

In Reply Please Quote Our File Number:

MAY 14 2019



Govind Rao  
Canadian Union of Public Employees  
271 Brownlow Avenue  
Dartmouth, NS B3B 1W6

Dear Govind Rao:

**Re: You are entitled to part of the information you requested – 2019-08789-TIR**

The Department of Transportation and Infrastructure Renewal received your application for access to information under the *Freedom of Information and Protection of Privacy Act* on April 14, 2019.

In your application, you requested a copy of the following records:

*Ernst and Young "Value for Money" report on HWY 104 twinning Sutherlands River to Antigonish. Dept of Transportation and Infrastructure Renewal, Deputy Minister, Major Infrastructure Projects, Exec Director, Engineer, Jamie Chisholm. Report was completed between 2016-2018. Was referred to in media scrum March 28, 2019. See attached.*

You are entitled to part of the record(s) requested. However, we have removed some of the information from this record according to subsection 5(2) of the *Act*. The severed information is exempt from disclosure under the *Act* for the following reason(s):

- Section 14: advice by or for a public body or minister.
- Section 17: information the release of which would have a detrimental financial or economic impact on NS.
- Section 21: business confidential information.

The remainder of the record is enclosed.

You have the right to ask for a review of this decision by the Information Access and Privacy Commissioner (formerly the Review Officer). You have 60 days from the date of this letter to exercise this right. If you wish to ask for a review, you may do so on Form 7, a copy of which is attached. Send the completed form to the Information Access and Privacy Commissioner, P.O. Box 181, Halifax, Nova Scotia B3J 2M4.

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Please be advised that a de-identified copy of this disclosure letter and the attached response to your FOIPOP application will be made public after 14 days. The package will be posted online at <https://informationaccess.novascotia.ca>. The letter will not include your name, address or any other personal information that you have supplied while making your application under FOIPOP.

Please contact Hunter Grant at 902-424-3780 or by e-mail at [Hunter.Grant@novascotia.ca](mailto:Hunter.Grant@novascotia.ca), if you need further assistance in regards to this application.

Yours truly,

A handwritten signature in blue ink, appearing to be 'P. LaFleche', with a long horizontal stroke extending to the right.

Paul T. LaFleche, Ph.D., P.Geo., FGC  
Deputy Minister

Attach.



Ernst & Young Orenda  
 Corporate Finance Inc.  
 RBC Waterside Centre  
 1871 Hollis St., Suite 500  
 Halifax, NS  
 B3J 0C3

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# Memorandum

To: Nova Scotia Department of Transportation and Infrastructure Renewal (NS TIR)  
 From: Ernst & Young Orenda Corporate Finance Inc. (EY)  
 Date: 11 January 2019

14(1)  
 17(1)  
 21(1)(a)(ii)  
 21(1)(b)  
 21(1)(c)(i)  
 21(1)(c)(iii)

## Highway 104 Twinning Project – Value for Money refresh

The value for money (“VFM”) model has been refreshed based on revised construction and operations, maintenance and rehabilitation (“OMR”) cost estimates for the Highway 104 Twinning Project (the ‘Project’), provided by CBCL (the “Technical Advisors”) on 07 and 09 January 2018. The refreshed model now indicates that delivering the Project through a Design-Build-Finance-Operate-Maintain (“DBFOM”) model as opposed to the traditional model will generate VFM of \$ [redacted] (15.65%).

The revised costs estimates reflect:

- A \$ [redacted] (%) increase in construction costs largely due to an increase in the cost of structures.
- OMR costs during construction of \$ [redacted]m. The model previously assumed a cost of \$ [redacted]m.
- A \$ [redacted] (%) decrease in OMR costs during the maintenance period, largely due to a \$ [redacted]m ([redacted]%) reduction in rehabilitation costs.



A summary of variances resulting from the changes is presented below.

Summary of variances from VFM refresh							
Traditional Model	Original	Revised	Variance	DBFOM Model	Original	Revised	Variance
NPV of Construction Costs	[redacted]	[redacted]	[redacted]	NPV of Annual Service Payments	[redacted]	[redacted]	[redacted]
NPV of O&M Costs	[redacted]	[redacted]	[redacted]	NPV of Milestone Payments	[redacted]	[redacted]	[redacted]
NPV of Rehabilitation Costs	[redacted]	[redacted]	[redacted]	NPV of Substantial Completion Payments	[redacted]	[redacted]	[redacted]
NPV of Retained Risk	[redacted]	[redacted]	[redacted]	NPV of Progress Payments	[redacted]	[redacted]	[redacted]
NPV of Traditional Ancillary Costs	[redacted]	[redacted]	[redacted]	NPV of Retained Risk	[redacted]	[redacted]	[redacted]
Competitive Neutrality	[redacted]	[redacted]	[redacted]	NPV of DBFOM Ancillary Costs	[redacted]	[redacted]	[redacted]
<b>Traditional - Total Net Present Cost</b>	[redacted]	[redacted]	[redacted]	<b>DBFOM - Total Net Present Cost</b>	[redacted]	[redacted]	[redacted]
<b>Value for Money (\$ MM)</b>	[redacted]	[redacted]	[redacted]				
<b>Value for Money (%)</b>	14.51%	15.65%	[redacted]				

Pages 2 to 119 Withheld

Section 17(1),14(1),21(1)(c )(i) ,21(1)(a)(ii),21(1)(c )(iii),21(1)(b)