resources or to house and operationalize the WDBA within 114 business days.





4.1.3 Launching the P3 Procurement (Pre-Procurement Activities): Agreements

As required under the Crossing Agreement, the WDBA has approved the Acknowledgements for:

- The International Authority;
- The Michigan Activities Funding;
- Dispute Settlement Resolution; and
- Confidentiality.

The WDBA has also signed the US Federal Plaza Arrangement negotiated by Transport Canada with the US GSA and CBP. The Arrangement sets out the roles and responsibilities for Transport Canada, the WDBA, MDOT, the US GSA and CBP with respect to the ownership, leasing, construction, operation and maintenance of the US POE facilities.

4.1.4 Launching the P3 Procurement (Pre-Procurement Activities): Technical Issue Resolution

Over the past few months, the WDBA and MDOT completed the development of a Final Right-of-Way Plan for land earmarked for the Michigan side of the project. The Final Right-of-Way plan confirms the project footprint and the property required and is integral to supporting the property acquisition process in Michigan. With the completion of this plan, the technical issue of land acquisition in Michigan has been resolved.

4.1.5 Launching the P3 Procurement (Pre-Procurement Activities): Early Works

At the request of the WDBA Board, the CEO initiated investigations (during the December 2014 to March 2015 timeframe) related to the Early Works, specifically the placement of fill on the Canadian plaza site (more details follow in section 4.2). The acceleration of this project will allow for adequate coordination between the fill design, the PAR design and utilities relocations coordination.

4.1.6 Launching the P3 Procurement (Pre-Procurement Activities): Property Acquisition in Canada and Michigan

Canada: WDBA, Transport Canada and other required Government departments finalize acquisition of required properties

For Canadian property acquisition, the WDBA executed a Common Interest Privilege Agreement with Transport Canada, Justice Canada, and PWGSC regarding Canadian property acquisition. Transport Canada has met with all remaining property owners and is engaged in negotiations.

Transport Canada has completed the purchase of some required properties and the WDBA Board has formally requested that acquisition of all necessary Canadian lands be completed by December 2015.

Michigan: The WDBA and MDOT acquire the required properties in Michigan

Progress in acquiring Michigan properties has also been made. Through a series of transactions, the WDBA has executed agreements for the acquisition and associated demolition of City of Detroit and Wayne County tax-reverted properties.



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For the remaining properties, the WDBA has worked with MDOT to develop a Property Acquisition Plan that defines the roles, responsibilities, procedures and processes for property acquisition activities of the project, such that they are completed on-time, within budget, and in a manner in which the public trust and confidence in the project will be maintained.

MDOT, with previously engaged consultants, is also undertaking work related to contamination surveys and the review/updating of environmental site assessments.

Other: Transport Canada pre-procurement activities

Over the course of FY 2014-15, Transport Canada pursued all planned pre-procurement activities to continue advancing the Gordie Howe International Bridge project and to favourably position the WDBA, entering into the transition period. These include:

- **Design and costing of line modification - Hydro-One, Phase 3 study** – Following the preliminary estimates of a Hydro One study (Phase 2) highlighting options in relocating transmission lines underground or overhead, Transport Canada and the WDBA agreed that Phase 3 of the study should focus on advancing the design and costing of the underground option.
- **Geotechnical investigation** – Transport Canada has retained a contractor to advance the geotechnical investigations in Canada and in the US. The majority of the physical works, i.e. drilling, have been completed on the Canadian and US side of the Gordie Howe International Bridge project. Once the drilling is completed, the consultant will analyze the raw data and produce a final report to be used during the RFP process.
- **Intelligent Transportation Systems (ITS) Study** – Transport Canada has retained a contractor to develop the preliminary design and architecture of the Intelligent Transportation Systems that will be used in the Gordie Howe International Bridge project and to prepare the performance specific output specifications.
- **PAR Design** – Following a competitive procurement process, Transport Canada retained the services of a contractor and entered into an Agreement with the City of Windsor. The contractor will work in close collaboration with the City of Windsor in the design of the PAR.
- **Environmental work** – Contractors have completed their work on the Canadian plaza site (plant and animal species-at-risk relocation, on surface waste removal and tree and shrub clearing).

4.2 Key Objective, Strategic Priorities, Planned Activities for 2015/16 and the Planning Period

4.2.1 Key Objective

The key objective for 2015-16 is to launch the procurement process and obtain a P3 Partner for the Gordie Howe International Bridge project.

The WDBA will follow a best practice, two-stage procurement process. The first stage is an RFQ, to short-list up to three qualified consortia. The second stage is an RFP to select a preferred proponent offering best value to the WDBA:

- The RFQ will be used to qualify applicant teams based on their experience in design, construction, operation and maintenance of similar projects, as well as their financial strength and capacity to undertake the project and obtain required financing. The RFQ will feed into the RFP review process by short-listing the applicant teams who meet the desired qualifications.
- The RFP will be a more detailed process requiring the qualified respondents to submit proposals on how they will deliver the project to the specifications described in the procurement documents and with a proposed fixed price. The RFP stage will include evaluation of the submissions scored in accordance with the evaluation criteria set out by the WDBA.





