

Infrastructure investment decision process in Quebec

June 5, 2015



Quebec Infrastructure Plan

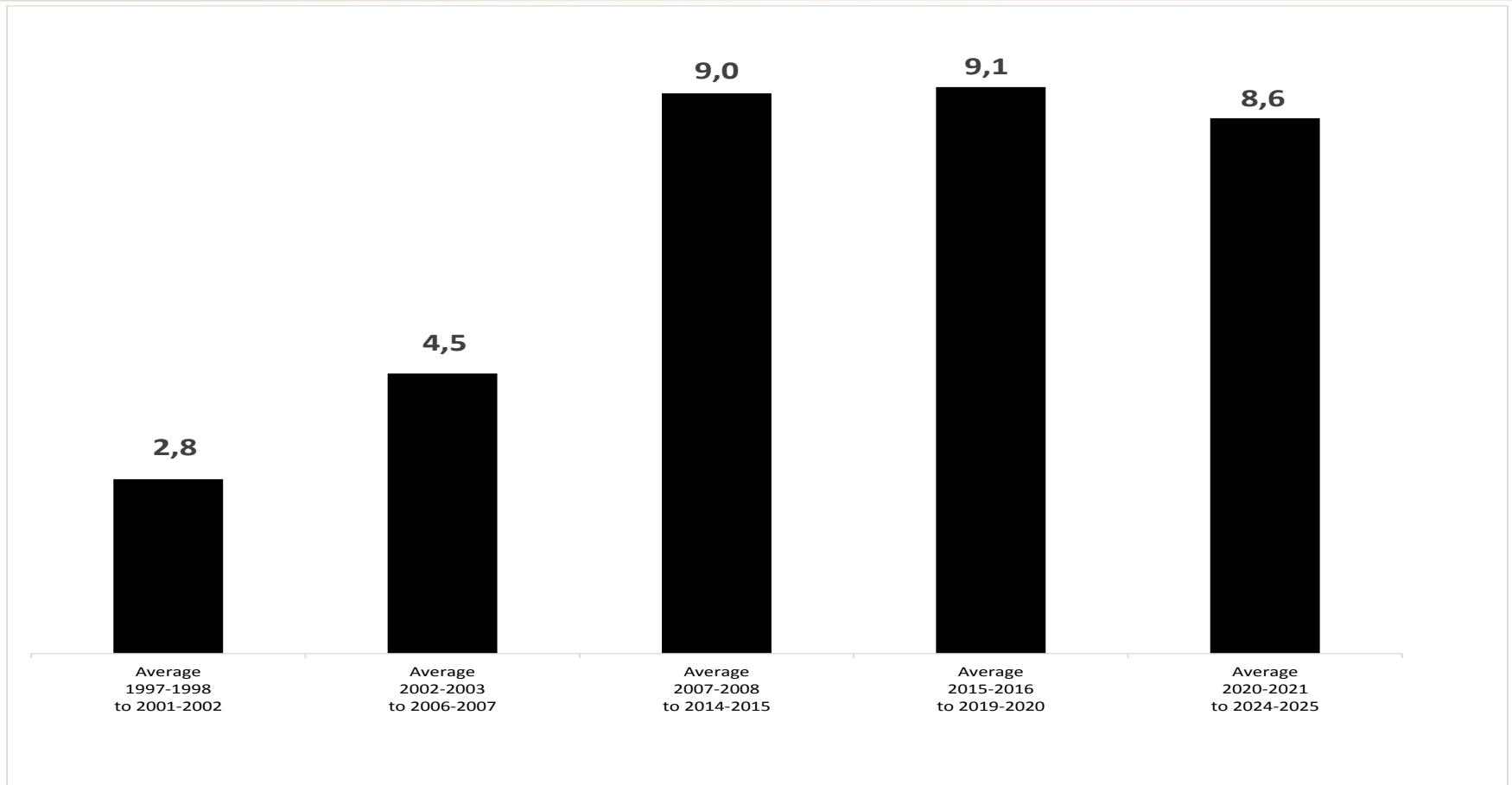
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Highlights of Quebec's Infrastructure

Quebec Infrastructure Plan

Evolution of public infrastructure investments since 1997-1998





Quebec Infrastructure Plan

Quebec's infrastructure is composed of :

- More than 30,500 km of roads, consisting of highways, collectors and resource roads;
- 2,613 buildings for the health and social services network;
- More than 6,000 buildings, for schools, college's and universities

What is the Quebec Infrastructure Plan



Quebec Infrastructure Plan

Quebec Infrastructure Plan presents the planning of public infrastructure made by :

- Departments and agencies;
- Institutional networks of Health and Education;
- Crown corporations;
- Cities and public transport companies subsidized by the government.

