Government of Alberta

The Way Forward

News release

Alberta

April 22, 2010

Construction of 10 new schools begins in Edmonton and Calgary region

P3 project to save Alberta taxpayers $105 million

Edmonton... The Government of Alberta has signed an agreement with B2L Partnership to design, build, finance, and maintain 10 new schools in Edmonton and the Calgary region through a public-private partnership (P3).

“These schools will serve as the hub of the communities for many years and provide students exceptional learning opportunities,” said Education Minister Dave Hancock. “Not only are we building centres for excellence in teaching and learning, we’re strengthening growing communities and community spirit.”

B2L Partnership had the lowest bid price at $253 million for the Alberta Schools Alternative Procurement (ASAP) Phase II P3 project. The cost of doing the same work through traditional delivery methods is estimated at $358 million, saving Alberta taxpayers $105 million. As a result, the Alberta government signed a contract with B2L Partnership to design, build, and finance the 10 new schools and maintain them for a 30-year term. The P3 selection process is based on the net present value of the project, or the total value of all aspects of the project over the life of the agreement, expressed in today’s dollars.

“Again Alberta’s award-winning P3 method proves to be the best solution for delivering much-needed, top quality schools,” said Ray Danyluk, Minister of Infrastructure. “Through this P3 arrangement we will provide these innovative facilities, designed to inspire and support learning and creativity, about two years sooner than possible through more traditional construction methods and at a significant savings to Alberta’s taxpayers.”

The 10 new Alberta P3 schools are expected to open to students in September 2012. Government’s ASAP Phase II project also includes the design-build of four high schools in Edmonton, Calgary, Spruce Grove and Sherwood Park. The contract for the high schools bundle was awarded to Clark Builders last July at a cost-savings of $40 million to Alberta taxpayers. The high schools are scheduled to be completed in January of 2013.

B2L Partnership is a consortium that includes sponsors and owners Gracorp Capital Advisors Ltd., HOCHTIEF PPP Solutions North America Inc. and Connor Clark & Lunn GVest Traditional Infrastructure Limited Partnership, as well as Graham Design Build Services, Bird Construction Company, GEC Architecture, Gibbs Gage Architects and Honeywell Limited.

“Our experienced team worked together efficiently and creatively through this very competitive

bidding process," stated Tim Heavenor, President Gracorp Capital Advisors Ltd. and Connor Clark & Lunn Traditional Infrastructure Limited Partnership. "Being involved in the successful delivery of the first 18 Alberta P3 schools, our team is pleased to apply our expertise to the next 10."

"We are delighted to partner with the Government of Alberta to deliver this schools project," added Steve Skelton, President HOCHTIEF PPP North America Inc. "With our team's broad infrastructure experience we will provide a worry free, long-term solution that enables educators to focus on the important business of teaching children to lead Alberta into the future."

The contract marks the second phase of an innovative approach to construct new schools in Alberta. The government's ASAP Phase I project, announced in June of 2007, will result in Alberta's first 18 P3 schools opening to Edmonton and Calgary students this fall.

The Government of Alberta has a clear plan for a strong economic recovery. *The Way Forward* will bring Alberta back into a surplus position in three years by trimming government spending; using cash reserves to protect key programs; continuing to invest in public infrastructure; and ensuring that our province's industries are competitive and continue to attract investment to provide jobs and prosperity.

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Backgrounder: Details of the 10 new P3 schools, an ASAP II P3 project overview, and B2L Partnership consortium, are available at:
education.alberta.ca/department/ipr/p3project/asapii.aspx.

Media inquiries may be directed to:

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To call toll free within Alberta dial 310-0000.

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Details on the new ASAP II P3 schools

Calgary Board of Education

Community/School (Grade Structure)	Student Capacity
Coventry Hills Middle School (5-9)	900
Taradale Middle School (5-9)	900
Panorama Middle School (5-9)	900
Tuscany Middle School (5-9)	900

Calgary RCS School District

Community/School (Grade Structure)	Student Capacity
Copperfield Elementary School (K-9)	900

Edmonton School District

Community/School (Grade Structure)	Student Capacity
Griesbach School (K-9)	600
Ellerslie Elementary School (K-9)	850
The Hamptons School (K-9)	850

Foothills School Division

Community/School (Grade Structure)	Student Capacity
Okotoks School (K-9)	700

Rocky View School Division

Community/School (Grade Structure)	Student Capacity
Langdon School (K-4)	450

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ASAP II P3 project overview

ASAP II P3 bundle using efficient and environmentally sustainable school design
As part of a new approach to construction, core school designs for K-4, K-9 and Grades 5-9 school configurations will be used to build 10 new P3 schools in Edmonton, Calgary, Okotoks and Langdon.

Features of core school design
The design has a permanent core building with all the essential elements of a school, including a gymnasium, library, administration offices, washrooms, classrooms and special teaching spaces for subjects such as music, art, science, and career and technology studies. High-performance classrooms are added or removed from the core building as needed, allowing schools greater flexibility to respond to changes in student enrolment.

