Ontario Hot Mix Producers Association

May 1, 2014

Ministry of Transportation
Northeastern Region
Outline

2013-14 What We’ve Done

- Provincial Capital Construction Budget
- Northeast Capital Construction
- 2013 Accomplishments

2014-15 Where we’re going

- 2014 Highlights of this year to date

Construction Program Management
Capital Budgets ($M) 2001 – 2013

- **Construction**
- **Engineering & Property**
- **Other Capital**

Bar chart showing budget allocations for different categories from 2001 to 2013. The total budget for 2013/14 is $2.8B.
2013/14 Capital Budget - $2,757 M

$320 M for other transportation programs
(Service Centres, Interest Capitalization, Remote Airports, Ferries, Program Support)

$204 M for design and property

$2,233 M for highway construction:

<table>
<thead>
<tr>
<th></th>
<th>Rehab</th>
<th>Traditional</th>
<th>Expansion</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>South</td>
<td>$673 M</td>
<td>$227 M</td>
<td>$820 M</td>
<td>$1,720 M</td>
</tr>
<tr>
<td>North</td>
<td>$383 M</td>
<td>$121 M</td>
<td>$9 M</td>
<td>$513 M</td>
</tr>
</tbody>
</table>

$1,056 M + $348 M + $829 M = $2,233 M
Northeastern Region Accomplishments

Capital Construction

2013 Expansion

- Over $40 M total investment

2013 Rehab

- Over $260 M total investment
  - Over $35 M Minor
    - $12 M AMC (in-scope cap)

Total investment of over $300 M
Northeastern Region

2013 Expansion Accomplishments

Over $40 M total investment

- 20 km of new freeway underway
- 4 new bridges underway
- 18 new structural culverts underway
- Design-Build for Hwy 637 patrol yard completed
Northeastern Region

2013-14 Rehab Accomplishments

Over $260 M total investment

Over 50 Major capital projects underway

- Resurfacing 321 km
  (Preventative – 52 km)

- Surface Treatment 292 km
  (Single ST – 164 km)
  (Double ST – 128 km)

- Bridge Rehabilitation 24
- Bridge Replacement 7
- Culvert Rehabilitation 10
- Culvert Replacement 7
## Northeastern Highways Program Overview

<table>
<thead>
<tr>
<th>2013-14</th>
<th># of Contracts</th>
<th>Average Contract Value $(M)$</th>
<th>Type of Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $5M</td>
<td>24</td>
<td>$2.1</td>
<td>1 – OP/MOD 23 – REHAB</td>
</tr>
<tr>
<td>$5-10M</td>
<td>6</td>
<td>$8.3</td>
<td>6 – REHAB</td>
</tr>
<tr>
<td>$10-50M</td>
<td>1</td>
<td>$10-25</td>
<td>1 – REHAB</td>
</tr>
<tr>
<td>Total Major Capital</td>
<td>31</td>
<td>+ $105 M</td>
<td></td>
</tr>
<tr>
<td>Total Minor Capital</td>
<td>141</td>
<td>+ $37 M</td>
<td></td>
</tr>
</tbody>
</table>
### Network Condition

<table>
<thead>
<tr>
<th>Year</th>
<th>Pavements (% Good)</th>
<th>Structures (%Good)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>55</td>
<td>63</td>
</tr>
<tr>
<td>2010</td>
<td>62</td>
<td>65</td>
</tr>
<tr>
<td>2011</td>
<td>63</td>
<td>69</td>
</tr>
<tr>
<td>2012</td>
<td>66</td>
<td>69</td>
</tr>
<tr>
<td>2013</td>
<td>67</td>
<td>72</td>
</tr>
</tbody>
</table>
2014 Program Year

- Delay of Provincial Budget
- 18 carry-over projects
- 20 Projects advertised in 2014 to date
- Planning on continuing to advertise
- Pending budget approval expect more late summer and fall tenders
2014/15 Highway Construction

Rehabilitation:
• Main focus is rehab of pavements and bridges

Expansion:
• Continuing key expansion projects
  (i.e. Hwy 69, Highway 11-17 Nipigon, Herb Grey Parkway, Hwy 407E, Ottawa HOV, Hwy 417 Nicholas to OR 174,)
  • Programs published in 2013-17 Southern and Northern Highways Program
Construction Program Management

Plan our program to maximize construction season
- Track carry-over work expenditures
- Plan new tenders based on anticipated budget

Once we have received our budget
- Adjusted overall construction program
- Continuously monitor to maximize budget
  - Tender schedules
  - Award values
  - Expenditure profiles
Construction Program Management

Challenges that impact Program delivery and expenditures

- Changes to progress of ongoing projects
  - contractor schedules, weather, accelerations, delays
- Environmental clearances
- Award values

MTO immediately takes action

- Update expenditure forecast to year end
- Recalibrate remaining tenders for current year
- If there is budget room, tender additional projects
MTO’s Commitment

• Continue to be proactive:
  • Strategically plan our construction program
  • Constantly monitor progress of projects and expenditures
  • Quickly take action (i.e. tender additional projects)

• In addition:
  • Increase amount of construction-ready projects
  • Maximize early tender calls
How Construction Operations Can Help

• **Vitally important to submit:**
  • updated, accurate and timely construction schedules
  • invoices as work is completed

• **Allows the Ministry to:**
  • Accurately forecast expenditures
  • Adjust the tender schedule as needed
  • Increase the number of Early Tender Calls
  • Maximize budget
Thank You

Questions?