1st level of decision :
Decision process for elaborating the
Quebec Infrastructures Plan
(PQI)



Quebec Infrastructure Plan

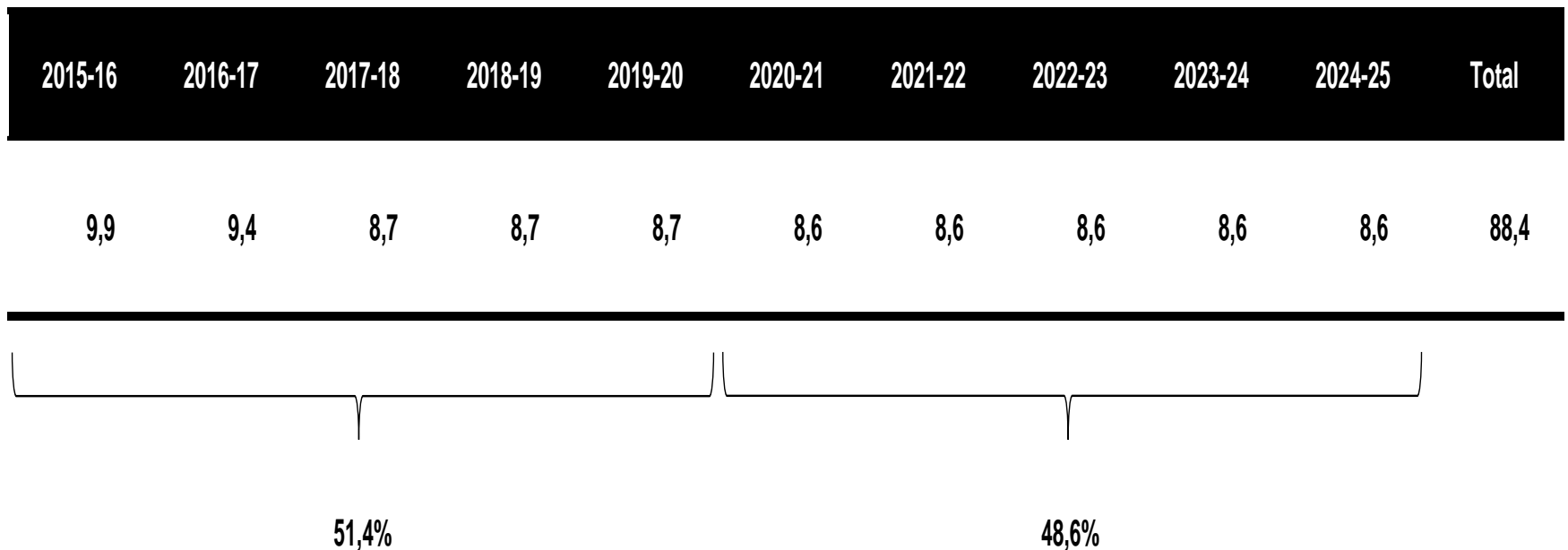
A total of \$88.4 billion infrastructure investment program that will ensure :

- Ensure maintenance and safety;
- Support economic growth in Quebec in respect with its citizens' ability to pay.

Quebec Infrastructure Plan

A balanced distribution

Annual investments in the 2015-2025 Québec Infrastructure Plan
(contribution of the Gouvernement du Québec, in billions of dollars)





