

# Ontario – light rail... heavy issues

---

**Angus Leslie Melville**

07/08/2017

Transit projects in North America won *Infrastructure Journal* its first (and far from last) hate mail, so it is with some degree of impending fate that we turn the focus on light rail in Ontario.

Back in 2005, it was the Seattle Monorail – remember that old chestnut – that brewed a storm after an [IJ editorial](#) fell into the hands of a local blogger, resulting in a flurry of harshly-worded emails questioning everything from sanity to parentage.

This was such a disappointing debacle as Seattle had glorious plans to create a mass transit solution for those who worked in the centre but could not afford to live there and struggled to commute by car. Having been pushed ever further from the nucleus by rising property prices, their plight was compounded by inadequate public transport – for which a mass transit solution would have been a godsend. But this project withered on the vine as political will turned against it even with the land purchased, rights-of-way in place and Fluor ready to start work.

Ontario's situation is different to that being faced by Seattle back in 05. Toronto is booming and it is now (according to some sources) the most congested city in North America, leaving Los Angeles and New York in its snarled-up wake.

With the continuing housing boom in the province, pressure continues to build on the roads with investments to the transit system coming too slow for requirements – but at least it has political will in place (for now) and an efficient procurement process in place... even if it is starting to show the strain.

Quite apart from the looming election – June 2018 – when there is a distinct risk that for the first time since 2003 the incumbent party (the Liberals) will be ousted, the programme is struggling.

Given the scope of works in the pipeline and under construction, it is not surprising that a pinch-point has been reached.

## **Ambitious ambitions**

Perhaps the biggest issue that faces Ontario is that it has three projects under construction and a further five working their way through procurement... which puts considerable pressure on a small group of companies to deliver such an ambitious programme.

Currently under construction, we have:

- **Eglinton Crosstown LRT:** DBFM that made it to financial close in summer 2015 with ACS Group, SNC-Lavalin and EllisDon. It runs across Eglinton Avenue between Mount Dennis (Weston Road) and Kennedy Station [[FC story](#)]
- **Ottawa LRT Confederation Line Phase 1 PPP:** a two-phase, 30-year DBFM that made it to FC in early 2013 with ACS, SNC-Lavalin and EllisDon. Construction on Phase 1 started in H1 2013. It includes widening of Highway 417 while the LRT runs from Tunney to Blair Road at Highway 174 [[Database](#)]
- **Waterloo Rapid Transit PPP ION Stage 1:** DBFOM that made it to FC in May 2014 with Plenary Group and Meridiam

Infrastructure. This LRT will serve residents in Cambridge, Kitchener and Waterloo [[Case Study](#)]

Meanwhile in procurement, we have:

- **Finch West LRT:** DBFM to expand transit in the Greater Toronto and Hamilton Area along Finch Avenue West in Toronto. Three teams are shortlisted [[latest story](#)]
- **Hamilton LRT:** DBFOM to expand transit in the Greater Toronto and Hamilton Area along King and Main Streets in Hamilton. The shortlist was reduced from four to three last Friday [[latest story](#)]
- **Hurontario LRT:** DBFOM to expand transit in the Greater Toronto and Hamilton Area along Hurontario Street in Mississauga and Brampton. It has four bidders in place [[latest story](#)]
- **Ottawa LRT Confederation Line Phase 2 PPP:** DBF to extend the Confederation line west (beyond Bayshore to Moodie Drive and southwest to Agonquin College) and east (beyond Place d'Orleans to Trim Road). Three teams are at shortlist stage [[Latest News](#)]
- **Ottawa LRT Trillium Line Extension Phase 2 PPP:** DBFM to extend the Trillium line in Ottawa creating a gateway to the Ottawa Macdonald-Cartier International Airport and extending south to Bowesville in Riverside South. It should be noted that the first phase of this project was not a PPP. Three teams are qualified for this project [[Latest Story](#)]

And then there is Waterloo Rapid Transit PPP ION Stage 2 which went to public consultation February/March this year to plug in to the first phase which will go operational next year (2018). Part of that first project was a bus rapid transit (BRT) from Kitchener to Cambridge that launched operations in 2015.

The second stage will replace BRT with LRT, creating a continuous tram system to connect Cambridge, Kitchener and Waterloo.

By the end of this year IO will have the route mapped out, all public consultations concluded and environmental impact studies done. The public agency review process will be concluded early next year and the project launched thereafter.

### **Bidding wars?**

People on the ground have been taken by surprise by bidding on [Toronto Courthouse](#) (apologies for jumping to social infra) where only two consortia have been shortlisted – the Plenary-led and EllisDon-led teams.

This comes as a direct result of Infrastructure Ontario's intention announced earlier this year to foster a healthy market in civil, pushing back against formerly keenly-competed bids have tailed off of late.

In recent times, it's been the usual suspects lined up, peering into the bright light, desperately hoping nobody recalls their past sins.

As one source on the ground says: "For Hurontario, the shortlist was unusual as some of the typical names were not shortlisted. This may be a result of IO trying to make sure that everyone gets their fair share.

"For that transaction in particular, the big names – SNC-Lavalin and ACS – were not selected and other [mincing his words] typically less-active players were shortlisted."

The other element is that there has been a shift in focus towards civil DBFM projects as that is where the pipeline lies.

"Certainly in Ontario," says another source, "there is a desire to have a healthy bidding community on these deals and not be beholden to just a few."

This is dangerous territory as by spreading the goodness and ensuring everyone has a slice of the pie, IO is making a rod its own back as it seeks to be all things to all bidders.

One message that has been broadcast loud-and-clear is that home player Bombardier is not welcome on heavy rail in the province.

### **Bombardier bugbear?**

The show-down between Bombardier and Metrolinx does not seem to be such an issue on the ground as it is made out to be in the local media. Sources say that – other than a bit of muscle-flexing on risk transfer between Infrastructure Ontario and the province’s transit agency – there is no real sense of conflict.

From what we hear, IO is more prepared to protect the risk transfer in its template and Metrolinx is more aggressive on issues like LDs, contamination etc. Meanwhile the industry sides with IO.

All a bit of a storm in a teacup, but it does look like – having flexed their muscles – the future tenders (not likely in heavy rail) may be a bit more open to international teams.

Local media is in a froth about the ding-dong between Bombardier and the transit agency and the Montreal-based company is excluded from bidding to continue operating GO Transit trains – which it has been doing for decades.

Metrolinx recently announced (21 July) in a press release that it will seek new operators to take over the suburban GO Transit and UP Express airport rail services once the current contract with Bombardier expires in 2023.

The release states: “That is why we are issuing a request for qualifications for an experienced operator to work with us to finalise our plans and accelerate the safe construction and implementation of RER.”

The winning bidder will be named next summer (2018) and its first function will be to review the operations of Bombardier and two other Canadian companies – then operate the services as it quadruples from 1,500 trains a week to 6,000.

But that’s all getting a bit heavy... rail.

There’s a good future in light rail in Ontario – election dependent – but, much like London rail travel... expect delays.

*Thank you for printing this article from IJGlobal.*

*As the leading online publication serving the infrastructure investment market, IJGlobal is read daily by decision-makers within investment banks, international law firms, advisory firms, institutional investors and governments.*

*If you have been given this article by a subscriber, you can contact us through [www.ijglobal.com/sign-in](http://www.ijglobal.com/sign-in), or call our London office on +44 (0)20 7779 8870 to discuss our subscription options.*