Following P3 best practices and as required by the Crossing Agreement, the WDBA has retained a Fairness Monitor to oversee the P3 procurement process to ensure it is conducted in a fair, open and transparent manner. After completion of the RFQ and RFP process, the winning proposal and a substantially final Project Agreement shall be presented to the WDBA and IA Boards for approval.

4.2.2 Strategic Priorities

Given the operating environment in the region (as discussed in section 3), the priority placed on, and importance of the project, the WDBA, will be focusing on pursuing the key objective of launching the P3 procurement process (as mentioned above) in 2015 as well as advancing the following strategic priorities over the planning period:

- Property Acquisition in Canada and Michigan (see section 4.2.1);
- Acceleration of Early Works in Windsor: PAR and Utility Relocations, and Plaza Fill Placement (see sections 4.2.2 and 4.2.3); and
- Utility Relocation in Windsor and Michigan (see section 4.2.4 and 4.2.5).

Strategic Priority: Property Acquisition in Canada and Michigan

2015-16 Strategic Outcome	Key Activities for 2015-16	Key 5-Year Commitments 2015-16 to 2019-20
Canadian Property Acquisition	<ul style="list-style-type: none"> • Transport Canada responsibility • Transport Canada will continue to lead activities related to the purchase of 8 remaining parcels. All properties are planned to be acquired during the FY 2015-16 	Transport Canada to complete Canadian property transactions required to advance the Project

In terms of Canadian properties, Transport Canada will continue to lead activities related to the purchase of the remaining Canadian properties.

2015-16 Strategic Outcome	Key Activities for 2015-16	Key 5-Year Commitments 2015-16 to 2019-20
Michigan Property Acquisition	<ul style="list-style-type: none"> • Through a Statement of Activities (the mechanism that operationalizes the Michigan Funding Acknowledgment) establish the activities and resources required to execute the agreed upon activities with MDOT • Establish a robust process and identify the individuals/departments/key advisors who will participate in the review of property appraisals • Provide a timeline and process for regular reporting of activity by MDOT to the WDBA and the WDBA to the IA, the WDBA Board of Directors • Coordinate activities and reporting through the Steering Group/Partnership Committee comprised of MDOT, the State of Michigan Governor’s Office, FHWA, Transport Canada and the WDBA • Retain the Property Acquisition Consultant (MDOT) to begin a 	Work with the State of Michigan partners to gain possession of all parcels of property as identified in the Right-of-Way Plan



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	per property and parcel appraisal <ul style="list-style-type: none"> Finalize the acquisition of individual tax reverted properties in Wayne County 	
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Acquisition of properties in Michigan is a complex process. It entails the transferring of property or property rights from a private/public property owner to a public agency for public use.

Through the Environmental Assessment process, the footprint for the US POE, interchange and bridge was established. Subsequently, the Right-of-Way plan was developed for all US property requirements.

Strategic Priority: Acceleration of Early Works: PAR and Local Utility Relocations

2015-16 Strategic Outcome	Key Activities for 2015-16	Key 5-Year Commitments 2015-16 to 2019-20
PAR and Local Utility Relocations – Canadian Side	<ul style="list-style-type: none"> Complete design of the PAR, tender for the construction and initiate construction Finalize utility relocation discussions at same time as PAR design, as construction of the PAR involves relocation of utilities into the PAR Right-of-Way Co-ordinate construction of PAR with utility relocation and placement of plaza fill 	<ul style="list-style-type: none"> Complete PAR and bring into service

In advancing the project, a number of pre-procurement activities have been planned that will result in moving or clearing all utilities from the Canadian and US plaza sites. The project also requires the construction of the PAR.

Design of the PAR is underway and the affected utility companies have been engaged and have initiated their own design for the relocation of their networks.

In this segment of the Early Works, the plan is to relocate utilities at the same time as the construction of the PAR given that the utilities will be sited within the Right-of-Way of the PAR. Utilities are categorized as follows:

- Municipal – includes the design and construction costs related to City of Windsor water, wastewater and storm water, e.g. to have a major pumping station for waste water relocated and associated sanitary sewer piping relocation.
- Minor – these utilities include Enwin and West Windsor Power. Work will consist of the relocation of electrical circuits and poles/towers.
- Major – these utilities include Hydro One and Union Gas.

Strategic Priority: Acceleration of Early Works: Plaza Fill Placement

2015-16 Strategic Outcome	Key Activities for 2015-16	Key 5-Year Commitments 2015-16 to 2019-20
Plaza Fill Placement	<ul style="list-style-type: none"> Complete technical analysis and designs for wick drains and fill placement Tender for and award contract to install wick drains, import fill and initiate the fill placement and consolidation exercise 	<ul style="list-style-type: none"> Continue with fill placement and consolidation Continue with fill consolidation monitoring program





	<ul style="list-style-type: none"> Undertake extensive soil consolidation/settlement data gathering 	<ul style="list-style-type: none"> Continuation of fill placement/fill surcharging and movement of fill within the Canadian Plaza footprint
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The Canadian POE is located on soil that is, over time, subject to significant settlement, i.e., the soils have a high water content and are expected to settle over time. If left unaided, it could take many years to accomplish, delaying the construction of “settlement sensitive” structures such as buildings.