Quebec Infrastructure Plan

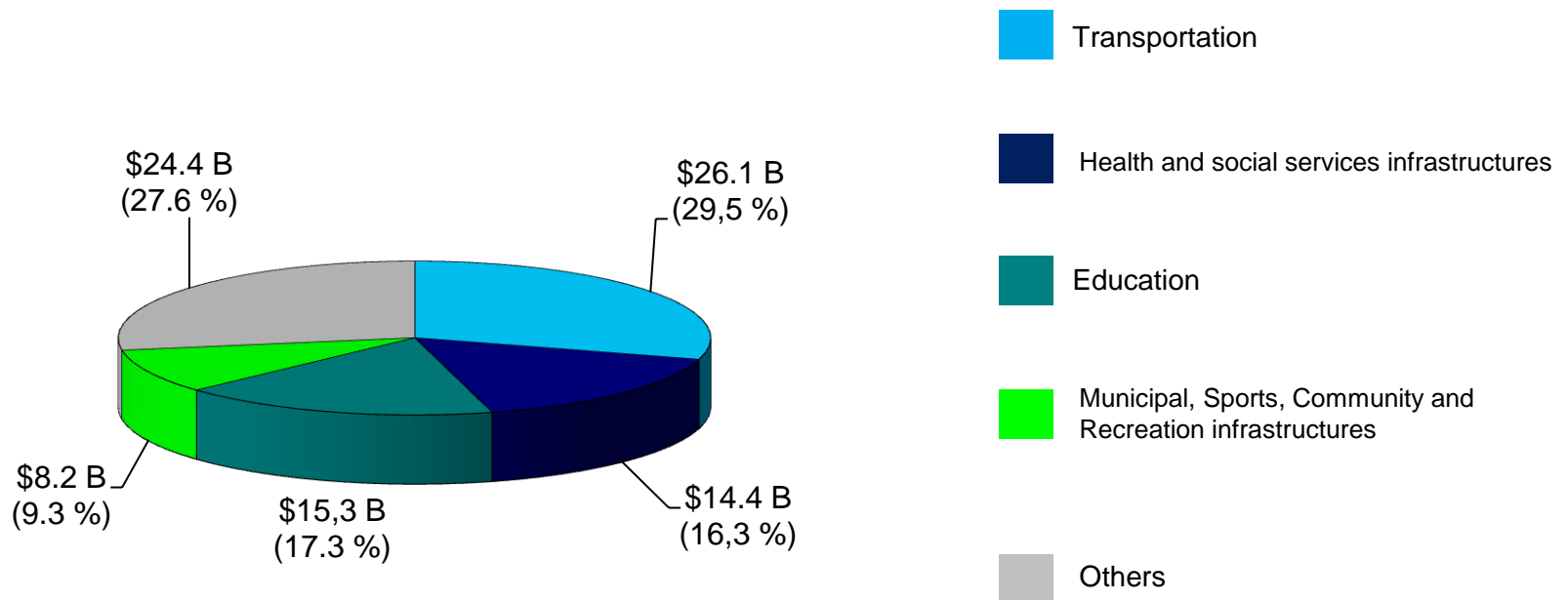
Highlights of this long-term plan

\$88.4 billion over the next 10 years for infrastructure development and renewal to promote economic growth

- \$26.1 billion for Transportation;
- \$14.4 billion for Health and Social services infrastructure;
- \$15.3 billion for Education;
- \$8.2 billion for Municipal, Sports, Community and Recreation infrastructure;
- \$24.4 billion for Others

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PQI 2015 – 2025 by sector of activity





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Quebec's infrastructure priorities support projects that directly contribute to :

- Economic growth;
- Productivity;
- Innovation;
- Job creation.



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Breakdown asset maintenance vs new projects

The first priority is to maintain the government services:

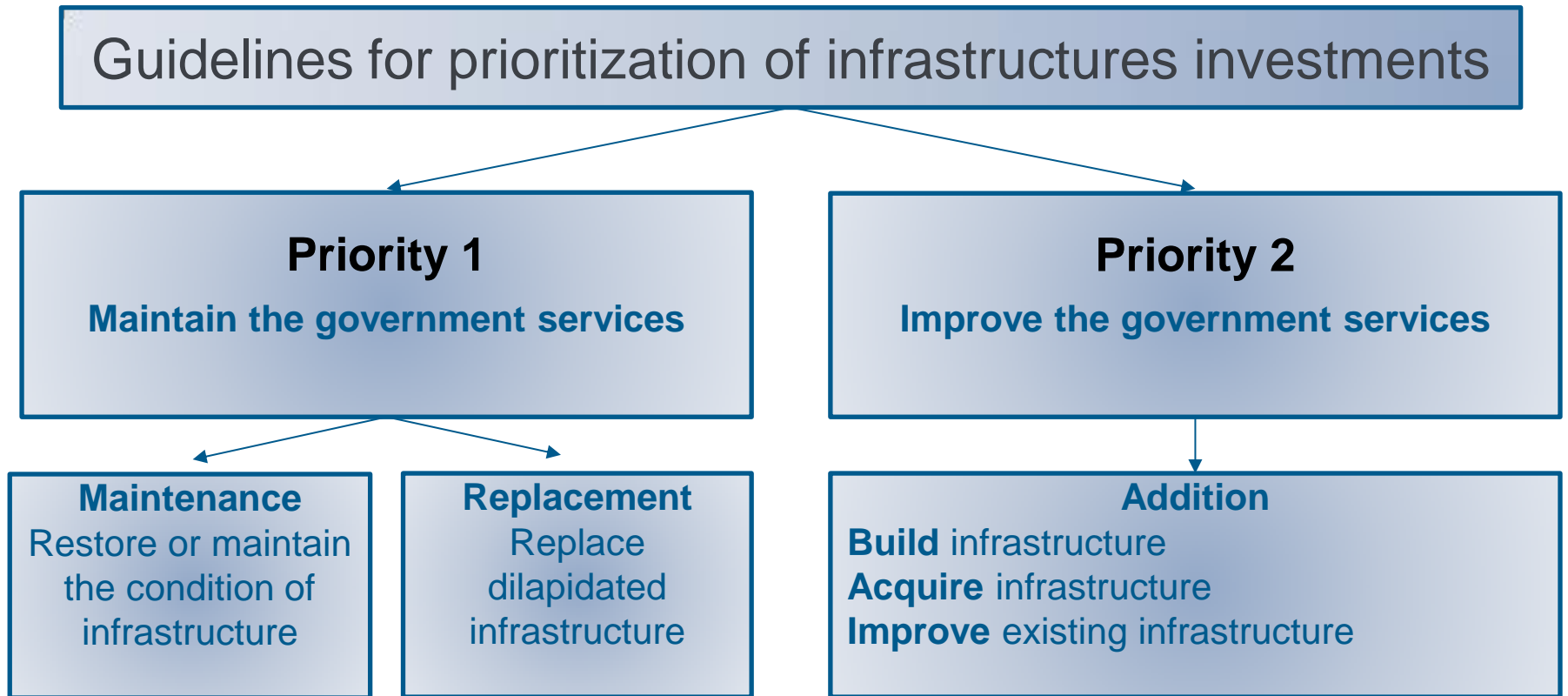
—70 % of the PQI

The second priority is to improve the government services:

—30 % of the PQI

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Prioritization of infrastructure investments





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Maintain the offer of government services

Criteria for determining budgets and projects that are to restore or replace tumbledown infrastructure

Prioritization of projects by department and body in order to:

- Ensure public health and safety
- Avoid a service interruption
- Reach the target to bring infrastructure up to standards



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Improve the government services

Additional projects improving the government services are selected based on :

- Merit;
- In cases that foster Quebec's economic development.

2nd level of decision : **Decision process for asset maintenance**

Governmental Condition Indicator

Indicator	Condition	Description
A	Very good	The infrastructure is generally new or has been refurbished. It provides service free of interruption or slowdowns, is safe for people and does not affect their health.
B	Good	The infrastructure shows a low level of degradation and defect. The building, civil engineering work or, if applicable, equipment, requires some asset maintenance work. Generally, the infrastructure is in the second third of its useful life. Interruptions or service slowdowns may occasionally occur. The infrastructure is safe for people and does not affect their health.
C	Satisfactory	The infrastructure shows a moderate level of degradation and defect. The building, civil engineering work or, if applicable, equipment, requires regular asset maintenance work. Generally, the infrastructure is in the final third of its useful life. Interruptions or service slowdowns occasionally occur. Risk mitigation measures are implemented as needed. The infrastructure is safe for people and does not affect their health.
Condition threshold		
D	Poor	The infrastructure shows a high level of degradation and defect. The building, civil engineering work or, if applicable, equipment, requires significant, and sometimes urgent, asset maintenance work. Generally, the infrastructure has surpassed its useful life. Interruptions or service slowdowns occur often. Significant risk mitigation measures are implemented as needed. The infrastructure is safe for people and does not affect their health. ----- Returning the infrastructure to at least a satisfactory condition, replacing it or closing it should be considered.
E	Very poor	The infrastructure shows a very high level of degradation and defect. The building, civil engineering work or, if applicable, equipment, requires very significant, and often urgent, asset maintenance work. Generally, the infrastructure has clearly surpassed its useful life. Interruptions and service slowdowns occur very often. Very significant risk mitigation measures are implemented. The infrastructure is safe for people and does not affect their health. ----- Returning the infrastructure to at least a satisfactory condition, replacing it or closing it is necessary.



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The PAGI confirmed that the majority of our infrastructures are in a satisfactory condition.