Core school designs provide equitable facilities that meet provincial school standards and guidelines and will support the Alberta curriculum. The designs will also be easily adaptable to different sites across the province.

The core school designs will be built to achieve a minimum LEED (Leadership in Energy and Environmental Design) Silver certification, an independent rating system used to measure environmental efficiency. LEED Silver-rated buildings are up to 45 per cent more energy efficient than conventional buildings and provide healthier environments as a result of improved air quality and use of natural light.

Features of high-performance classrooms
High-performance classrooms look like permanent classrooms on the inside, thanks to the use of painted drywall, drop ceiling and large windows. Like the core school building, the new high performance classrooms are designed for improved health and comfort of students and teachers, and are outfitted to accommodate state-of-the-art technology.

Design, build, finance, maintain
B2L Partnership is responsible for the design, build, finance and maintenance of the 10 new P3 schools. Government receives a 30-year warranty on the work. Under traditional delivery, warranties are usually only one to two years. Schools will be owned and operated by school boards, and operate like existing schools.

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Facts on B2L Partnership

B2L Partnership was selected to design, build, finance and maintain 10 new schools in Edmonton, Calgary, Langdon and Okotoks through a public-private partnership.

The B2L Partnership consortium consists of:
Project Lead: Gracorp Capital Advisors Ltd., HOCHTIEF PPP Solutions North America Inc.
Design Build: Graham Design Build Services, Bird Design Build Limited
Maintenance and Renewal: Honeywell Ltd.
Financing: HOCHTIEF PPP Solutions North America Inc., Gracorp Capital Advisors Ltd., Investec North America Limited

Gracorp Capital Advisors Ltd.
Gracorp Capital Advisors is a creation of the employee-owners of Graham, dedicated to infrastructure development and long-term project delivery and management. Gracorp manages the Connor Clark & Lunn GVest Traditional Infrastructure LP, an equity fund where Graham employees have made personal investment commitments. The development of Gracorp builds on the success of Graham as a team participant on four Public Private Partnerships Projects, including Northeast Stoney Trail in Calgary ($650 million), Northwest Anthony Henday Drive in Edmonton ($1.4 billion), the Kelowna and Vernon Hospitals project ($425 million), and the first Alberta Schools Alternative Procurement Project ($634 million).

HOCHTIEF PPP Solutions North America Inc.
HOCHTIEF PPP Solutions, which is a wholly owned subsidiary of HOCHTIEF Concessions AG, develops and implements P3 Projects. Worldwide, HOCHTIEF is engaged in a total of 26 P3 projects representing an investment volume of well over EUR 6 billion. The portfolio includes 19 projects in the field of social infrastructure including 92 schools with approximately 60,000 students, a military base, two city halls, a service center, as well as seven transport infrastructure ventures.

Graham Design Builders and Bird Construction Company
Both firms are Canadian top 10 contractors by construction volume. Bird Construction and Graham Design-Builders have independently constructed over 100 school projects in western Canada in the recent past including, the first Alberta Schools Alternative Procurement Project as a fully integrated and 50/50 joint venture.

Graham Design-Builders:

- Headquarters located in Calgary with operations dating back 80 years;
- Local offices in Edmonton and Fort McMurray; and
- Graham has revenues close to $2 billion; 1,000 salaried staff; and 6,000 hourly workers.

Graham has completed over 100 educational projects in western Canada in the recent past.

Bird Construction:

- Founded in 1920 in Moose Jaw with operations in Alberta dating back over 70 years; and
- Local offices in Edmonton and Calgary with $850 million annual revenues.

GEC Architecture and Gibbs Gage Architects
GEC and Gibbs Gage are two of the top educational designers in Alberta with each having completed numerous projects with both Bird and Graham.

GEC Architecture:

- Formed in 1966, GEC has completed numerous schools and post-secondary buildings throughout Alberta, including the Banff High School, first LEED-accredited school in Canada; and
- Responsible for some notable Calgary buildings including the expansion to Bow Valley College, the Calgary Telus Convention Centre, and the Olympic (Pengrowth) Saddledome.

Gibbs Gage Architects:

- A Calgary-based firm that is one of Alberta's largest single-discipline architectural firms and employs over 120 professionals;
- Routinely completes over $2 billion in construction each year; and
- Currently involved in a range of high profile educational facility projects including Drumheller Composite High and the Heritage Building.

Honeywell Limited (Canada)

- Honeywell is a Fortune 100 diversified technology and manufacturing leader headquartered in Morris Township, New Jersey.
- The company established its Canadian operations in 1930 and now has approximately 5,000 employees in more than 40 locations across the country. This includes a district office in Calgary and several other branch locations in Alberta.
- Honeywell is a pioneer in building automation and services; it installs, integrates and maintains the systems that keep facilities safe, comfortable and energy efficient.

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