A solution has been developed that would call for the installation of wick drains (an integral mechanism to remove underground trapped waters to facilitate soil consolidation/settlement), the placement of significant amounts of fill on the plaza site, and surcharging the site with excess fill. In total between one million and two million cubic metres of fill and surcharge material will be required for this operation.

Although originally planned to be undertaken by the P3 Partner, in order to accelerate the project schedule, the opportunity to initiate fill placement and consolidation of the Canadian POE earlier than originally planned has been investigated and is recommended to occur in FY 2015-16.

Strategic Priority: Utility Relocation in Windsor

2015-16 Strategic Outcome	Key Activities for 2015/16	Key 5-Year Commitments 2015/16 to 2019/20
Canadian Utilities	<ul style="list-style-type: none"> Continue to meet with utility owners, specifically Hydro One, Bell Canada, Union Gas, Cogeco, Enwin and others; Develop relocation plans for all utilities; Begin relocating minor (i.e., non-Hydro One) utilities within the PAR; Develop utility corridor design crossing underneath the Canadian Plaza. 	<ul style="list-style-type: none"> All utilities to be relocated outside Canadian Plaza footprint; Utility corridor underneath the Canadian Plaza to be functional.

Strategic Priority: Utility Relocation in Michigan

2015/16 Strategic Outcome	Key Activities for 2015-16	Key 5-Year Commitments 2015-16 to 2019-20
US Utilities	<ul style="list-style-type: none"> Complete relocation designs and enter into contracts for the relocation of all utilities 	<ul style="list-style-type: none"> Begin relocation of those utilities deemed ‘time sensitive’

5. Key Success Factors

The WDBA has identified three key success factors going forward. These will be critical determinants of its success in launching the procurement process and carrying out the project:

- Continuing to build operational capacity** – The WDBA has made significant progress to date in establishing the human and operational capacity to lead the project and launch the procurement process. The majority of the core P3 Advisors are in place and have commenced work on the project;





- **Leveraging the benefits of the WDBA’s Crown Corporation standing** – The government established the WDBA as an arms-length Crown Corporation with the expectation that its independence will position the agency to deliver the Gordie Howe International Bridge project on a faster timeline, with more efficiency; and
- **Fostering collaboration and engagement with partners and stakeholders** – The establishment of strong working relationships with project partners and key stakeholders is paramount to the successful delivery of the Gordie Howe International Bridge project. As noted, input and expertise will be required from the project partners to determine and subsequently validate their respective requirements for the project components (e.g. the CBSA border inspection facilities) in order to develop the technical, operating and maintenance specifications for the P3 documentation (RFQ, RFP, Project Agreement). Consultation with these organizations is required. The WDBA will also need to leverage the existing relationships of other project stakeholders. The WDBA will formalize a consultation strategy and deliver the strategy through its committee structure.

6. Financial Planning and Analysis

6.1 Overview

WDBA’s overall budget for 2015-16 is \$461 million. This budget includes WDBA’s cost of operations, the costs of acquiring properties in Michigan, P3 pre-procurement and procurement costs, costs related to the Early Works and utility relocation in Canada and the US.

6.2 WDBA’s Cost of Operations

Salaries and Benefits

The WDBA is expected to be fully staffed for the 2015-2016 fiscal year. The total number of Full Time Equivalents (FTEs) is expected to be 50. FTEs are expected to be comprised of WDBA core (24) and term employees (12) as well as contract positions (14). The estimated cost of these 50 FTEs in 2015-2016 is \$7.4 million which includes 16% for employee benefits and performance pay.

Over the planning period (2016-2017 to 2019-2020) the FTE count is expected to fluctuate as follows: 50 FTEs in 2016-2017, 32 FTEs in 2017-2018, 24 FTEs in 2018-2019 and 20 FTEs in 2019-2020. This reflects changing requirements over the different phases of the project and the timing of project lead by the P3 Partner.

Other Operating Costs

In addition to the cost of salaries and benefits, the WDBA has other operating costs, including, but not limited to: travel; supplies; telecommunications; translation; accommodations; office systems; IT-related services; payroll and financial services; director and officer liability insurance; operating costs associated with the WDBA and IA Boards; and legal services. These costs are expected to total \$5.2 million in 2015-16 and \$18.9 million as a balance over the planning period.



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WDBA’s costs of operations and property acquisition in Michigan are presented below (cash basis):

(\$000)	2014-15 Forecast	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Salaries and Wages	427	7,404	7,552	5,154	4,067	3,434
WDBA Operational Activities	1,487	5,265	4,897	4,725	4,682	4,660
Michigan Properties	1,803	369,614	42,475	0	0	0
Project Costs	4,348	7,154	88,456	3,446	80,672	47,592
Total	8,064	389,437	143,380	13,324	89,421	55,687

6.3 Capital

The WDBA’s major capital expenditures over the planning period align with its mandate and priorities to build the Gordie Howe International Bridge project. Capital expenditures for 2015-16 are expected to be \$71,658,310.