Over the next ten years, the Government plans to invest:

- \$31.3 billion for asset maintenance;
- \$6.0 billion for eliminating the asset maintenance deficit;
- \$14.5 billion for replacing existing infrastructures.

3th level of decision : **Decision process for major infrastructure projects**

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Governance and decision process for majors projects

All the infrastructure projects are divided into three categories, according to their degree of advancement:





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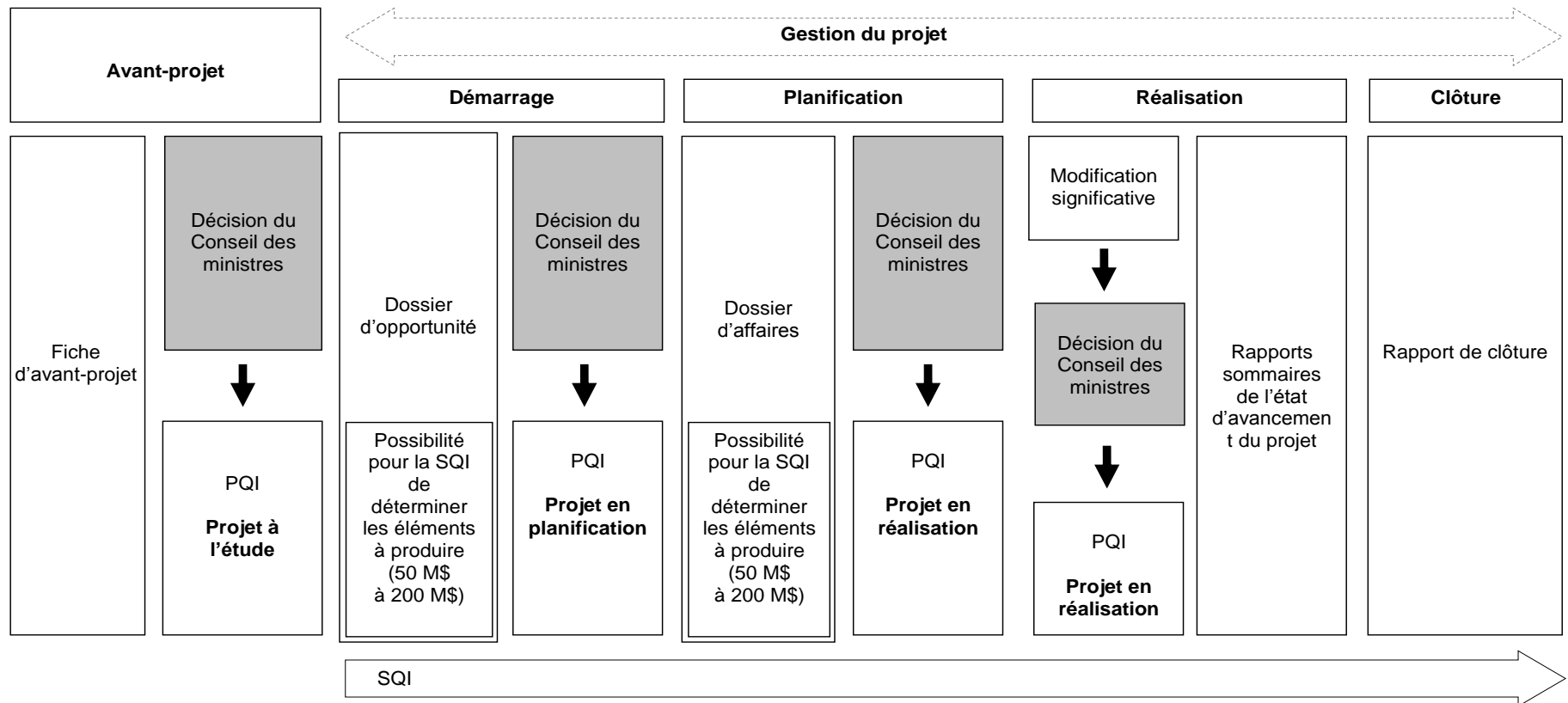
Decision process with the majors projects

The 2015-2025 PQI includes a total of 154 projects whose costs exceed \$50 million, distributed among various sectors.

—67 are already “in progress” and the Quebec’s contribution is estimated at about \$21 billion.

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Governance and decision process





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New method for carrying out structuring infrastructure projects

A new agreement between the Gouvernement of Quebec and the Caisse de dépôt et placement du Quebec

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The End

